

PATCHWAY TOWN COUNCIL

Policy for Financial Risk Management

The Council identified the following financial risks which could be managed by policies, procedures and insurances:

- 1) The protection of physical assets owned by the council: buildings, furniture, equipment etc. (loss or damage insurance) and the keeping of an up to date register of assets which is checked regularly by staff and by the internal auditor.
- 2) The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability insurance) and regular maintenance of machinery and equipment.
- 3) The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss insurance) and annual review of risk and the adequacy of cover .
- 4) Loss of cash through theft or dishonesty (fidelity guarantee insurance) and annual review of risk and the adequacy of cover.
- 5) Legal liability as a consequence of asset ownership (public liability insurance) and ensuring the robustness of insurance providers.
- 6) The internal auditor should test internal controls and confirm adequate insurance cover and report findings to the Council.

The Council identified the following financial risks which could be managed by working with others:

- 7) Security for vulnerable buildings, amenities or equipment: all buildings are alarmed and connected to a monitoring company. The Council has a service agreement with the alarm company who maintains all the systems regularly.
- 8) Maintenance of CCTV systems: a system at Rodway Road shops is covered by a maintenance agreement with a company recommended by the police.
- 9) Banking arrangements are with the National Westminster Bank and periodic meetings are held with the Manager to ensure best service.

- 9) Ad hoc provision of facilities for events to local community groups: The Council ensures that the organisers have risk assessments and insurance.
- 10) Professional services: The Council ensures that any services provided by accountants, architects or other professionals are covered by a contract.
- 11) Standing Orders and Financial Regulations cover the award of contracts for services or the purchase of capital equipment.
- 12) An annual review of suppliers ensures good performance by suppliers and contractors.
- 13) Monthly scrutiny of receipts, payments, VAT returns and bank reconciliations by the Finance Committee and quarterly review by the internal auditor ensures that fraud and /or corruption do not occur.
- 14) The Finance Committee develops and monitors the annual budget of the Council and monitors grants and loans made and received.
- 15) Checking by the internal auditor takes place to ensure that monitoring arrangements and controls, adequacy of insurance cover and recording of financial and legal decisions are carried out.
- 16) The Personnel Committee ensures that legal requirements are met regarding employment of staff, issuing of contracts and adequate policies and procedures.
- 17) The Council ensures that procedures are in place to record and monitor Members' Interests and gifts received and adopt codes of conduct for Members and employees.

Adopted by the Finance Committee

6.11.12.

Revised 2.10.18.