

COSTESSEY TOWN COUNCIL FINANCIAL RISK ASSESSMENT – Amended & approved by CTC 29/01/19

RISK IDENTIFIED	LEVEL	OUR CONTROLS	SUGGESTED AMENDMENTS	ACTION BY	DATE
<u>FINANCIAL LOSS & FRAUD</u>					
<u>Purchases</u>		<p>Goods ordered by or on the instruction of the Clerk in line with Council's Financial Policy and Regulations.</p> <p>All accounts for goods or services authorised by the Clerk or Deputy Clerk for payment. Head Groundsman double checks invoices for materials of grounds work & signs them before authorisation by Clerk / Deputy.</p> <p>Purchase Ledger set up in 2010.</p> <p>Two assistants deal with accounts, rather than one. (Roles exchanged each financial year)</p> <p>Outstanding purchases chased at month end.</p> <p>All invoices are available for Councillors to check against payments made.</p> <p>BACS payments to be introduced gradually where possible.</p> <p><u>Note:</u> Norfolk Pension Fund, HMRC and staff salaries now paid by BACS by local bank branch on production of letter signed as per bank mandate.</p>			
<u>Debit Cards & IMPREST accounts</u>		<p>Clerk and Groundsman have debit cards with authorisation to buy goods up to £2,000 and £3,000 respectively. These IMPREST accounts are monitored through the Accounts system and purchases must have accompanying receipts for the audit trail.</p>			

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<u>Cheques</u>		<p>Cheques for payment are not sent until goods received.</p> <p>Cheques for payment to be written by the Assistant and signed by two Councillors from a list of six plus the Clerk or Deputy</p> <p>Cheques raised in numerical order and entered onto the accounts system.</p> <p>New BACS procedure (see FB&S Committee Minutes 23/06/15) to be followed – approved by Internal Auditor</p> <p><u>Note:</u> Occasionally payment for maintenance contract visits is demanded in advance by known suppliers</p>			
<u>BACS payments</u>		<p>See note above – Salaries paid by BACS, including HMRC but not Norfolk Pension Fund as yet</p> <p>Procedures to be in line with Business Banker's explanation and Procedure agreed with Internal Auditor in June 2015. Councillor authorisation to be in line with cheque signing mandate.</p>			
<u>Sales / Receipts</u>		<p>Sales Ledger set up & all services invoiced.</p> <p>All monies, (cheques, cash or BACS) are receipted with the name and address of the payee and the item to which it refers.</p> <p>Receipts are listed in numerical order in the accounts. All receipts are paid into the bank either by pay-in book listing with receipt number reference or by direct payment. (BACS)</p> <p>All receipts are listed and appear on the monthly statements.</p>			

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		Outstanding invoices to be paid are chased with a friendly phone call “reminder” followed by three letters of increasing severity as necessary			
<u>Accounts/ Bookkeeping / Bank Reconciliations / Budgetary Control</u>		After the change of month, a copy of the accounts is presented to the Council for approval and signature. A bank reconciliation is prepared each month and presented at the next available full Council meeting. A brief budget report is presented to Council with details of potential overspends. GDPR requires data protection for individuals so summaries and bank recs only for public – full accounts can be requested and presented on purple paper to Cllrs ONLY - OR AS ADVISED BY ONGOING GUIDANCE ON GDPR REGS	<u>Note:</u> due to Data Protection regulations many names are redacted & summaries of reconciliations are more appropriate		
<u>Petty Cash</u>		Purchases may not be made by the members of staff without the Clerk’s / Deputy’s express permission. Receipts must be produced before reimbursement is made, and staff must sign to say they have received petty cash. The petty cash account to be administered by the Clerk / Deputy Clerk. The amount held on this account was reduced to £300 as of 1 April 2011. Cash is held in box in locked safe. Large amounts of cash are not held on premises but banked regularly.			
<u>Year End & Audit</u>		Accountancy firm (<i>DCK Accounting Solutions</i>) prepares the year-end figures and assists with budget setting.			

