Ripley Town Council

FINANCIAL RISK ASSESSMENT POLICY

Policy Number: RTC03

Issue Number: 08

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Review Date: 18th May 2027

Agreed at Ripley Town Council meeting on: 19th May 2026

Originator: H. Curzon – Town Clerk / Proper Officer

Ripley Town Council has adopted this Financial Risk Assessment to provide a sound structure to the way it conducts its business.

EXPOSURE TO RISK

The Town Council has a duty to ensure that it identifies areas of risk in relation to its assets, employees or the public and must take reasonable steps to minimise the effect of the risk. This risk may be physical e.g. to a member of the public or an employee of financial e.g. fraud or underinsurance.

FINANCIAL RISKS

Limitation of financial risk is statutorily controlled by the appointment of an Internal Auditor for the annual accounts prior to submission to the External Auditor. The Chair of the Finance Committee checks the accounts and payments each month.

The Council's Standing Orders require all payments to be reported to Council and all payments must be authorised by a Councillor listed as signatory and the Town Clerk or RFO.

At each monthly Finance Committee Meeting, all Bank Reconciliations and Account Reports will be provided to the Committee and quarterly to Full Council.

RIPLEY TOWN COUNCIL FINANCIAL RISK ASSESSMENT

This includes legal framework and best practices to guide Ripley Town Council in managing financial risks effectively while staying compliant with UK law and industry standards.

Risk Area	Risk Identified	Level of Risk (H/M/L)	Management of Risk	Action required	Review Date
Section 1: Areas where there may be scope to use insurance to help manage risk					
Property and contents owned by the council	Loss or damage	**H**	An up-to-date register of assets and investments	Review quarterly by council and annually by the Internal Auditor. Check list on the website is current.	At every third Finance Committee meeting throughout the year (May, August, November & February)
Damage to Third Party property or individuals	Public Liability	**H**	Property Maintenance and insurance cover	Insurance held with Zurich, renewal date of July 2026, reviewed by Finance Committee in June 2026 and by Internal Auditor.	Annually in May/June.
Consequential loss of income or the need to provide essential services following critical damage,	Public Liability	**H**	Annual review of risk and the adequacy of cover	Value of insurance is £10 million, held with Zurich, reviewed annually by Finance Committee in May and by Internal Auditor.	Annually in May/June.

loss or non-performance by a third party.					
Loss of cash through theft or dishonesty.	Fidelity guarantee	**L**	Ensure any cash is locked away and insured.	Covered with Zurich, internal controls checked by council in May 2026 and by the Internal Auditor.	Annually in May.
Legal liability as a consequence of asset ownership	Public Liability	**H**	Property maintenance and insurance cover	Level of cover £10 million, renewal date July 2026.	Annually in May/June
Section 2: Working with others to help manage risk					
Security for vulnerable buildings, amenities or equipment	Loss or damage	**M**	Ensure all adequately maintained and inspected regularly	Inspection regime. Staff to review bi-annually	Bi-annually in May and November
The provision of services being carried out under agency/partnership agreements with principal authorities	Standing orders and financial regulations dealing with the award of contracts	**L**	Annual review of services.	Reviewed quarterly by RFO, by Internal Auditor, all partners risk assessed, and multiple quotes obtained and compared in minutes.	Review standing orders and financial regulations annually before the May meeting.
Banking arrangements, including borrowing or lending	Detect and deter fraud or corruption	**L**	Annual review of banking arrangements.	Financial regulations and Internal Auditor review in April each year.	Annual upon setting the budget for the following financial year.
Ad hoc provision of amenities/facilities for events to local community groups	Public Liability	**L**	Up to date insurance cover.	As all for hirers insurance, financial regulation	Annually in May/June.
Land and memorials (e.g. allotments, woodland, play areas)	External contractors for maintenance. Adequate insurance.	**M**	See copies of external contractors up to date insurance cover.	Budget monitoring and employment law followed. Allotment Association responsible for the operation of the site. They must hold Public Liability Insurance and carry out annual risk assessments. Council to conduct annual site inspections	Review as and when new contractors are conducting work on behalf of the council. Annually at Allotment Committee meeting in October.

					Site visits in September each year.
Professional services (solicitors, designers, etc.)	Standing orders and Financial Regulations deal with the awarding of contracts	**L**	Review the terms of their contracts / agreement.	Ask DALC for recommendations, Internal Auditor reviewed regularly, others based on best available advice	Review annually or as and when needed
Section 3: Self-managed risk					
Proper financial records	In accordance with statutory requirements	**L**	Follow NALC and JPAG guidelines.	Reviewed quarterly by Councillors, annually by the Internal Auditor.	Review monthly at Finance Committee.
Business activities	Ensuring that they are within the legal powers of councils	**L**	Follow NALC guidelines and the relevant legislation.	Internal Auditor reviews on receipt and at half year and regular reference to legislation and guidance.	Six monthly / Annually.
Office equipment	Loss or damage	**L**	Up to date insurance cover. Ensure all electrical equipment is PAT tested	Electrical testing required. Risk assessments for using equipment such as display screens.	Review insurance policy annually. Annual PAT testing of equipment due in July each year. Ensure Display Equipment Policy is updated annually.
Borrowing	Complying with restrictions	**N/A**	Currently very low risk as the council hasn't undertaken any borrowing.	Internal Auditor reviews	Review annually prior to setting the budget for the following financial year.
Employment Law and HMRC regulations	Ensuring that legal requirements are met and Employers Liability Insurance is valid.	**L**	Keep up to date with Employment Law. Attend training sessions through DALC/SLCC/NALC	Internal Auditor review	Review as and when law changes.

VAT	Ensuring that requirements are met under HMRC regulations	**L**	Keep up to date with requirements.	Internal Auditor to review and advice taken as needed from HMRC.	Each time a VAT claim is made.
Annual Precept	Ensuring adequacy within sound budgeting arrangement	**L**	Calculate precept accordingly. Consult with residents.	Internal Auditor review and budget published on website in January each year.	Published annually in January.
Monitoring of performance	Ensure financial reports are accurate.	**L**	Monthly update and monitoring of financial reports.	Councillors review budget and policies monthly at Finance Meetings.	Monthly
Grants	Ensuring proper use of funds granted to local community organisations under s137.	**L**	Ask for financial information from the local group / charity as part of their grant application.	All grants based on approved form and policy (last updated May 2026) and supporting information minuted and checked by Internal Auditor.	Annually
Council Minutes	Proper, timely and accurate reporting of council business in the minutes	**L**	Clerks to take accurate minutes at all council meetings and record resolutions made.	Posted on website for public to see. With full agenda packs as per transparency code and Internal Auditor review.	Monthly after being approved by full council (apart from in August and December)
Rights of inspection	Ensuring all council documents are available upon request	**L**	Adequate electronic filing for easy access to documents that can be uploaded to the website.	Website / policies updated in May	Annually
Document control / Data Protection	Proper systems	**L**	Ensure Data Protection Act 2018 is adhered to through regular monitoring and training.	Policies approved and published in May each year	Annually
Register of Members' Interests and Gifts and Hospitality	In place, complete, accurate and up to date.	**L**	Ensure councillors record their interests, gifts and hospitality on the correct forms.	Internal Auditor and Amber Valley Borough Council review weblinks checked bi-annually	Annually in May/June, or as and when updated
Compliance with Transparency Code	Proper systems	**L**	Ensure legislation is adhered to.	Stay up to date with legislative changes.	As and when updated