

Scarning Parish Council

Risk Management Policy

The Parish Council is responsible for putting in place arrangements for the management of risk in all its activities. When considering any new activity, the clerk prepares a Risk Assessment. Where necessary, this is submitted to the council's insurers in advance of the activity. No significant activities are undertaken by the clerk or members of the council without a Risk Assessment being carried out prior to the activity being undertaken.

In the case of work carried out for the council by contractors, the clerk ensures that all contractors are handed a copy of the council's Notice to Contractors - Appendix A of the Health and Safety Policy. This ensures that contractors carry out their own Risk Assessment prior to undertaking any works. The council obtains a copy of the contractor's Public Liability insurance cover.

The council maintains an insurance policy with Aon Insurance. Insurance is the most common approach to certain types of risk, such as damage to council assets, loss or damage. However, it is important for the council to recognise the part it plays in minimising risk in all its activities, as well as damage to the council owned assets. It is important therefore for the council's assets to be regularly inspected. The clerk therefore carries out an annual assessment of all council owned assets, the result of which is submitted in a report to the council. The report is directly linked to the council's Asset Register. Any necessary repairs are considered by the council. The clerk also makes periodic checks of council owned assets and any necessary repairs are put before the council for consideration. The Asset Register not only lists the location of all council assets, but the value of those assets in order to ensure that the council has adequate insurance cover on each particular asset.

The council aims to take all practical and necessary steps to reduce or eliminate risk, in so far as is practically possible. This document has been produced to enable the council to assess the risks that it faces and to satisfy itself that it has taken adequate steps to minimise them.

This review was prepared by the clerk and approved by Scarning Parish Council at its meeting held on 20 March 2017.

It will be reviewed in March 2018 and annually thereafter.

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(Chairman)

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(Parish Clerk)

Subject	Risk	H/M/L	Management/ control of risk	Notes/ action
FINANCIAL AND MANAGEMENT				
Business continuity	The council cannot function due to the clerk not being to carry out his duties through illness, resignation or misconduct	L	The clerk has arranged for a fellow clerk to attend council meetings in the event of illness. The chairman would deputise for the clerk.	If the clerk cannot carry out duties for more than three months, the council will consider appointing a locum clerk, or replacement
Precept	The District Council reduces the amount of the precept from that requested by the council.	L	The council holds at least a quarter of the precept in its account. This would cover immediate shortfall.	
Financial Records	Financial Irregularities	L	Two councillors sign all cheques. The clerk is not a signatory. See appendix A.	Financial Regulations are reviewed annually
Bank and banking	Inadequate checks Bank Errors or losses	L L	The ICO makes quarterly checks The clerk would find in bank reconciliation	It is considered the existing system is sufficiently robust

Cash	Loss through dishonesty or theft	L	The amount of cash collected does not exceed £16.05 Cash is banked within 3 working days	It is considered the existing system is sufficiently robust
Former Allotment Rent	Rent is not paid or the site is not kept in reasonable condition	L/M	The clerk regularly monitors the site. If the tenant refuses to carry out work, the council may be left to pay the bill. Rent is payable at the beginning of the lease.	The council can terminate the tenancy agreement if the tenant does not abide by the conditions of the lease. If the tenant does not pay his rent, the council can refuse to commence the tenancy. The lease is renewed annually
	Third party damage/liability in respect of the land	L	Covered by Public Liability insurance. Tenant is responsible for land under conditions of lease.	

Rents/land holdings	Non payment of rent for former Highway Surveyors Land and ditch at Fir Acre	L/M	Rent is payable at the beginning of the lease.	If the tenant does not pay his rent, the council can refuse to commence the tenancy. If the tenant does not meet the conditions of the lease, the council can end the tenancy. The lease is renewed annually
	Third party damage/liability in respect of the land	L	Covered by Public Liability insurance. Tenant is responsible for land under conditions of lease.	
Salaries	Salary paid incorrectly	L	The clerk is paid by Standing Order. Any change is authorised by two councillors. The clerk's salary is annually assessed by the whole council.	
	Salary deductions	L	The clerk's PAYE is assessed by an outside party - Thinking Rural	
	Clerk's expenses	L	Any expenditure is reimbursed on production of receipts. Mileage is recorded	

