

ALDEBURGH TOWN COUNCIL

FINANCIAL RISK ASSESSMENT DOCUMENT

This document is 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 the risks. This will enable the Council to make the required declaration in its return to the external auditors. The Risk Assessment document to be reviewed annually.

Risk: Accounting errors due to lack of financial control

Procedures to address risk:

1. A Responsible Finance Officer (RFO) to be appointed.
2. Two Town Councillors to be appointed as Financial Scrutineers. Should either or both resign from the Council or confirm that they no longer wish to be a Financial Scrutineer, a replacement(s) will be appointed at the earliest opportunity.
3. All financial documentation to be held in the Town Council office, e.g. cheque books, paying in books, invoices, receipts, bank statements, VAT reclaim papers, electronic accounting system (Scribe).
4. Back-up of computerised system carried out at regular intervals. Back-up to be taken off-site.
5. Cheques to be written and entered into the electronic accounting system (Scribe).
6. Cheque numbers to be written on invoices when paid.
7. Direct debits, if deemed appropriate, will be signed by two authorised bank signatories.
8. Payments made by Banker's Standing Order will be evidenced by two authorised bank signatories.
9. Payments made by BACS and/or CHAPs will be evidenced by two authorised bank signatories.
10. If payments are made by internet bank transfer evidence will be retained to show which members authorised the payment(s).
11. Invoices to be filed sequentially.
12. Cash and cheques to be entered into the electronic accounting system weekly and banked as soon as reasonably practicable.
13. Receipts to be issued for all monies received by the Council, except items received through BACS.
14. Bank statements to be reconciled with the electronic accounting system monthly.
15. VAT to be reclaimed quarterly.
16. Financial Scrutineers to carry out a review of the accounts at least annually.

Risk: Budget overspend

Procedures to address risk:

1. Budget to be prepared by the Responsible Finance Officer annually in November to determine the budget for the following financial year and to be discussed by Full Council to determine the precept.
2. Budget to actual income and expenditure to be reviewed quarterly.
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 the NJC (National Joint Council) salary scale recommendations.
6. Expenditure not in budget, Council to agree and minute how to be funded.

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 Clerk under Standing Orders.
2. All expenditure necessary to maintain the normal administration working environment does not require authorisation.
3. All expenditure to be ratified at each Full Council meeting.
4. All cheques to be signed by two Councillors authorised by Bank Mandate and cheque stubs to be initialled by those two Councillors.
5. The two signatories to initial the corresponding invoice.
6. Payments made by debit card to be authorised by the Responsible Finance Officer. Signing and dating the invoice/payment request accordingly.
7. No member of staff to be authorised to sign cheques.
8. 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 and as set out in the Code of Conduct.
9. Year-end accounts to be prepared by the Responsible Finance Officer for circulation to the Town Council following the financial year end on 31st March.
10. Appointment of Independent Internal Auditor to be reviewed annually at the Annual Council Meeting in May of each year.
11. The Council has its accounts audited each year by external auditors appointed by the Audit Commission.
12. Records of petty cash to be kept and reconciled into accounts on a regular 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. Asset Register to be maintained by the Clerk and updated at the time assets are added or removed and to be presented as part of the Annual Accounts.
3. A record of all key holders for council property is maintained.

Risk: Liability to Public to Provide a Duty of Care

Procedures to address risk:

1. Public Liability covered to £10million as required by Suffolk County Council.
2. Council employees regularly undertake visual inspections of the condition of the Council assets to ensure that health and safety obligations are met and that appropriate action is taken to minimise any risk of injury to third parties.
3. Health and Safety checks to be carried out on the play areas every week and on all other street furniture monthly to monitor and identify risks to the health and safety of the public using the items. Records of checks and any action taken retained in the office.
4. Monthly ROSPA inspections of the play areas to take place and findings reported to Council.
5. Risk assessments to be reviewed annually and approved by Full Council.

Risk: Compensation Claim from Employee for Malpractice or Injury

Procedures to address risk:

1. Contracts of Employment issued to employees on the first day of their employment (but subject to probationary period).
2. Job descriptions of employees reviewed annually.
3. Appraisals 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 role.
6. Appropriate equipment to be provided to ensure that employees can carry out role effectively and safely.