



FINANCIAL RISK MANAGEMENT POLICY

Name of organisation	Barrow Upon Humber Parish Council
Date Policy Agreed	30 September 2026
Date of Next Review	30 September 2027
Signature (Vice-Chair)	<i>Martin Szakal</i>
Signature (Clerk)	<i>Susan Scott</i>

1. Purpose

Barrow upon Humber Parish Council recognises that effective financial management is essential to the proper running of the Council. This policy sets out the Council's approach to identifying, managing and reducing financial risks. The aim is to protect the Council's funds, assets and financial records and to ensure that public money is managed responsibly, transparently and in accordance with the Council's legal and regulatory responsibilities.

2. Responsibilities

The Parish Council is responsible for overseeing the Council's financial affairs and ensuring that appropriate systems of internal control and risk management are in place. The **Clerk and Responsible Financial Officer (RFO)** is responsible for the day-to-day administration of the Council's finances and for ensuring that the Council's financial procedures and controls are followed. All Councillors and employees involved in financial matters must act responsibly and in accordance with the Council's:

- Financial Regulations;
- Standing Orders;
- budget and approved spending decisions;
- internal control arrangements; and
- other relevant policies and procedures.

3. Financial Risk Management

The Council will identify and consider financial risks that could affect its ability to carry out its responsibilities. Financial risks may include:

- loss or misuse of Council funds;
- incorrect or unauthorised payments;
- fraud or financial irregularity;
- loss or damage to Council assets;
- inadequate insurance;
- failure to set an appropriate budget or precept;
- failure to maintain adequate financial records;
- loss of financial information or records;
- failure to comply with legal or regulatory requirements; and

- reliance on a single person or system for key financial information.

The Council will consider what controls are already in place and whether further action is required to reduce identified risks.

4. Financial Controls

The Council will maintain appropriate financial controls to support good financial management. These will include, where applicable:

- setting and approving an annual budget and precept;
- monitoring income and expenditure against the approved budget;
- approving expenditure in accordance with the Council's Financial Regulations;
- maintaining appropriate banking arrangements and controls;
- keeping accurate and up-to-date accounting records;
- reconciling bank accounts regularly;
- maintaining an Asset Register;
- ensuring appropriate insurance cover is in place;
- maintaining appropriate payroll and tax arrangements;
- carrying out internal audit;
- completing the Annual Governance and Accountability Return (AGAR); and
- reviewing financial and operational risks regularly.

5. Fraud and Financial Irregularity

The Council will take reasonable steps to reduce the risk of fraud, error and financial irregularity.

Appropriate checks and controls will be maintained over financial transactions, banking arrangements and Council assets. Any suspected fraud, financial irregularity or serious financial concern must be reported promptly to the appropriate person or authority. The Council will investigate concerns and take appropriate action in accordance with its legal responsibilities and procedures.

6. Financial Records and Information

Financial records must be accurate, secure and retained in accordance with the Council's legal and record-keeping requirements. The Council will take reasonable steps to protect financial information from:

- loss;
- unauthorised access;
- accidental deletion or alteration; and
- damage or system failure.

Financial information held electronically should be appropriately backed up.

7. Review and Monitoring

The Council's financial risks and controls will be reviewed regularly and at least annually as part of its overall risk management and internal control arrangements. Where a new or significant risk is identified, the Council will consider what action is necessary and record this in the Council's **Risk Management Register** where appropriate. This policy will be reviewed regularly and updated where necessary to reflect changes in legislation, guidance or the Council's financial arrangements.