

DRAFT COSTESSEY TOWN COUNCIL FINANCIAL RISK ASSESSMENT 2021-22

CTC 9/11/21

RISK IDENTIFIED	LEVEL	OUR CONTROLS	SUGGESTED AMENDMENTS	ACTION BY	DATE
<u>FINANCIAL LOSS & FRAUD</u>					
<u>Purchases</u>		<p><u>Goods</u> ordered by or on the instruction of the Clerk in line with Council's Financial Policy and Regulations.</p> <p><u>All accounts</u> 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, while Buildings Manager double checks invoices for materials or work by contractors & signs them before authorisation by Clerk / Deputy.</p> <p><u>Purchase Ledger</u> set up in 2010.</p> <p><u>Two assistants</u> deal with accounts, rather than one. (Roles exchanged each financial year)</p> <p><u>Outstanding purchases</u> chased at month end.</p> <p><u>All invoices</u> are available for Councillors to check against payments made.</p> <p><u>BACS payments</u> 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>			

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<p><u>Debit Cards & IMPREST accounts</u></p>		<p>Clerk and Groundsman each have debit cards with authorisation to buy goods up to £3,000. These IMPREST accounts are monitored through the Accounts system and purchases must have accompanying receipts for the audit trail.</p>	<p>A second Debit Card for the Deputy Clerk might be useful now that WFH is more frequent</p>	
<p><u>Banking</u></p>		<p>Staff: Any member of staff can pay cash & cheques into the bank branch. Pay-in slip to agree with monies & cheques. ONLY Clerk & Deputy authorised to withdraw cash, speak to Bank Call Centres, sign banking letters etc. <u>Balances checked on-line daily with Clerk / Deputy authorising PIN code on Debit card for access to "View" banking.</u> <u>Internal transfers between accounts can be made at anytime by Clerk or Deputy, though usually at month end & print out put on file.</u> <u>Bank accounts checked daily to ensure no unauthorised Direct Debits have been set up</u></p>		
<p><u>Cheques</u></p>		<p><u>Cheques for payment are not usually sent until goods received.</u> <u>Cheques for payment to be written by the Assistant and signed by two Councillors from a list of six plus the Clerk or Deputy</u> <u>Cheques raised in numerical order and entered onto the accounts system.</u> <u>BACS procedure (see FB&S Committee Minutes 23/06/15) to be followed – approved by Internal Auditor</u> Note: Occasionally payment for maintenance contract visits is demanded in advance by known</p>		

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		<p>suppliers, and sometimes phased payments are made for large projects</p>			
<p><u>BACS payments</u></p>		<p>See note above – <u>Salaries</u> paid by BACS, including HMRC including Norfolk Pension Fund 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>			
<p><u>Sales / Receipts</u></p>		<p><u>Sales Ledger</u> set up & all services invoiced. <u>All monies</u> (cheques, cash or BACS) are received with the name and address of the payee and the item to which it refers. <u>Receipts</u> 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) <u>All receipts</u> are listed and appear on the monthly statements. <u>Outstanding invoices</u> to be paid are chased with a friendly phone call “reminder” followed by three letters of increasing severity as necessary</p>			
<p><u>Accounts/ Bookkeeping / Bank Reconciliations / Budgetary Control</u></p>		<p>After the change of month, a complete copy of the accounts is taken to the F, B&S Committee for scrutiny, and a summarised version is presented to following full Council meeting for approval and signature. A bank reconciliation is prepared each month and presented at the Finance Committee and a summarised version is presented to full Council.</p>	<p>Replace F, B&S with “Finance” throughout</p>		