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		<p><i>Auditing Solutions</i> has been appointed to conduct two internal audits per year and comment on the end of year presentation. Internal Audit Reports are presented to full Council and an Action Plan is implemented</p> <p>PKF Littlejohn LLP have been appointed as External Auditors for 2017-2022. Their report is presented to full Council and an Action Plan is implemented. The audit report is made available to the public as required by the Accounts & Audit Regulations.</p>			
<u>Fixed Assets</u>		<p>An inventory of fixed assets (Land, buildings, play equipment, office equipment, plant, vehicles, investments etc) is kept and updated periodically with acquisitions and disposals recorded and is included in notes to the accounts at the Year End. They are available to Councillors in the office on request</p>			
<u>Payroll</u>		<p>Payroll undertaken by the Clerk, using specialist <i>Moneysoft</i> software following introduction of RTI by HMRC. Blyth Accountancy Services have trained the Clerk and act as “back-up” for training and holidays / sick leave / absences and emergencies. Copies of calculations and payslips and acknowledgements by HMRC are kept.</p>			
<u>Quotes / Tenders / Contracts</u>		<p>Three quotes to be sought where possible. (See Financial Regulations). GDPR will influence whether CTC keeps quotes till after conclusion of Audit for the particular financial year</p>			

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		Annual maintenance contracts in place for equipment.			
<u>Reduction in Tax Base</u>		Reduction in Tax Base due to changes to Council Tax Benefit payments are no longer compensated for by Precept Support Grant. Withdrawal of this as of 2018-19. Any underspend to be put into an EMR to help fund future years' shortfall and project requirements. Queen's Hills has been designated a separate ward from 2019 with total no. of councillors rising to 19			
<u>REGULATIONS</u>					
<u>Standing Orders</u>		Standing Orders are in existence, but due to malicious misuse at distant past meetings have been suspended on many occasions, the latest being 06/11/2018. External Auditors have previously required Standing Orders be reviewed every three years as a minimum– awaiting further detailed sector guidance - in light of GDPR			
<u>Financial Regulations</u>		Last updated and agreed by full Council 29 January 2019. To be reviewed annually.			
<u>Code of Conduct</u>		Following the provisions of the Localism Act 2011, the previous standard Code of Conduct has been replaced with a tailor-made code based largely on			

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		that of South Norfolk Council's model with additions from the NALC model code. Code readopted by Council, usually at Annual Meeting of Council every year.			
<u>RISK CONTROL</u>					
<u>Risk Assessments</u>		A thorough H&S regime, with policies & risk assessments for the Council's activities, is prepared and reviewed by a specialist H&S company. The Clerk meets the Company Director approx. quarterly and new premises & activities are assessed. This Financial RA is checked annually & updated by the Clerk as necessary for approval by Council.			
<u>Inspection & Maintenance Regimes</u>		Play equipment and grounds are inspected regularly and recorded. Annual Maintenance contracts entered into for essential equipment Kitchen Premises registered with District Council Environmental Health & inspected. Community Fridge has its own procedures to follow recommended by Hubbub			
<u>Insurance</u>		Insurance paid annually. Additional equipment / activities notified and added as required. Clerk has meeting with representative of a specialist Council Insurance provider to confirm that additional cover is included as Council's requirements change.			

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		At the end of insurance period quotes obtained from several providers			
<u>Procedures & Policies</u>		Admin procedures standardised and all office staff made aware of them. Office procedures in process of being written down and collated Various Policies already in place: (see list) Other policies to be drafted and presented to full Council as appropriate Policy Handling to be updated in light of GDPR – awaiting further detailed sector guidance			
<u>Training</u>		Training Policy adopted. Clerk & Deputy trained to CiLCA standard. Additional Office staff & groundsman trained in First Aid & Manual Handling & equipment use. New Councillors and staff to be offered training as appropriate eg New Clerks' & Councillors' Course, Chairmanship, Council Finance provided by County Association or First Aid Courses. ALL staff and Councillors to be offered training on GDPR Log of training courses kept.			
<u>Accidents</u>		Accident Book on Premises available to all. (Confidential details kept separately in locked cupboard). Office staff & groundsman received First Aid & Manual Handling training. RIDDOR notification if necessary Council insured by specialist sector insurance company			

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<u>Data Handling/ Protection & Storage</u>		<p>IT systems managed by specialist firm Breakwater. Information now stored on the Cloud. Firewall, anti-SPAM, anti-virus software installed. E-mails screened before entering in-boxes. Back-up made for payroll on Clerk's computer & taken off premises in case of fire / other businesses interruption.</p> <p>Council registered with the Information Commissioner's Office under the Data Protection Act 1998.</p> <p>New GDPR as of 25 May 2018 Policies & Risk Assessments to be updated in light of GDPR – awaiting further detailed sector guidance</p> <p>Office staff do not disclose personal details of hirers / residents etc to third parties.</p> <p>Any documents with names, addresses, phone nos. etc are shredded rather than recycled.</p> <p>ALL staff have undertaken training on GDPR and Councillors offered training as elected / co-opted to avoid fines for breaches of Act.</p> <p>New Policies written and</p> <p>Data Protection Officer appointed</p> <p>Compliance essential re Data / Information Audit & Privacy Notices</p> <p>Data / Information Audit undertaken</p> <p>Individuals contacted to inform them of how their data will be stored, the legal basis and for how long.</p> <p>Office locked to protect staff and data.</p> <p>Screens time-out and can be switched to desktop by one click</p>	Ongoing		

