



Financial Risk Assessment Wroxham Parish Council

September 2023

RFO / Parish Clerk

Clare Male

Chair of Finance Committee

Ian Joynson

Finance Committee Members

Ian Joynson, Peter Mantle, Paul Martin

Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organization'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.

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 minimize 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.	MEDIUM	<p>All files and recent records are kept in the Clerk's office. Electronic files are held on DropBox (DB) which all Councillors have access to. Land deeds in fire proof cabinet in the Clerk's office.</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>Insurance policy with BHIB includes key person cover.</p> <p>Two Councillors can set up payments with Unity Bank in the Clerks absence</p>	<p>NB – This is for death, injury or illness of the Clerk only and is for a maximum of £500 p/w to a maximum payout of £10,000.</p>
Council Paper records	Loss through theft, fire, damage	LOW	<p>The majority of files and all recent paper records are kept in the Clerk's office. Electronic files are held on DB which all Councillors have access to. Land deeds are in a fire proof cabinet in the Clerk's office.</p>	<p>All current files are held on DB which all Councillors have access to. As the archives are sorted, relevant documents are added. Storage limits precludes all documents being held publicly.</p> <p>Archive is held separately in the Clerk's loft due to volume and shortage of office space.</p>

Precept	Adequacy of precept to enable the Council to carry out its Statutory duties	LOW	<p>The finance committee meet bi-monthly to discuss current status of the budget,</p> <p>The Finance committee makes a recommendation of a precept to the full council by November.</p> <p>Wherry Gardens – will be a few years before the annual maintenance costs are clear and any capital issues are dealt with.</p>	Reduced to low to reflect adequacy of precept and additional income from interest.
Insurance		MEDIUM	<p>Insurance cover reviewed annually and new supplier was procured in 2021 on a three-year contract.</p> <p>Asset register is reviewed annually, with a full revaluation in May 2020..</p>	<p>Review annually at Finance committee.</p> <p>Full revaluation due May 2026.</p>
Banking	<p>Inadequate checks</p> <p>FSA savings protection rules</p>	<p>LOW</p> <p>MEDIUM</p>	<p>The Council adheres to ‘Financial Regulations’, which set out the requirements for banking, cheque, processing and reconciliation of accounts.</p> <p>A bank reconciliation is carried out bi-monthly.</p> <p>Online banking used.</p> <p>No more than £85,000 should be held in a single Bank</p>	<p>Existing procedures adequate</p> <p>Financial Regulations to be reviewed annually and review formally recorded.</p> <p>Use of online banking improves efficiency of checks.</p> <p>Currently have two accounts – Unity Trust and CCLA. CCLA is marginally larger than £85K due to interest payments and Unity account is currently around £100K. Agreed to</p>

				open a third savings account for excess – wip.
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	Clerk holds Debit Card and adheres to the £500 transaction limit and budgets. Unity Trust payment card applied for but not yet received. Purchases being paid for by Clerk as then reclaimed as expenses.
Financial controls and records	Inadequate checks	LOW	<p>Bi-monthly reconciliation prepared by RFO and checked as per Financial regulations. Two signatories are required on cheques.</p> <p>Electronic transactions are authorized by a second (authorized) person</p> <p>Internal and external audits are carried out.</p> <p>Any financial obligation must be resolved and 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>	Current status reviewed and deemed satisfactory.
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>	Current status reviewed and deemed satisfactory.

Employee Salary / Pension Obligations	Failing to meet statutory obligations on TAX/NI/Pensions	LOW	Statutory requirements must be met	WPC uses independent Payroll and Pension providers to make sure commitments are met.
Contract Management	Administration of contracts not formally documented.	LOW	Contracts register in place.	Contracts register reviewed at every Finance committee.
Annual Return	Not submitted within time limits Not meeting the requirement of the Annual Governance Statement	LOW LOW	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	Existing procedures adequate Current status reviewed and deemed satisfactory.

Appendix 1

WROXHAM PARISH COUNCIL RISK ASSESSMENT SCHEDULE TO BE REVIEWED ANNUALLY

ITEM	FREQUENCY	LAST REVIEWED	COMMENT / ACTION	ACTION
<p>Parish Council Insurance</p> <p>Including: Public and Employers Liability Money and Fidelity Guarantee Personal Accident</p>	Annually	July 2021	3-year contract in place. Clerk satisfied with service to date.	
<p>Assets inspection</p>	Monthly	Each Councillor is assigned a geographical area and inspects this regularly.		
<p>Financial Matters</p> <p>Banking Arrangements</p> <p>Insurance Providers</p> <p>VAT Return completed</p> <p>Budget agreed, monitored and reported</p> <p>Precept requested</p> <p>Payment's approval procedure</p> <p>Bank reconciliation overseen by Chair</p>	<p>Annually</p> <p>Annually</p> <p>Annually</p> <p>Bi - monthly</p> <p>Annually</p> <p>Monthly (10 months of the year)</p> <p>Bi - monthly</p>			

Clerks' salary reviewed and documented	Annually			
Internal Audit	Annually			
External Audit	Annually			
Internal check of financial procedures	Annually			
Administration				
Asset register updated	Annually			
Financial Regulations reviewed	Annually			
Standing Orders reviewed	Annually			
Employers Responsibilities				
Contract of employment in place	Annually	YES		
Contractors' indemnity insurance	On award of contract			

Member's responsibilities				
Code of Conduct adopted	As required			
Register of Interests completed and updated	At each election			
Declaration of Interests minuted	Monthly			

The information given above was updated and agreed at the Finance committee meeting of the 26th September 2023.

Signed Chairman: *Ian Joyson*

Clerk: *Clare Male*