



Financial Risk Management Policy

About the Council

Stalham Town Council is a Medium council as defined by the Local Audit and Accountability Act 2014. The Council has varying activities and functions and is currently insured through BHIB. The Insurance Policy is for a term of 1 years and is due for renewal 1st June 2027.

The contact details for the insurers are:

Clear Councils Tele: DD: 0330 0130036

The Clerk retains the insurance file and will deal with all matters relating to risk and insurance. This is detailed in the Clerk's Job Description and supported by 'Governance and Accountability 2016'. The Council supports the Clerk in this role by providing training opportunities. The Council agrees the Risk Management Policy which is reviewed every year.

Main Actions in relation to risk management

- ✓ The Asset Register is updated during the year by the Clerk.
- ✓ Risk assessments (Health and Safety) are written and updated by the Proper Officer and Councillors and agreed by Full Council. Copies of risk assessments are retained and sent to the Insurance company.
- ✓ Sites are inspected at least annually, and records are retained.
- ✓ Play Areas are inspected weekly, and an annual inspection must be carried out by an external qualified inspector. All inspections must be retained for at least 22 years.
- ✓ The Council reviews the Insurance Policy prior to renewal.
- ✓ Financial Risk Assessments are carried out by the Clerk / Responsible Financial Officer, as required.
- ✓ Documentation is kept safely and securely.
- ✓ The Council reviews its systems of Internal Control at least monthly.

FINANCIAL RISK ASSESSMENT

Risk Ratings: L = Low
M = Medium
H = High

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Employee and Public Liability	Accidents and associated legal claims.	M	• Risk assessments carried out by the Proper Officer and Councillors.	Reviewed annually in unless legislation changes.
	Unfounded legal claims	M	• Full previous history and reference on employees, at employment. • Public Liability insurance is held in the sum of £10 million to protect the Council from claims by third parties due to accident or damage resulting from negligence. • Employer's Liability insurance is held in the sum of £5 million. This covers the legal liability of the Parish for negligence following death or bodily injury or disease sustained by employees during and arising out of or in the course of their employment. • Lone Workers Policy	Taken up by the Employment Committee Reviewed annually in April when renewal is put to Full Council Reviewed annually in April when renewal is put to Full Council
	Sickness		• Adequate work/life balance	Reviewed annually in March
				Review at appraisal

				in February.
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Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
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Fraud and / or theft by officers / employees, third parties, Members	Loss of cash, funds or assets	H	• Reconciliation of the cashbook against the bank statement is done on a monthly basis by the RFO • Bank reconciliation, bank and credit card statements are agreed at Full Council and signed off by the Chairman. • A list of payments are prepared for the Full Council. Councillors discuss and 2 Councillors authorise these payments. • Approval of accounts for payment is recorded in the minutes. • Internal audit carried out at least once a year by a competent person and appointment agreed by Full Council. • The cashbook is maintained using a recognised accounting package, updated as necessary, and is backed up on a monthly basis. • Financial Regulations have been adopted which set out procedures. • Asset insurance and Fidelity insurance well in excess of perceived risk in place. • Key holders kept to a minimum as agreed at Full Council.	In line with the Financial Regulations (FR) In line with FR and Financial Standing Orders Ongoing Ongoing Consideration to be given to doing twice a year Regular backups should be held outside of the office Reviewed every two years, however need to be made Stalham specific Review annually
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Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Premature replacement of equipment	Costly equipment in need of replacement	L	- All new assets come with a statutory warranty - Adequate general reserves to fund other contingencies are included in the budget	On going Reviewed annually
Vandalism / fire	Loss of amenities / revenue Cost of repair / making good	M	- Assets insured against incidents - Fire alarm systems are in place and regularly monitored and maintained - Inspections of fire extinguishers carried out	Limited key holders Carried out annually
Disaster	Inability to function due to death / illness / departure of key personnel or destruction of property and / or records. Loss of revenue	L	- Risk insured as far as possible - Risks to be reassessed annually - Adequate reserves in place to fund all contingencies - Computer records backed up weekly	Reviewed annually Reviewed annually On-going Back-ups to be stored in the cloud
Failure of major projects	Supplier failure leaving incomplete works	M	STC does not have any major projects planned. If a major project is to be planned then this item will be reviewed.	None
Contractors	Injury to self or public		- Public Liability Insurance - Contractor must have own Public Liability insurance and provide RAMS in advance of any works.	Reviewed annually