Fraud	Fraud by the clerk or signatories	L	The ICO checks transfers of the council's funds. The Internal Auditor checks the council's funds. All cheques need to be signed by two councillors. The clerk is not a signatory.	Fraud would require the collusion of two signatories. Any fraudulent activity would be detected in the bank reconciliation
Health & Safety	Inadequate awareness	L	The council has introduced a Health & Safety Policy. This includes a Lone Working Policy	Training is offered where necessary
Best Value	Quotes for larger projects	L	Financial Regulations state the number of quotes needed for larger projects.	The council's Financial Regulations are reviewed annually
	Project Overspend	L	Expenditure on projects is monitored by the clerk	

Grants paid	Grant monies are not used for the stated purpose of the grant	L	The council has a Grants Policy. All grants are considered by the council. Grant recipients are asked to provide evidence of expenditure to the clerk. If not received, the clerk writes to the recipient to obtain	
Election costs	Risk of unexpected election	L/M	The risk is higher in an election year	The council has sufficient reserves to cover costs
Councillor Allowances	Councillors are overpaid	L	No allowances are allocated to councillors	No procedure required
Chairman's Allowance	The chairman is overpaid	L	This is paid on production of receipts	
VAT	Reclaiming	L	The clerk annually reclaims VAT paid on behalf of the council. The council does not charge VAT	

Annual Return	Completed and submitted within time limits.	L	The Return is submitted to the internal auditor and then approved by the council before submitting to the External Auditor	The existing procedures are considered adequate. The clerk ensures the Return is submitted on time.
Legal powers	Illegal activity or decision making	L	All activity and expenditure are resolved by the council. The clerk ensures the council has appropriate powers	All decisions of the council are minuted
Agendas/minutes	Accuracy and legality	L	Minutes and agendas are completed by the clerk to defined standards and legal requirements Minutes are approved and signed. Minutes and agendas are displayed according to legal requirements	

Members interests	Conflict of interest Register of Members Interests	L L	Councillors declare interests at start of meetings Any changes are noted. The register is regularly updated	The existing procedures are considered adequate
Insurance	Meets needs and is competitive	L	The council reviews its insurance policy annually	The council holds all necessary insurances
Legal liability	Legal liability as a consequence of asset ownership (public liability)	L	The council holds Legal Expenses cover in its insurance policy of £250,000	
Data protection	Data protection rules followed	L	The council is registered with the Information Commissioner	
Freedom of Information	Policy	L	The council has a model publication scheme in place	
RECREATION & PLAY AREAS				
Subject	Risk	H/M/L	Management/control of risk	Notes/action

Assets	Loss or damage, and risk of damage or injury to third parties	L	Clerk carries out annual Asset Review. All assets are recorded in the Asset Register	Regular checks are undertaken by the clerk. Necessary repairs are approved by the council
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Recreation Areas	Scarning Playing Field	L	The council funds the Playing Field Committee, which separately insures the pavilion and play equipment, and carries out remedial works, as well as grounds maintenance	Outdoor Fitness equipment is maintained by the council and regularly inspected by Norfolk Games & Frames. The clerk carries out an annual Access Audit in line with the council's Equality Policy.
	Scarning Water Meadows	L	The play areas are monitored by a member of the council. The clerk makes periodic inspections. All remedial works are carried out. The play area is subject to an annual ROSPA check.	Outdoor Fitness equipment is maintained by the council and regularly inspected by Norfolk Games & Frames. The clerk carries out an annual Access Audit in line with the council's Equality Policy.
	Scarning Conservation Volunteers	L/M	The Conservation Volunteers risk assess their activities. Tools are kept in a locked shed	The existing procedures are considered adequate

Noticeboards	Damage/injury to third parties	L	The n/boards are checked annually as part of the Asset report	Notice boards are included in insurance policy. Keys to Village Hall n/board are held by the clerk. All others are open.
Street Furniture	Damage/injury to third parties	L	Street furniture is checked annually as part of the Asset report	Street furniture is included in the council's insurance policy
Meeting location	Adequacy Health & Safety	L	The council meets in the Village Hall The location is considered adequate.	The premises are accessible to the disabled
Council records - paper	Loss through fire, theft or damage	L/M	Day to day records are stored at the clerk's home address in a locked filing cabinet (not fire proof). Older records are stored in the Village Hall and Norfolk Record Office	Damage (apart from fire) and theft is unlikely and so provision is considered adequate.