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		<p>Bank reconciliations are also monitored by the "Scrutineer Member". A brief budget report is presented to Finance Committee monthly, then to Council, with details of potential overspends. <u>GDPR</u> 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 Note: due to Data Protection regulations many names are redacted & summaries of reconciliations are more appropriate</p>	<p>Bank account details to be obscured on public copies as security measure</p>		
<p><u>Petty Cash</u></p>		<p><u>Purchases</u> 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 <u>petty cash account</u> to be administered by the Clerk / Deputy Clerk. The amount held on this account was reduced to £300 as of 1 April 2011. <u>Cash</u> is held in box in locked safe. Large amounts of cash are not held on premises but banked regularly.</p>			
<p><u>Year End & Audit</u></p>		<p><u>Accountancy firm (DCK Accounting Solutions)</u> prepares the year-end figures and assists with budget setting. <u>Internal Audit: Auditing Solutions</u> has been appointed to conduct two internal audits per year and comment on the end of year presentation.</p>			

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		<p>Internal Audit Reports are presented to Finance Committee, then full Council and an Action Plan is implemented</p> <p><u>External Audit:</u> PKF Littlejohn LLP have been appointed as <u>External Auditors</u> for 2017-2022. Their report is presented to Finance Committee, then 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 <u>inventory of fixed assets</u> (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><u>Payroll</u> undertaken by the Clerk / Deputy, using specialist <u>Moneysoft</u> 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><u>Three quotes</u> to be sought where possible. (See current Financial Regulations for allowable exceptions). 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 of 6 for 2021-22 financial year. Reduction likely to continue into 2022-23 due to effects of Covid <u>Community Governance Reviews</u> could lead to changes in parish boundary which would affect the Tax Base.			
<u>REGULATIONS & POLICY DOCUMENTS</u>					
<u>Standing Orders</u>		Standing Orders have been reviewed and adopted without suspension as of December 2019. External Auditors have previously required Standing Orders be reviewed every three years as a minimum–			
<u>Financial Regulations</u>		Last updated and agreed by full Council 10 March 2020. To be reviewed annually. AMENDED DRAFT to be reviewed and approved by Finance Committee then CTC.			
<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 on best			Note: New national model Code is under discussion at present

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<u>Member / Officer Protocol</u>		practice models. Code readopted by Council, usually at Annual Meeting of Council every year.			
<u>Procedures & Policies</u>		<p><u>Protocol</u> sets out the expected relationship between Council members and officers. Based on best practice documents elsewhere</p> <p><u>Admin procedures</u> standardised and all office staff made aware of them. Office procedures in process of being written down and collated</p> <p><u>Various Policies</u> already in place: (see list) Other policies to be drafted and presented to full Council as appropriate</p> <p><u>Policy Handling</u> to be updated in light of GDPR – awaiting further detailed sector guidance</p>		Note: Moved from Risk Control Section	
<u>RISK CONTROL</u>					
<u>Risk Assessments</u>		<p>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, equipment & activities are assessed.</p> <p>This Financial RA is checked annually & updated by the Clerk as necessary for approval by Finance Committee and Council.</p>			

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<p><u>Inspection & Maintenance Regimes</u></p>		<p><u>Play equipment and grounds</u> are inspected regularly and recorded. <u>Annual Maintenance contracts</u> entered into for essential equipment <u>Kitchen Premises</u> registered with District Council <u>Environmental Health</u> & inspected. <u>Community Fridge</u> has its own procedures to follow (recommended by Hubhub and Council's Insurance Company) eg Fridge temperatures checked daily, packaged food checked for "use before" dates, decaying loose vegetables removed regularly</p>	<p><u>Note: Community Fridge</u> is currently not operating due to Covid.</p>		
<p><u>Insurance</u></p>		<p>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. At the end of insurance period quotes obtained from several providers</p>	<p>Note: Covid measures in place</p>		
<p><u>Training</u></p>		<p><u>Training Policy</u> adopted. <u>Clerk & Deputy</u> trained to CiLCA standard. Additional Office staff & groundsman trained in First Aid & Manual Handling & equipment use. <u>New Councillors</u> and staff to be offered training as appropriate eg <u>New Clerks' & Councillors' Course</u>, <u>Chairmanship</u>, <u>Council Finance</u> provided by County Association or <u>First Aid Courses</u>. <u>ALL staff and Councillors</u> to be offered training on <u>GDPR</u> <u>Log of training courses</u> kept.</p>			