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Inadequate internal systems and controls	Failure to comply with legislation, Standing Orders and / or Financial Regulations	L	• Clerk / RFO to gain CiLCA qualification • Review of systems and internal controls • Membership of NALC, and the SLCC	CiLCA passed by Clerk Monthly by a Councillor Reviewed annually
Councillors	Losing Councillor membership or having more than 8 vacancies at any one time	M	• Correct legal process followed when vacancies arise. • Appropriate action taken to try and co-opt Members onto the Council	Existing procedure adequate and in line with legislation Inform NNDC
Precept	Adequacy of precept Requirement not submitted to NNDC in time.	M	• Precept request supported by budget and agreed at Full Council • RFO to expedite NNDC for deadline date	

Salaries	Salaries paid incorrectly Wrong hours paid False employee Wrong rate of pay Wrong deductions of NI or Tax Unpaid Tax & NI contribution to the Inland Revenue	L	• The Council authorises the appointment of all employees through an Employment Committee and ratified at Full Council • All employees have a contract of employment and job description. • Salary rates are assessed annually by Full Council • Salary analysis and slips are produced by the RFO monthly together with a schedule of payments to the Inland Revenue for Tax and NI • The Tax and NI are worked out using an Inland Revenue computer programme updated annually. • Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by the RFO.	Employment Committee Terms of Reference reviewed annually Updated as required by HMRC
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Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
VAT	Loss of income	L	Vat is reclaimed quarterly by the RFO.	Annually
Council acts ultra vires	Minutes or agendas are not correctly issued. Council spends outside its legal powers	L	- Council relies on a Competent/Experience and Qualified (CiLCA) Clerk in post. - Minutes and agendas are produced in the prescribed method by the Clerk and adhered to the legal requirements and best practice guidelines. - Minutes are approved at Full Council Meetings and signed at the appropriate meeting. - Minutes and agendas are displayed according to the legal requirements. - Council and Clerk seek guidance from professional bodies where necessary. - Business conducted at Council meetings is managed by the Chair. - Training in place	Existing procedures in place adequate Ongoing Ongoing Ongoing Subscriptions reviewed annually Members to adhere to Code of Conduct. Reviewed Annually
Election costs	Risk of an election cost	H	The Clerk to obtain an estimate of costs from NNDC for a full election and an uncontested election prior to the event.	The Council needs to budget a cost in an election year.

Annual return	Completion / submission within time limits	L	Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent to the external auditor within the time limit.	Existing procedure adequate.
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Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Members Interests	Conflict of interest. Register of Members interests	M	- Declaration of interests by Members at a meeting is a standard agenda item. - Register of Members Interests forms should be reviewed regularly by Councillors.	Existing procedures adequate Members to take responsibility to update their Register Reviewed annually
Data protection	Policy provision	M	A Data Protection Policy to be written; approved and adopted.	Review policy annually
Freedom of Information Act	Policy provision	M	- STC has a Freedom of Information (FOI) Policy in place. - STC can request a fee if the work takes a long time in line with the FOI Policy.	Reviewed annually Clerk to monitor and report any impacts of requests made under the FOI Act.
Play Area	Risk / damage / injury to third parties	H	- Weekly inspections carried out by an internal competent / trained person. - Annual inspections carried out by an external competent / trained person. - All reports of damage or faults are reported to Council and a decision made regarding the action to be taken. - Public Liability Insurance in place	Weekly Annually Risk assessments of play areas to be carried out Reviewed annually

Financial Hazard	Risk	Level of Risk	Control Measures to Manage Risk	Review / Assess / Revise
Street furniture	Risk / damage / injury to third parties	H	- All faulty street lighting reported to STC's authorised contractor. - Contractor has Public Liability in place. - Benches, waste bins, dog bins, signs and planters, replaced as necessary.	Formalised programme of inspections to be put in place.
Meetings location	Inadequate facilities Health & Safety	M	- The Council meetings are held at the Town Hall or the Poppy Centre - The premises and facilities are adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects. - Public Liability Insurance - Standing orders in place	Existing location adequate.
Grants and support – payable	Power to pay Authorisation of Council to pay	L	- Grants Policy in place - All such expenditure goes through the required Council process of approval, minuted and listed accordingly if a payment is made using the S137 power of expenditure.	Reviewed annually
Grants – receivable	Receipts of grants	L	STC does not presently receive any regular grants. One of grants would come with terms and conditions to be satisfied.	Procedure would need to be formed if required.
Assets	Risk / damage / injury to third parties	M	- Covered on Councils insurance - Asset register to be updated and agreed at Full Council - Inspection and Maintenance programme in	Reviewed annually.

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Income	Cash Rental and general income	M	- Cash handling is avoided, but where necessary controls are in place, two Councillors to count and sign for cash received. - Councillors to see list of income - Tenancy/Hire Agreements signed by all parties - Burial register checked to ensure all fees and burial fees are paid and up to date. - Allotment fee to be paid annually - Investment income to be noted and review levels annually.	Adequate procedure Monthly at Full Council Ongoing Review annually Review policy Annually