Council records - electronic	Loss through fire, theft, damage, or corruption of computer	L/M	The council's electronic records are stored on the clerk's computer. Back ups are made at regular intervals	

Appendix A

Financial Risk Assessment Review

The following financial risks have been identified in connection with the work of this council and the systems put in place to deal with these risks.

1. Bank Accounts

The Council maintains one current account and one Building Society account.

a. Current Account

Access to the current account is via a cheque book which requires the signature of any two councillors named as signatories. There are five authorised signatories to the account:- M Steward, J Magrath, F Bradford, S Faulkner and P Page.

The cheque book is in the custody of the clerk. Cheques are prepared by the clerk in advance of Parish Council meetings and signed on production of invoices and other documentation.

The two signatories sign the cheque book stub and the relevant invoice/documentation.

A record of cheques drawn is incorporated in the minutes of the Parish Council and in the Cash Book.

Monthly bank statements are received in relation to the Current Account and reviewed on receipt by the clerk. The clerk reconciles the accounts monthly.

The Internal Control Officer verifies quarterly that the cheque book stubs match the relevant invoices/documentation.

The independent review is recorded and signed by the Internal Control Officer and this record is retained by the clerk.

b. Building Society Account

This account is used for holding funds and earning interest on those funds. The account allows immediate access.

The account is operated by telephone and post.

The three signatories to the account are S Faulkner, J Magrath and N Hartley, and any transactions by post must be authorised by any two of the three signatories.

The transfer of funds is authorised by the clerk in a direct bank transfer in accordance with Financial Regulation 5.5. After each transaction the Building Society issues a statement which is retained by the clerk and independently reviewed by the Internal Control Officer. The ICO ensures

that the transaction has been carried out correctly. The independent review is documented by the ICO and this record is retained by the clerk.

These records are reviewed by the Internal Auditor following the year end.

Assessment of risk relating to the Council's banking accounts

In relation to the Current Account it is considered that the procedures outlined above adequately protect the Council's bank accounts from misuse. Any misuse would initially require collusion of the clerk and two of the councillors authorised to sign cheques, or forgery by the clerk, both of which acts would be discovered by the quarterly review of the bank records by the Internal Control Officer or by the Internal Auditor.

In relation to the Building Society Account it is considered that the procedures outlined above adequately protect the Council's account from misuse. The clerk can only transfer money to the Council's nominated Bank Account and to no other account. Any misuse would require collusion of the clerk and one of the two councillors authorised to sign cheques/transfer funds by post/amend instructions; or forgery by the clerk, both of which acts would be discovered by the quarterly review of the bank records by the Internal Control Officer, or the Internal Auditor.

2. Income Received

The Parish Council receives the following types of income – method of receipt is shown in brackets.

Precept (bank transfer)
Broadway Allotment rent (cheque)
Payments for former Highway Surveyors Land (cash)
Rent for the Village Playing Field and the ditch at Fir Acre (cash)
Vat Refunds (bank transfer)
Interest (credited directly to account on which the interest arose)

All cash received is receipted and banked by the clerk within three working days. The amount of cash held does not currently exceed £16.05.

Assessment of risk relating to the Council's income received

Cash receipts are limited to payments in respect of Highway Surveyor's Land, rent from the Playing Field Committee and the ditch at Fir Acre, total for the last financial year £16.05. Cash received is credited to the Council's current account. Receipt of cash is noted in the Receipts Book.

Banking and recording of these sums are subject to the review by the ICO.

Given the small amount of cash normally received it is considered that the control systems are robust enough to prevent diversion of monies due to the Council.

3. Annual Budget

The Council produces a budget in the last quarter of each calendar year in order to agree a spending programme for the forthcoming financial year and to set a precept. The budget is usually agreed at the November meeting. At the September meeting, pre-budget discussions are held to allow councillors to put forward proposals to be included in the budget. This allows the clerk to obtain costs and all relevant information in advance of the November meeting. The Council's main source of income is the precept.

