



# Financial Risk Assessment Wroxham Parish Council

July 2021

RFO / Parish Clerk

Clare Male

Chair of Finance Committee

I Joynson

Finance Committee Members

Peter Mantle, Malcolm Allsop, Angela Ireland, 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.

<b>FINANCIAL MANAGEMENT</b>				
<b>Subject</b>	<b>Risk(s) identified</b>	<b>H/M/L</b>	<b>Management/control of Risk</b>	<b>Review/Assess/Revise</b>
Business continuity	Council not being able to continue its business due to an unexpected or tragic circumstance.	<b>MEDIUM</b>	<p>All files and recent records are kept<sup>(SEP)</sup> in the Clerk's office. Electronic files are held on DropBox which all Councilors 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 Association of Local Councils (NALC) would be contacted to provide Locum cover. An annual subscription is held to cover this circumstance.</p> <p>Issue with making payments in Clerk's absence.</p>	<p>July 2021 – increase from low to medium.</p> <p>A shortage of Clerks in Norfolk led to problems with Clerk cover following a recent family emergency. Another support organization were used to source cover. Agreed to include Clerk cover in the next insurance renewal.</p> <p>Agreed to review process of making payments and authorizing payments in the Clerks absence.</p>
Council Paper records	Loss through theft, fire, damage	<b>LOW</b>	Papers, both current and archived, are held in a locked metal filing <sup>(SEP)</sup> cabinet or on shelves (in boxes) in the clerk's office. Recent historical financial records are in paper copy form but unsecured.	All files held electronically in DropBox which all Councilors have access to. Archive is held separately due to storage issues.
Precept	Adequacy of precept to enable the Council to carry out its Statutory duties	<b>LOW</b>	The finance committee meet bi-monthly to discuss current status of the budget,	Sound budgeting to underlie annual precept.

			The Finance committee makes a recommendation of a precept to the full council by December.	Procedure is adequate.
Insurance		MEDIUM	Insurance cover reviewed annually and new supplier was procured in 2018 on a three-year contract.  Asset register is reviewed annually, with a full revaluation in May 2020.	Current status reviewed and deemed unsatisfactory after problems making a claim over the winter of 2020/21. New provider currently being sought.
Banking	Inadequate checks  FSA savings protection rules	LOW  MEDIUM	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.  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.  Business savings account opened with Lloyds and £50,000 held. Recent correspondence from Lloyds questions cover – waiting for formal resolution.

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.
Financial controls and records	Inadequate checks	LOW	<p>Bi-monthly reconciliation prepared by <sup>ISEP</sup>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	Failing to meet statutory obligations on	LOW	Statutory requirements must be met	Appointed a Payroll / Pension provider

Obligations	TAX/NI/Pensions			
Contract Management	Administration of contracts not formally documented.	LOW	Contracts register still in place.	Contracts register reviewed at every Finance committee.  Additional group of Procurement and Budget Responsibility now set up within the Finance committee to look at contracts in more detail.
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**

<b>ITEM</b>	<b>FREQUENCY</b>	<b>LAST REVIEWED</b>	<b>COMMENT / ACTION</b>	<b>ACTION</b>
<p><b>Parish Council Insurance</b></p> <p>Including: Public and Employers Liability Money and Fidelity Guarantee Personal Accident</p>	Annually	<p>April 2020</p> <p>For review July 2021</p>		
<p><b>Assets inspection</b></p>	Monthly	Each Councillor is assigned a geographical area and inspects this regularly.		
<p><b>Financial Matters</b></p> <p>Banking Arrangements</p> <p>Insurance Providers<sup>[1]</sup><sub>SEP</sub></p> <p>VAT Return completed<sup>[1]</sup><sub>SEP</sub></p> <p>Budget agreed, monitored and reported</p> <p>Precept requested</p> <p>Payments 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</p> <p>Bi - monthly</p>			

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

<b>Member's responsibilities</b>				
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 15<sup>th</sup> July 2021.

Signed Chairman: *Ian Joynton*

Clerk : *Clare Male*