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<p><u>Accidents</u></p>		<p>Accident Book on Premises available to all. (Confidential details kept separately in locked cupboard). Office staff & groundsmen received First Aid & Manual Handling training. RIDDOR notification if necessary Council insured by specialist sector insurance company</p>			
<p><u>Data Handling/ Protection & Storage</u></p>		<p>IT systems managed by specialist firm Breakwater. Information now stored on the Cloud as well as on local server. 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. Council registered with the Information Commissioner's Office under the Data Protection Act 1998. New GDPR as of 25 May 2018 Policies & Risk Assessments updated Office staff do not disclose personal details of hirers / residents etc to third parties. Any documents with names, addresses, phone nos. etc are shredded rather than recycled. ALL staff have undertaken training on GDPR and Councillors offered training as elected / co-opted to avoid fines for breaches of Act. New Policies written Data Protection Officer appointed Compliance essential re Data / Information Audit & Privacy Notices</p>	<p>Payroll now backed up on Cloud</p>		

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		<p><u>Data / Information Audit</u> undertaken <u>Individuals</u> contacted to inform them of how their data will be stored, the legal basis and for how long. <u>Office</u> locked to protect staff and data. <u>Screens</u> time-out and can be switched to desktop by one click to maintain confidentiality</p>			
<p><u>Legal Advice & Challenges</u></p>		<p><u>Solicitors</u> firm retained. Separate <u>specialist legal</u> firm retained for HR advice. <u>Legal advice</u> sought for contracts and property registration. <u>Council</u> is member of County Association for specific local council focused briefings, advice and training <u>Insurance</u> cover for legal costs</p>	<p>ADD</p>		
<p><u>Fidelity</u></p>		<p><u>No member</u> of council or staff alone may sign cheques – all need three approved signatures. <u>BACS</u> payments for Salaries, Norfolk Pension Fund and HMRC payments. <u>Councillor</u> authorisation to be in line with cheque signing mandate. <u>Full internet banking</u> to be considered at a later date when possible. <u>Unity Trust a/c</u> to be used for deposit returns to £100 ONLY <i>pro tem</i> <u>Debit</u> Cards are linked to IMPREST accounts with maximum amount to be withdrawn in a month (£3,000 CIMP & £3,000 GIMP). <u>Staff</u> members work together to complete bank reconciliations and check accounts.</p>	<p>Unity Trust Bank a/c opened. CCLA being researched. Interest rates low CIMP limit uplifted to £3,000. Would additional debit card for Deputy Clerk be</p>		

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		Bank reconciliations are checked against bank statements and signed by a "Scrutineer" Councillor monthly <u>Insurance</u> is in place to cover any loss.	useful now more WFH is taking place?	
<u>Confidentiality</u>		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. <u>Office staff</u> clear their desks of confidential material at the end of the day. Confidential documents are locked away. <u>Policies & Risk Assessments</u> to be updated in light of GDPR – awaiting further detailed sector guidance		
<u>BUSINESS INTERRUPTION</u>				
<u>Loss of Hall Hire</u>		<u>Insurance</u> for Business interruption and loss of earnings. If halls used as <u>Emergency Rest Centres</u> as part of SNC's wider emergency planning contact insurer as halls could be needed for sleeping / housing residents who were unable to access their own homes. Extra staff overtime then likely to be incurred with additional salary costs	Note: Covid – CTC obtained Business Rates relief during 2020-21	
<u>Loss of Office Premises</u>		<u>Emergency Plan: Queen's Hills Community Centre Office</u> to be used as temporary office.	NB: Wi-Fi inadequate at QH to support this.	