Assessment of risk relating to future income and expenditure

It is considered that the annual budget process is sufficient to determine planned expenditure and provide the necessary income to meet this expenditure.

4. Audit Arrangements

In addition to councillor review and the review by the ICO, an internal audit by an independent examiner is carried out annually. The Internal Auditor meets with the clerk twice a year and makes two written reports to the Council in accordance with Audit Commission requirements. The Council's records are subject to external audit, also in accordance with the Commission's requirements.

Assessment of risk relating to audit arrangements

The system in place is considered adequate.

5. Salary and related expenses

The Council employs the Parish Clerk. The clerk's salary is paid by Standing Order from the Council's current account. The clerk's salary scale is reviewed by the Parish Council annually.

The reimbursement of out of pocket costs and expenses is paid by a cheque drawn and approved as detailed in this report. Payment records relating to this expenditure are subject to review by the ICO and the Internal Auditor.

Petty cash is not held.

Assessment of risk relating to salary and expenses

It is considered that the controls relating to this expenditure is adequate to protect the Council.

6. PAYE Registration

The Parish Council has been registered for PAYE from April 2011. A copy of the clerk's P46 is held on file and the necessary returns are paid to HM Revenue & Customs.

It is important for any future clerk to contact HM Revenue & Customs with regard to their own personal tax status.

7. Fidelity Guarantee

Cover is provided under the Council's insurance policy with a limit of indemnity of £150,000.

In view of the total cash transactions and the mechanisms in place to protect the Council's bank accounts this is considered sufficient to protect the Council.

8. Insurance

The Council maintains a policy with Aon Insurance designed for Local Councils. This provides Public Liability, Fidelity Guarantee and Property cover sufficient to cover risks relating to Council property, their employee, members and third parties. The council carries Public Liability cover of £10 million and Employers Liability of £10 million. The council also holds Legal Expenses cover of £250,000.

An annual review of the Council's insurance is carried out by the clerk and the ICO. Any proposed amendments to the policy are reported to the Council for consideration.

Assessment of risk relating to insurance

It is considered that the measures in place are adequate to protect the Council.

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(Chairman)

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(Parish Clerk)

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Precept	The District Council reduces the amount of the precept from that requested by the council.	L	The council holds at least a quarter of the precept in its account. This would cover immediate shortfall.	
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Former Allotment Rent	Rent is not paid or the site is not kept in reasonable condition	L/M	The clerk regularly monitors the site. If the tenant refuses to carry out work, the council may be left to pay the bill. Rent is payable at the beginning of the lease.	The council can terminate the tenancy agreement if the tenant does not abide by the conditions of the lease. If the tenant does not pay his rent, the council can refuse to commence the tenancy. The lease is renewed annually
	Third party damage/liability in respect of the land	L	Covered by Public Liability insurance. Tenant is responsible for land under conditions of lease.	

Rents/land holdings	Non payment of rent for former Highway Surveyors Land and ditch at Fir Acre	L/M	Rent is payable at the beginning of the lease.	If the tenant does not pay his rent, the council can refuse to commence the tenancy. If the tenant does not meet the conditions of the lease, the council can end the tenancy. The lease is renewed annually
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Best Value	Quotes for larger projects	L	Financial Regulations state the number of quotes needed for larger projects.	The council's Financial Regulations are reviewed annually
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Annual Return	Completed and submitted within time limits.	L	The Return is submitted to the internal auditor and then approved by the council before submitting to the External Auditor	The existing procedures are considered adequate. The clerk ensures the Return is submitted on time.
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Legal liability	Legal liability as a consequence of asset ownership (public liability)	L	The council holds Legal Expenses cover in its insurance policy of £250,000	
Data protection	Data protection rules followed	L	The council is registered with the Information Commissioner	
Freedom of Information	Policy	L	The council has a model publication scheme in place	
RECREATION & PLAY AREAS				
Subject	Risk	H/M/L	Management/control of risk	Notes/action

