



Financial Risk Assessment Wroxham Parish Council

August 2017

RFO / Parish Clerk

Clare Male

Chair of Finance Committee

I Joynson

Finance Committee Members

Peter Mantle, Malcolm Alsop, Kim Claxton, Barry Fiske

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5)

This document has been produced to enable the Parish Council to assess the financial risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be

- identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required.

FINANCIAL MANAGEMENT				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Review/Assess/Revise
Business continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	LOW	<p>All files and recent records are kept at the clerk's home. Information is held on a 'Cloud'. Two other members of the Parish council have passwords to access the cloud, if necessary. There is a storage bag held at Barclays Bank containing all the Deeds.</p> <p>In the event of the clerk being unavailable due to unexpected or tragic circumstance then Norfolk Parish Training And Support (NPTS) would be contacted to provide Locum cover. An Annual subscription is held to cover this circumstance.</p>	<p>Parish Clerk will supply any revised passwords to access 'Cloud' as required.</p> <p>NPTS subscription will be renewed annually</p>
Council Paper records	Loss through theft, fire, damage	MEDIUM	Papers, both current and archived, are held in a locked metal filing cabinet or on shelves (in boxes) in the clerk's office. Recent historical financial records are in paper copy form but unsecured.	Di Dann has been appointed to write new policies for record keeping. Once this is in place paper files will be reviewed.
Precept	Adequacy of precept to enable the Council to carry out its Statutory duties	MEDIUM	<p>The finance committee meet monthly to discuss current status of the budget,</p> <p>The Finance committee makes a recommendation of a precept to the full council by</p>	<p>Sound budgeting to underlie annual precept.</p> <p>Procedure is adequate</p>

			<p>December.</p> <p>Presently the expenditure is higher than the precept. However current reserves are adequate to cover this.</p>	<p>A three year balanced budget plan is being formulated</p>
Insurance	<p>Adequacy <input type="checkbox"/></p> <p>Cost <input type="checkbox"/></p> <p>Compliance</p> <p>Fidelity Guarantee</p>	<p>HIGH</p> <p>MEDIUM</p> <p>HIGH</p> <p>LOW</p>	<p>The insurance policy has generally been renewed without an annual review having been carried out</p> <p>Insurance is conditional on formal Asset Management documentation.</p> <p>Employers Liability, Public Liability <input type="checkbox"/> and Fidelity Guarantee are a <input type="checkbox"/> statutory requirement.</p>	<p>Insurance Policy is to be reviewed annually. Consultation will take place with at least one other provider before deciding on renewal.</p> <p>Existing procedures are not considered adequate. Certain assets (such as Keys Hill Woodland) have no formal management process.</p> <p>An accurate Asset register is being created</p> <p>Insurance for Councilors carrying out routine tasks should be considered. Routine tasks should be recorded to identify any insurance requirements</p> <p>The limits of indemnity are considered adequate for the council's needs.</p>

Banking	Inadequate checks FSA savings protection rules	LOW	The Council adheres to 'Financial Regulations', which set out the requirements for banking, cheque, processing and reconciliation of accounts. A bank reconciliation is carried out monthly. Online banking used No more than £85,000 should be held in a single Bank	Existing procedures adequate Financial Regulations to be reviewed annually and review formally recorded. Use of online banking improves efficiency of checks. Bank account in process of being opened in a Separate Bank (ie other than Barclays)
Cash	Loss through Theft or dishonesty	LOW	The Council has no petty cash or float. Any cash transactions made by the clerk, are fully receipted and then reimbursed monthly or paid by cheque on receipt of an invoice	Existing procedures adequate Consideration to be given to provision of a Bank Debit card for emergency transactions (of low value).
Financial controls and records	Inadequate checks	HIGH	Monthly reconciliation prepared by <input type="checkbox"/> RFO and checked by the Chair of <input type="checkbox"/> the finance committee. Two signatories are required on cheques. Electronic transactions are authorized by a second (authorized) person Internal and external audits are carried out. Any financial obligation must be resolved and	Di Dann is currently creating an internal controls Policy

			<p>clearly minuted before any commitment.</p> <p>All payments must be resolved and clearly minuted.</p> <p>External audit report is made available to the council and posted on the Council's website.</p>	Policy for procurement of goods requires review.
Election Costs	Risk of Election cost	LOW	<p>A contingency fund should be established to meet the costs.</p> <p>Risk is higher in an election year. There are no measures adopted to minimise risk of having a contested election.</p>	Included in financial statement when setting precept
VAT	Re-claiming / charging	LOW	<p>The Council has financial regulations, which set out the requirements for reclaiming VAT.</p> <p>Clerk keeps continuous record of VAT payments</p>	Procedure is adequate
CIL Funding	Missing Spend deadline and loss of funding.	MEDIUM	Funding requires spending within 5 year period (Currently 3 years left)	<p>CIL project is running under remit of finance committee and reviewed monthly.</p> <p>Cash book has record of CIL expenditure</p>

Employee Salary / Pension Obligations	Failing to meet statutory obligations on TAX/NI/Pensions	LOW	Statutory requirements have to met	Appointed a Payroll / Pension provider
Contract Management	Administration of contracts not formally documented.	MEDIUM	Contracts to be fully documented.	Contracts register requires to be set up.
Annual Return	Not submitted within time limits Not meeting the requirement of the Annual Governance Statement	LOW MEDIUM	Annual return is completed and signed by the Council, submitted to the Internal Auditor for completion and signing, then checked and sent on to the External Auditor within time limit Creation of policies and processes need to be in place	Existing procedures adequate Have appointed Di Dann to carry out 6 monthly internal audit review and to update policies and processes

Appendix 1

WROXHAM PARISH COUNCIL RISK ASSESSMENT SCHEDULE TO BE REVIEWED ANNUALLY

ITEM	FREQUENCY	LAST REVIEWED	COMMENT / ACTION	
<p>Parish Council Insurance</p> <p>Including: Public and Employers Liability Money and Fidelity Guarantee Personal Accident</p>	Annually	1ST April 2016		
<p>Assets inspection</p>	Monthly			
<p>Financial Matters</p> <p>Banking Arrangements</p> <p>Insurance Providers <input type="checkbox"/></p> <p>VAT Return completed <input type="checkbox"/></p> <p>Budget agreed, monitored and reported</p> <p>Precept requested</p> <p>Payments approval procedure</p> <p>Bank reconciliation overseen by Chairman</p> <p>Clerks salary reviewed and documented</p>	<p>Annually</p> <p>Annually</p> <p>Annually</p> <p>Monthly</p> <p>Annually</p> <p>Monthly</p> <p>Monthly</p> <p>Annually</p>			

Internal Audit <input type="checkbox"/>	Annually			
External Audit <input type="checkbox"/>	Annually			
Internal check of financial procedures	Annually			
Administration				
Minutes properly numbered	Monthly			
Asset register available / updated	Annually			
Financial Regulations reviewed	Annually			
Standing Orders reviewed <input type="checkbox"/>	Annually			
Backups taken of Computer records	Monthly			
Employers Responsibilities				
Contract of employment in place	Annually	YES		
Contractors indemnity insurance	Annually			
Written arrangements with contractors	Annually			

Member's responsibilities				
Code of Conduct adopted <input type="checkbox"/>	Annually			
Register of Interests completed and updated	Annually			
Register of Gifts / Hospitality	Annually			
Declaration of Interests minuted	Monthly			

The information given above was updated and agreed at the 23rd November 2017 meeting of the Finance Committee, Wroxham Parish Council.

Signed Chairman: *Ian Joynson*

Clerk : *Clare Male*

Dated: *23/11/2017*