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		<p><u>Option for staff to work from home on a temporary basis</u> <u>Cloud storage ensures data recovery & back-up drive for Clerk's computer. Small server for accounts. Small server almost at end of its life & migration to Cloud will be essential soon</u> <u>Displaced Hirers would have to be compensated. Full Emergency Procedures drawn up for consideration</u></p>	<p>FTTC installed and FTTP to be considered when available. More remote Working From Home (WFH) where appropriate</p>	
<p><u>Loss of access to office premises eg in case of quarantine</u></p>		<p><u>In case staff were not allowed to access office premises eg in case of quarantined staff, Office 365 system allows staff to access e-mails remotely</u> <u>CTC cleaning company (or a specialist one) to do a disinfectant deep clean if premises deemed to be an infected area.</u> <u>Put info on the website and advise hirers that buildings were closed.</u> <u>Cancel hires and give refunds or free sessions as a gesture of goodwill.</u> <u>Business Interruption insurance only valid if advised to shut down by the Medical Authorities – CTC would not be able to claim or prove a necessity for shutting down otherwise.</u></p>	<p><u>Note: Office 365 is proving to be not straight forward, but staff receiving training</u></p>	
<p><u>Loss of Data</u></p>		<p><u>Breakwater monitors IT systems. CTC has back-up maintenance & support agreement with Breakwater</u> <u>Data on Clerk's computer backed up on external hard drive and taken off premises.</u></p>		
<p><u>Loss of Staff hours</u></p>		<p><u>Rota to cover office opening hours.</u></p>		

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		<p><u>Office 365</u> system allows staff to access e-mails remotely</p> <p>Staff holidays staggered: Clerk & Deputy not allowed to take holiday at same time.</p> <p><u>Temporary / seasonal grounds staff</u> engaged in summer months if necessary to cope with extra summer workload.</p> <p><u>Tasks</u> able to be carried out by more than one member of staff so that no task is left undone due to staff absences.</p> <p><u>Long Term sick leave</u> could be covered either by extending P/T worker's hours, by temporary staff or by engaging an additional P/T member of staff.</p> <p><u>Grounds Staff</u> could be covered by external contractors eg NORSE</p>		
<p><u>COMMUNITY EVENTS & INITIATIVES</u></p>				
<p><u>Fete & Fair</u></p>		<p>SEE DETAILED SPECIFIC RISK ASSESSMENT</p> <p>Relevant statutory agencies contacted</p> <p><u>TENS Licence</u> to be obtained by any stall wishing to serve alcohol (Extension to Premises Licence being sought to extend licensed area and timings of licensable activities)</p> <p>Alcohol to be provided by the Designated Premises Supervisor (DPS)</p> <p><u>Trained First Aiders</u> to be engaged for duration of event.</p>	<p>Note: Fete 2021 cancelled by CTC on 02/02/21</p> <p>Fete 2022: Cadent restricted vehicle access across high pressure gas main, so fewer vehicles allowed to park.</p>	

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<p><u>Community Fridge</u></p>	<p>Food outlets required to provide Hygiene Certificates & Public Liability insurance documents Other attractions required to provide Public Liability insurance documents <u>Certified Security Co.</u> to manage site security & traffic management Communications meetings with stall holders & volunteers re site safety <u>Volunteers</u> to sign volunteer forms with contact details <u>Access & parking</u> instructions to be given before the day. Marshalls to ensure safe parking on site with one-way vehicle system and separated pedestrian routes. <u>Fairground</u> operators to safeguard own equipment. Incidents to be managed by Council Controllers & Security firm using Control Point / Stage & PA system to inform public <u>Firework Display</u> to be provided by a fully licensed and insured professional company with risk assessments / insurance docs & site plan sent to Council in advance <u>Rubbish</u> – 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</p>	<p>Risk of on-going Covid rules affecting attendance</p>	
	<p>SEE DETAILED SPECIFIC RISK ASSESSMENT Located in lockable building</p>	<p>REMOVE DETAILS</p>	

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		<p>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 Decaying loose vegetables removed regularly 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</p>			
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