

WHITCHURCH TOWN COUNCIL

Financial Risk Assessment.

1. INSURANCE COVER

Risk Identification = RI

Internal Controls = IC

- RI.** The protection of physical assets owned by the council, *buildings, furniture, equipment etc.
- IC.** Furniture, office equipment, machinery and stationery; outdoor equipment and machinery; bus shelters, fences, public seats, cycle racks and notice board, millennium tapestry and Town model; Mayor's regalia etc. (Cost of insurance cover for street lamps and recreation ground play equipment has historically been in excess of average annual repair bills, so has not been taken up). Reviewed on a regular basis.
Loss/Damage Cover, AVIVA Policy No. 24414511CHC
- RI** The risk of damage to a third party property or individuals as a consequence of the council providing services or amenities to the public.
- IC** Public Liability Cover, AVIVA Policy No. 24414511CHC
- RI** The risk of consequential loss of income or the need to provide essential services, following critical damage, loss or non-performance by a third party.
- IC** Consequential Loss Cover, AVIVA Policy No. 24414511CHC
- RI** Loss of cash through theft or dishonesty , AVIVA Policy No. 24414511CHC
- IC** Fidelity guarantee, , AVIVA Policy No. 24414511CHC

Internal Audit Assurance.

Any changes required to cover are notified to the Insurance Company as soon as practicable.

The insurance policy is reviewed each year prior to renewal.

The insurance policy, along with all necessary documentation, is presented to the internal Auditor for his annual inspection, prior to completion of the relevant section of the Audit Statement.

*Whitchurch Town Council is the Trustee for Whitchurch Town Hall, on behalf of the freeholders of Whitchurch. Financial controls are in place and annual accounts are prepared as required by the Charity Commission.

2. AREAS OF WORK INVOLVING OTHER PARTIES

Risk Identification

Due to the limited nature of internal resources Whitchurch Town Council buys in services from specialist external bodies.

- (i) Weekly inspection and minor repairs to play equipment and fences at the 2 Recreation Grounds, Winchester Road and Kingsley Park.

- (ii) All ground maintenance of Recreation Grounds, Cemetery, Allotments and Footpaths.
- (iii) Maintenance of street furniture and lighting.
- (iv) Maintenance of office equipment and furniture, including lease-hired photocopier.
- (v) *Maintenance of Town Council furniture and equipment.
- (vi) Provision of street litter clearing service, carried out under an agency agreement with Basingstoke and Deane Borough Council.
- (vii) Banking arrangements.
- (viii) *Ad hoc provision of amenities/facilities for events to local community groups.
- (ix) Professional services, (planning, architects, accountancy, design etc.) when appropriate.

Internal Controls

- (i) Whitchurch Town Council has Standing Orders and Financial Regulations in place, which deal with award of contracts for services or the purchase of capital equipment.
- (ii) There is frequent contact, often on site, with service providers/contractors, who are required to confirm adequate public liability insurance prior to commencing work.
- (iii) There is annual review of contracts.
- (iv) Whitchurch Town Council has Standing Orders and Financial Regulations in place to detect and deter fraud and/or corruption.
- (v) The RFO/Clerk undertakes monthly bank reconciliation, which is confirmed and signed by the Finance and Policy Chairman.
- (vi) All necessary documents are presented to the internal Auditor for his annual inspection, prior to completion of the relevant section of the Audit Statement.

Internal Audit Assurance

All necessary paperwork is presented annually to the Internal Auditor to enable him/her to review internal controls and documentation; review Minutes to ensure that the application of legal powers is recorded and correctly applied; review and test arrangements to prevent and detect fraud and corruption; review adequacy of insurance cover provided by suppliers; test specific internal controls and report findings to the Town Council.

3. AREAS OF WORK REQUIRING SELF MANAGEMENT

Risk Identification

- (i) Keeping proper financial records in accordance with statutory requirements.
- (ii) Ensuring business activities are within legal powers applicable to Parish/Town Councils.
- (iii) Ensuring all requirements are met under employment law and Inland Revenue regulations.
- (iv) Ensuring all requirements are met under Customs and Excise regulations (especially VAT).
- (v) Ensuring the adequacy of the annual precept within sound budgeting arrangements.
- (vi) Ensuring the proper use of funds granted to local community bodies under specific powers or under section 137.

- (ii) Proper, timely and accurate reporting of Council business in the Minutes.
- (iii) Responding to electors wishing to exercise their rights of inspection.
- (iv) Meeting the requirements in order to apply for Quality Status in the near future.
- (v) Register of Members' interests, gifts and hospitality, in place and up to date.
- (vi) Meeting the increasingly tight Audit Commission timetable for submitting the Audit Report and supporting papers, with the possibility of eliciting fines, if late.
- (xi) Covering unforeseen extraordinary expenses.

Internal Controls

- (i) Regular scrutiny of financial records and proper arrangements for the approval of expenditure. Review of Financial Regulations and Standing Orders.
- (ii) Monthly returns to the Inland Revenue; contracts of employment for all staff;
- (iii) Proper retention of VAT claim forms.
- (iv) Budget review and report to Full Council.
- (v) Annual review of WTC's Statement of Objectives.
- (vi) Minutes numbered and paginated with a master copy kept in safekeeping.
- (vii) Proper administrative procedure.
- (viii) Terms of Reference for Committees and Sub-Committees set and approved by R&P Committee.
- (ix) Adoption of Code of Conduct by Members.
- (x) Maintain a Contingency Reserve of 80% – 100% of the annual precept. (Resolution of R&P Committee 29.11.07)

Internal Audit Assurance

All necessary paperwork is presented annually to the Internal Auditor to enable him/her to review internal controls and documentation; review Minutes to ensure application of legal powers is recorded and correctly applied; to test income and expenditure from Minutes to cash book, from bank statements to cash book, from Minutes to statements etc; review and test arrangements to prevent and detect fraud and corruption: review adequacy of insurance cover provided by suppliers; test specific internal controls and report findings to the Town Council.

External Audit Assurance

Following internal audit, Income & Expenditure Accounts and accompanying information will be presented to the Full Council for formal acceptance, and completion of the Audit Report with accompanying documentation. This will then be sent to the Audit Commission, by recorded delivery within the proscribed timetable.

RECORD of REVIEW

Reviewed and confirmed R&P Meeting 31.01.05.
Reviewed and confirmed R&P Meeting 22.05.06
Reviewed and amended R&P Meeting 29.11.07
Reviewed and confirmed R&P Meeting 11.08
Reviewed and confirmed R&P Meeting 11.08
Reviewed and amended 7.12.09
Reviewed and confirmed 7.06.10