Assets	Loss or damage, and risk of damage or injury to third parties	L	Clerk carries out annual Asset Review. All assets are recorded in the Asset Register	Regular checks are undertaken by the clerk. Necessary repairs are approved by the council
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Recreation Areas	Scarning Playing Field	L	The council funds the Playing Field Committee, which separately insures the pavilion and play equipment, and carries out remedial works, as well as grounds maintenance	Outdoor Fitness equipment is maintained by the council and regularly inspected by Norfolk Games & Frames. The clerk carries out an annual Access Audit in line with the council's Equality Policy.
	Scarning Water Meadows	L	The play areas are monitored by a member of the council. The clerk makes periodic inspections. All remedial works are carried out. The play area is subject to an annual ROSPA check.	Outdoor Fitness equipment is maintained by the council and regularly inspected by Norfolk Games & Frames. The clerk carries out an annual Access Audit in line with the council's Equality Policy.
	Scarning Conservation Volunteers	L/M	The Conservation Volunteers risk assess their activities. Tools are kept in a locked shed	The existing procedures are considered adequate

Noticeboards	Damage/injury to third parties	L	The n/boards are checked annually as part of the Asset report	Notice boards are included in insurance policy. Keys to Village Hall n/board are held by the clerk. All others are open.
Street Furniture	Damage/injury to third parties	L	Street furniture is checked annually as part of the Asset report	Street furniture is included in the council's insurance policy
Meeting location	Adequacy Health & Safety	L	The council meets in the Village Hall The location is considered adequate.	The premises are accessible to the disabled
Council records - paper	Loss through fire, theft or damage	L/M	Day to day records are stored at the clerk's home address in a locked filing cabinet (not fire proof). Older records are stored in the Village Hall and Norfolk Record Office	Damage (apart from fire) and theft is unlikely and so provision is considered adequate.

Council records - electronic	Loss through fire, theft, damage, or corruption of computer	L/M	The council's electronic records are stored on the clerk's computer. Back ups are made at regular intervals	

The following risks have been identified in connection with the work of this Council and the systems put in place to deal with these risks.

1. Financial

a. Bank Accounts

The Council maintains one current account and one Building Society account.

Current Account

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The cheque book is in the custody of the clerk. Cheques are prepared by the clerk in advance of Parish Council meetings and signed on production of invoices and other documentation.

The two signatories sign the cheque book stub and the relevant invoice/documentation.

A record of cheques drawn is incorporated in the minutes of the Parish Council and in the Cash Book.

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The Internal Control Officer verifies quarterly that the cheque book stubs match the relevant invoices/documentation.

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The account is operated by telephone and post.

The three signatories to the account are S Faulkner, J Magrath and N Hartley, and any transactions by post must be authorised by any two of the three signatories.

The transfer of funds is authorised by the clerk in a direct bank transfer in accordance with Financial Regulation 5.5. After each transaction the Building Society issues a statement which is retained by the clerk and independently reviewed by the Internal Control Officer. The ICO ensures that the transaction has been carried out correctly. The independent review is documented by the ICO and this record is retained by the clerk.

These records are reviewed by the Internal Auditor following the year end.

Assessment of risk relating to the Council's banking accounts

In relation to the Current Account it is considered that the procedures outlined above adequately protect the Council's bank accounts from misuse. Any misuse would initially require collusion of the clerk and two of the councillors authorised to sign cheques, or forgery by the clerk, both of which acts would be discovered by the quarterly review of the bank records by the Internal Control Officer or by the Internal Auditor.

In relation to the Building Society Account it is considered that the procedures outlined above adequately protect the Council's account from misuse. The clerk can only transfer money to the Council's nominated Bank Account and to no other account. Any misuse would require collusion of the clerk and one of the two councillors authorised to sign cheques/transfer funds by post/amend instructions; or forgery by the clerk, both of which acts would be discovered by the quarterly review of the bank records by the Internal Control Officer, or the Internal Auditor.

b. Income Received

The Parish Council receives the following types of income – method of receipt is shown in brackets.

Precept (bank transfer)
Allotment rent (cheque)
Payments for Highway Surveyors Land (cash)
Rent for the Village Playing Field, and the ditch at Fir Acre (cash)
Vat Refunds (bank transfer)
Interest (credited directly to account on which the interest arose)

All cash received is receipted and banked by the clerk within five working days. The amount of cash held is minimal and does not currently exceed £16.05.

