



Whitchurch Town Council

52. Financial Risk Assessment

(Approved by Full Council June 2018)

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps with control systems to minimise risks. This will enable the Council to make the required declaration in its return to the external auditors. The Risk Assessment document is to be reviewed annually.

FINANCES

Risk: Accounting errors due to lack of financial control

Procedures to address risk:

1. Responsible Finance Officer (RFO) to be confirmed annually at the Annual Council Meeting.
2. All financial documents to be held in the Town Council Offices, e.g. cheque books, paying in books, invoices, receipts, bank statements, VAT reclaim papers, electronic accounting system (Omega), credit card.
3. Back-up of computerised system on central server system. Disks/memory sticks should not be used, back-up will take place on a daily basis using 2 x 1TB hard drives and replacing these on alternate days.
4. Cheques to be written and entered into the accounting system.
5. Cheque number to be written on invoices paid.
6. Invoices to be filed sequentially.
7. Cash and cheques to be entered into the computerised system upon receipt and banked as soon as reasonably practicable.
8. Receipts to be issued for all monies received by the Town Council, except items received via BACS.
9. Bank statements to be reconciled with the computerised system weekly.
10. VAT to be reclaimed quarterly.
11. Council credit card to be used only by the Town Clerk/RFO. Appropriate measures are in place to keep a record of purchases, with receipts. Accounts Clerk to reconcile this record against received statements and pay the monthly bill in good time to avoid interest payments.

Risk: Budget overspend

Procedures to address risk:

1. Budget to be prepared by the RFO annually in November to determine the budget for the following financial year and to be resolved by Full Council to determine the precept.
2. Budget to actual income and expenditure to be reviewed monthly, except August.
3. All invoices to be scrutinised to ensure payment is as quotation provided.
4. Town Clerk to seek competitive quotations for all major purchases and works in line with Best Value Practice and as set out in Financial Regulations and Standing Orders.
5. Contracts of Employment and salaries of the employees to be reviewed annually in line with NJC (National Joint Council) salary scale recommendations.

Risk: Loss of funds due to misappropriation of public money

Procedures to address risk:

1. All accounts for payment to be authorised at a Council meeting and noted in the minutes unless the expenditure relates to addressing an urgent health, safety or security risk, such expenditure being delegated to the Town Clerk under Standing Orders.
2. All expenditure necessary to maintain the normal administrative working environment does not require authorisation.
3. All expenditure to be ratified at each Full Council meeting and recorded in the minutes except for salary payments which are considered a personal transaction and not for the public domain (except as a staff salary total for annual audit).
4. All cheques to be signed by two councillors authorised by Bank Mandate and cheque stubs to be initialled by those same two councillors.
5. The two signatories to initial the corresponding invoice in the stamp provided. Councillors authorised to sign cheques normally consist of the Chairman, Vice Chairman, Chairmen of Committees or other Council nominated councillors.
6. No member of staff is authorised to sign cheques.
7. Town Clerk to maintain a Register of Interests of all councillors. Councillors to advise the Town Clerk of any changes to those interests as and when they occur as set out in the Code of Conduct.
8. Year End Accounts to be prepared by the RFO for circulation to the Town Council following the financial year end on 31st March.
9. Appointment of Independent Internal Auditor to be reviewed annually at the Annual Council Meeting in May of each year.
10. The Council has its accounts audited each year by external auditors appointed by the Audit Commission.
11. Records of petty cash to be kept and reconciled into accounts on a regular basis.
12. Only Town Clerk to use the Whitchurch Town Council credit card. Clerk has ultimate responsibility for all credit card transactions. Records of credit card payments to be kept and reconciled against statements on a monthly basis.

INSURANCE

Risk: Under insurance of Town Council assets

Procedures to address risk:

1. Insurance cover to be reviewed annually to ensure adequate cover is maintained and value for money achieved.
2. High value properties are initially inspected by Insurance Company and reviewed by Insurance Company every seven years.
3. Asset Register to be maintained by the Town Clerk and updated at the time assets are added to or removed and to be presented as part of the Annual Accounts.
4. Review Fidelity Insurance on an annual basis.
5. Internal Auditor to review arrangements annually.

Risk: Liability to the Public to provide a duty of care

Procedures to address risk:

1. Public Liability covered to £10 million or as required by Shropshire Council.
2. Council employees regularly undertake visual inspections of the condition of the Town Council's assets to ensure Health & Safety obligations are met and that appropriate action is taken to minimise any risk of injury to third parties.

3. Health & Safety checks to be carried out on the play areas every week and on all other street furniture monthly in order to monitor and identify risks to the Health & Safety of the public using the items. Records of checks and any action taken to be retained in the Council Offices.
4. Annual play area inspections to take place in June and findings to be reported to Full Council.
5. Risk Assessments to be reviewed annually.
6. RFO to carry out regular assessment of the banking procedures in line with the Banking Practices Risk Assessment.

Risk: Compensation claim from employee for malpractice or injury

Procedures to address risk:

1. Contracts of Employment issued to employees within two months of commencement of employment (but subject to probationary period where appropriate).
2. Job descriptions of employees to be reviewed annually.
3. Employee Development Reviews to be carried out annually.
4. Matters relating to employees to be discussed in confidence (public and press to leave the meeting room) and minutes recorded as confidential.
5. Appropriate training to be provided for all identified training needs necessary to carry out the role effectively.
6. Appropriate equipment and PPE to be provided to ensure that employees can carry out their roles safely and effectively.
7. All staff requested to read the Staff Health & Safety Policy Handbook annually and sign and return form to Town Clerk to say they have read the policy.

Signature of Town Clerk:

Date:

Signature of Chairman:

Date:

Approved

June 2018