



Financial Risk Assessment Wroxham Parish Council

May 2019

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. Electronic files are held on DropBox which all Councilors have access to. 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 Association of Local Councils (NALC) would be contacted to provide Locum cover. An Annual subscription is held to cover this circumstance.</p>	<p>Ongoing project to register land means deeds currently in fire proof cabinet at Clerk's house.</p> <p>NALC subscription will be renewed annually</p>
Council Paper records	Loss through theft, fire, damage	LOW	<p>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.</p>	<p>All files now held electronically in DropBox which all Councilors have access to.</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 December.</p> <p>Presently the expenditure is higher than the</p>	<p>Sound budgeting to underlie annual precept.</p> <p>Procedure is adequate.</p>

			precept in order to reduce the reserves.	A three year balanced budget plan is in place.
Insurance		LOW	Insurance cover reviewed annually and new supplier was procured in 2018 on a three year contract. Asset register has been updated, with a full revaluation in April 2019.	Current status reviewed and deemed satisfactory.
Banking	Inadequate checks	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 bi-monthly. Online banking used.	Existing procedures adequate Financial Regulations to be reviewed annually and review formally recorded. Use of online banking improves efficiency of checks.
	FSA savings protection rules	LOW	No more than £85,000 should be held in a single Bank	Business savings account opened with Lloyds and £50,000 held.

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 £300 transaction limit and budgets.
Financial controls and records	Inadequate checks	LOW	<p>Bi-monthly reconciliation prepared by the RFO and checked by the Chair of the finance committee. 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.
CIL Funding	Missing Spend deadline and loss of funding.	MEDIUM	Funding requires spending within 5 year period. Deadline is October 2020.	CIL project is running under remit of Finance committee and reviewed bi-monthly. Governance of projects

				working party to be reviewed. Cash book has record of CIL expenditure.
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.	LOW	Contracts register now in place.	Contracts register reviewed at each 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	May 2019		
<p>Assets inspection</p>	Monthly		Parish Ranger needs to document asset inspection procedure.	Cllr Everett
<p>Financial Matters</p> <p>Banking Arrangements</p> <p>Insurance Providers^[1]_{SEP}</p> <p>VAT Return completed^[1]_{SEP}</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>Annually</p> <p>Annually</p> <p>Annually</p> <p>Bi - monthly</p> <p>Annually</p> <p>Monthly</p> <p>Bi - monthly</p>			

Clerks salary reviewed and documented	Annually			
Internal Audit ^[1] _[SEP]	Annually			
External Audit ^[1] _[SEP]	Annually			
Internal check of financial procedures	Annually			
Administration				
Asset register updated	Annually			
Financial Regulations reviewed	Annually			
Standing Orders reviewed ^[1] _[SEP]	Annually			
Employers Responsibilities				
Contract of employment in place	Annually	YES		
Contractors indemnity insurance	On award of contract			

Member's responsibilities				
Code of Conduct adopted	Annually			
Register of Interests completed and updated	Annually			
Declaration of Interests minuted	Monthly			

The information given above was updated and agreed at the 16th May 2019 meeting of the Finance Committee, Wroxham Parish Council.

Signed Chairman: *Ian Joynton*

Clerk : *Clare Male*