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<u>Legal Advice & Challenges</u>		<p>Solicitors firm retained.</p> <p>Separate specialist legal firm retained for HR advice.</p> <p>Legal advice sought for contracts and property registration.</p> <p>Council is member of County Association for specific local council focused briefings, advice and training</p>			
<u>Fidelity</u>		<p>No member of council or staff alone may sign cheques – all need three approved signatures.</p> <p>BACS payments for Salaries, Norfolk Pension Fund and HMRC payments.</p> <p>Councillor authorisation to be in line with cheque signing mandate.</p> <p>Full internet banking to be considered at a later date when possible.</p> <p>Debit Cards are linked to IMPREST accounts with maximum amount to be withdrawn in a month (£2,000 CIMP & £3,000 GIMP).</p> <p>Staff members work together to complete bank reconciliations and check accounts.</p> <p>Insurance is in place to cover any loss.</p>			
<u>Confidentiality</u>		<p>Councillors are given confidential reports on purple paper. Often these are returned to the office for shredding at the end of a meeting. Otherwise Councillors should shred them personally.</p> <p>Office staff clear their desks of confidential material at the end of the day. Confidential documents are locked away.</p>			

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		Policies & Risk Assessments to be updated in light of GDPR – awaiting further detailed sector guidance			
<u>BUSINESS INTERRUPTION</u>					
<u>Loss of Hall Hire</u>		Insurance for Business interruption and loss of earnings.			
<u>Loss of Office Premises</u>		<u>Emergency Plan:</u> Queen's Hills Community Centre Office to be used as temporary office. Cloud storage ensures data recovery & back-up drive for Clerk's computer. Small server for accounts. Displaced Hirers would have to be compensated. Full Emergency Procedures drawn up for consideration			
<u>Loss of Data</u>		Breakwater monitors IT systems. CTC has back-up maintenance & support agreement with Breakwater Data on Clerk's computer backed up on external hard drive and taken off premises.			
<u>Loss of Staff hours</u>		Rota to cover office opening hours. Office 365 system allows staff to access e-mails remotely Staff holidays staggered: Clerk & Deputy not allowed to take holiday at same time. Temporary / seasonal grounds staff engaged in summer months if necessary to cope with extra summer workload.			

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		Tasks able to be carried out by more than one member of staff so that no task is left undone due to staff absences. Long Term sick leave could be covered either by extending P/T worker's hours, by temporary staff or by engaging an additional P/T member of staff.			
<u>COMMUNITY EVENTS & INITIATIVES</u>					
<u>Fete & Fair</u>		Relevant statutory agencies contacted TENS Licence obtained Alcohol to be provided by the Designated Premises Supervisor (DPS) Trained First Aiders to be engaged for duration of event. Food outlets required to provide Hygiene Certificates & Public Liability insurance documents Other attractions required to provide Public Liability insurance documents Certified Security Co. to manage site security & traffic management Communications meetings with stall holders & volunteers re site safety Volunteers to sign volunteer forms with contact details Access & parking instructions to be given before the day. Marshalls to ensure safe parking on site with one-way vehicle system and separated pedestrian routes.			

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		<p>Fairground operators to safeguard own equipment. Incidents to be managed by Council Controllers & Security firm using Control Point / Stage & PA system to inform public Firework Display to be provided by a fully licensed and insured professional company with risk assessments / insurance docs & site plan sent to Council in advance Rubbish – Extra bins to be hired for the duration of the event. All stallholders required to have their own bins for disposal and to take their rubbish away Toilet provision – All Centre toilets to be available and signposted. Caretaking staff to inspect & replenish supplies periodically SEE DETAILED SPECIFIC RISK ASSESSMENT</p>			
<u>Community Fridge</u>		<p>Located in lockable building under CCTV Installation in accordance with user guidelines. Norfolk Waste Partnership to remove at short notice if required. Daily temperature readings recorded Commercial cleaning schedule Contents monitored daily for labelling & expiry dates Food groups separated Food to be sealed High Risk foods banned Nearby bin for food disposal Instructions for use clearly visible Fridge Availability times publicised Regular hirers' permission sought for opening times during their hire SEE DETAILED SPECIFIC RISK ASSESSMENT</p>			