Assessment of risk relating to the Council's income received

Cash receipts are limited to payments in respect of Highway Surveyor's Land, rent from the Playing Field Committee and the ditch at Fir Acre, total for the last financial year £16.05. Cash received is credited to the Council's current account. Receipt of cash is noted in the Receipts Book.

Banking and recording of these sums are subject to the review by the ICO.

Given the small amount of cash normally received it is considered that the control systems are robust enough to prevent diversion of monies due to the Council.

c. Annual Budget

The Council produces a budget in the last quarter of each calendar year in order to agree a spending programme for the forthcoming financial year and to set a precept. The budget is usually agreed at the November meeting. At the September meeting, pre-budget discussions are held to allow councillors to put forward proposals to be included in the budget. This allows the clerk to obtain costs and all relevant information in advance of the November meeting. The Council's main source of income is the precept.

Assessment of risk relating to future income and expenditure

It is considered that the annual budget process is sufficient to determine planned expenditure and provide the necessary income to meet this expenditure.

d. Audit Arrangements

In addition to councillor review and the review by the ICO, an internal audit by an independent examiner is carried out annually. The Internal Auditor meets with the clerk twice a year and makes two written reports to the Council in accordance with Audit Commission requirements. The Council's records are subject to external audit, also in accordance with the Commission's requirements.

Assessment of risk relating to audit arrangements

The system in place is considered adequate.

e. Salary and related expenses

The Council employs the Parish Clerk. The clerk's salary is paid by Standing Order from the Council's current account. The clerk's salary scale is reviewed by the Parish Council annually.

The reimbursement of out of pocket costs and expenses are paid by cheque drawn and approved as detailed in this report. Payment records relating to this expenditure are subject to review by the ICO and the Internal Auditor.

Petty cash is not held.

Assessment of risk relating to salary and expenses

It is considered that the controls relating to this expenditure is adequate to protect the Council.

f. PAYE Registration

The Parish Council has been registered for PAYE from April 2011. A copy of the clerk's P46 is held on file and the necessary returns are paid to HM Revenue & Customs.

It is important for any future clerk to contact HM Revenue & Customs with regard to their own personal tax status.

2. Asset Management

A Register of the Council's assets and their current value is incorporated in the annual accounts and for those which are insured in a schedule appended to the Council's insurance documents.

The Parish Council's assets are inspected annually by the clerk to check their condition.

The clerk submits a report in respect of the Council's assets to a meeting of the Parish Council. Any minor faults/defects are reported and repaired. More serious matters are reported for the Parish Council's consideration.

Assessment of risk relating to the Council's Assets

It is considered that the measures in place are adequate to protect the Council.

3. Fidelity Guarantee

Cover is provided under the Council's insurance policy with a limit of indemnity of £2,000.

In view of the total cash transactions and the mechanisms in place to protect the Council's bank accounts this is considered sufficient to protect the Council.

4. Insurance

The Council maintains a policy with Aon Insurance designed for Local Councils. This provides public liability, fidelity guarantee and property cover sufficient to cover risks relating to Council property, their employee, members and third parties.

An annual review of the council's insurance is carried out by the clerk and the ICO. Any proposed amendments to the policy are reported to the Council for consideration.

Assessment of risk relating to insurance

It is considered that the measures in place are adequate to protect the Council.

5. Grants Policy

The objective of the policy is to support those activities and causes which benefit the parish of Scarning. In its Grants Policy, the Parish Council sets out the criteria which must be met for a group to be considered for a grant. The financing of Grants comes from the Parish Council's Section 137 allowance. Individuals, businesses, political groups or parties are not eligible for grant funding.

It is considered that the Grants Policy is a fair and open means of supporting those activities and causes which benefit the parish of Scarning.

6. Best Value

The Council's Financial Regulations provide for a tendering process for material expenditure to ensure that best value is obtained in the supply of goods and services. The Financial Regulations are reviewed annually.

N Hartley
On behalf of Scarning Parish Council

April 2016.