**Report on Fidelity Guarantee**

**Meeting: 9th March 2023**

1. **Background**

1.1 In previous audits within the last 18 months the auditor has commented on the fidelity guarantee cover within the parish council’s insurance policy.

**Previous internal audits have included the recommendation to increase the level of Fidelity Guarantee to cover the balances held by the council, and I would like to see confirmation this has been considered and actioned by reviewing the policy schedule at the final audit.**

1.2 The insurance company has advised that the council’s current sum insured (limit) is set at £200,000. The FG/Employee Dishonesty limit chosen should be based on the maximum exposed (at risk) funds the Council feel could be at risk of employee theft at any one time e.g. 50% of precept plus the reserves.

1. **Insurance Cover**

2.1 After investigations I believe the council should hold the following:-

|  |  |
| --- | --- |
| St Francis Field | 77,619.00 |
| Sewer Reserve | 80,000.00 |
|  |  |
| **CIL Monies** |  |
| Paddock Development | 27,935.08 |
| Hunts Development | 7,192.80 |
|  |  |
|  | **192,746.88** |
|  |  |

2.2 The precept for the next financial year was set at £107,500.

**Decision Required**

**To consider a higher fidelity guarantee on the parish council’s insurance policy as recommended by the internal auditor.**