



## FINANCIAL RISK ASSESSMENT

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that seeks to enable the Parish Council to identify and mitigate its potential inherent risks. Risk assessment and internal controls need to focus on the safety of the authority's assets, particularly money.

The Council, based on this recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible.

This document has been produced to enable Wincanton Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to mitigate them.

Under the Audit Regulations, the Town Council is required to provide a statement of assurance in accordance with the Audit guidelines issued by the Audit Commission, including:

***We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.***

In order to warrant a positive response to this assertion, council have the following arrangements in place:

- Identifying and assessing risks — The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.
- Addressing risks — Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.

Regular Internal Audits take place to ensure The Council maintains an adequate and effective system of internal audit of the account

The key systems and processes to review from time to time to include:

- proper book-keeping including the cash book.
- standing orders and financial regulations.
- payment controls.
- income controls.
- budgetary controls.
- petty cash procedure.
- payroll controls.
- asset control.
- bank reconciliations.

- year-end procedures; and
- risk management arrangements.

<b>Area</b>	<b>Risk</b>	<b>Mitigation</b>
<b>Annual Return</b>	Late submission	Annual return submitted to internal auditor for completion and signing and approved by Council and submitted to External Audit within the required timescales
<b>Assets</b>	Protection of Physical Assets owned or managed by the Parish Council	All physical assets insured. Cost of re-building exercise carried out 2011 Planned programme of electrical and safety equipment in place. Maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets Assets checked regularly, including review of the asset register annually. Periodic Independent reviews of play areas The authority's assets need to be secured, properly maintained and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt
<b>Borrowing</b>	Comply with borrowing restrictions	No new borrowing likely at present
<b>Budget &amp; Precept</b>	Failure to set a precept within sound budgeting arrangements	All expenditure is the subject of sound budgetary control. The budget is produced following an agreed timetable set out in standing orders. The precept is set as a result of a budget detailing requirements for the forthcoming year for all income and expenditure. Reserves are reviewed annually. Effective budget monitoring is in place and presented to council regularly.
<b>Cemetery</b>	Inadequate space to meet demand	Cemetery extension in progress
<b>Compliance</b>	Non-compliance with legislation or practice result in Council being 'Ultra Vires'	The Town Clerk to keep apprised of developments and good practice and seek advice as needed including SLCC, NALC and South West Councils
<b>Councillor &amp; Officer Propriety</b>	Registers of Interests and gifts and hospitality in place	Register of interest completed. Staff and members are aware of responsibilities.
<b>Data</b>	Breach of Confidentiality	Data protection policy has been adopted, to

<b>Protection and GDPR</b>		be reviewed regularly. Confidential business is dealt with under exclusion of press and public
<b>Election Costs</b>	Risk of an election cost	The risk is higher in an election year but a by-election could be called for any casual vacancies. There are no measures which can be adopted to minimise the risk of having elections as this is the democratic process. When a scheduled election is due the Clerk will obtain an estimate of costs from the District Council for a full elections and an uncontested election. A cost is included in the Budget for an election year to cover forecast costs, but by-elections are currently not accounted for
<b>Electronic records</b>	Loss of vital information including failure to meet statutory retention requirements	Data is cloud based. Weekly backups of computer records undertaken
<b>Employment</b>	Impact of staff loss. Contractual employment issues, compliance with Employment Law	Distribution of knowledge between staff. A safe workplace is maintained including risk assessments which are regularly checked and updated Membership of various national and regional bodies Regular Health & Safety risk assessment.
<b>Fraud</b>	Inadequate checks and risk to Council Funds	Financial Regulations set out banking & payment requirements. Banking and payments are subject to system-based controls. Regular bank reconciliations are carried out and submitted to Council.
<b>Grants</b>	Proper Transparency and accounting of grants	Grants made and received are separately accounted for with clear ring fencing where necessary.
<b>Internal Auditing</b>	Non-Compliance with agreed & statutory procedures	The Council has appointed an independent internal auditor, who undertakes regular audits with reports presented to Council for review and acceptance. Additionally, there is a programme of regular internal control checks by members and officers
<b>Insurance</b>	Loss of capital or income to parishioners due to costs paid to third parties or loss to the Council that not recovered.	Employers and Employee Liability insurance is in place An annual review is undertaken of all insurance arrangements Ensure compliance measures are in place. The Council has sufficient fidelity guarantee and Business interruption cover.
<b>Legal Powers</b>	Ultra vires activities or payments	All activity and payments within power of the Town Council are resolved at Council meetings, having been assessed to confirm

		they are within the powers of the Council.
<b>Liability</b>	Risk to third party, property or individuals	Insurance in place. Open Spaces checked regularly. Independent tree and play inspections carried out and works completed.
<b>Loans and Long-Term Liabilities</b>	Insufficient funds to pay for commitments	Need to ensure that any loan or similar commitment is only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities
<b>Meeting of the Council</b>	Failure to meet statutory duties, Failure to respond to the executor's with to exercise their rights, Business in meetings	All notices are posted in the prescribed places and on the website 3 clear days before any meeting. All Councillors are summoned to meetings including an agenda. Minutes of all meetings are taken, signed and kept. All members and staff are aware of Electors Rights. Decisions taken are actioned and followed up for completion.
<b>VAT</b>	Failure to levy and pay on VAT when required, incorrect treatment of VAT incurred, loss of income by failure to claim recoverable VAT	VAT is properly administered and payments and claims calculated and checked. Internal auditor to provide double check. Regular VAT reconciliations
<b>Website</b>	Inadequate or outdated information, noncompliance with accessibility	The accessibility regulations, The Public Sector Bodies (Websites and Mobile Applications) (No 2) Accessibility Regulations came into force for public sector bodies on 23 September 2018. These state that you must make your website or mobile app more accessible making it 'perceivable, operable, understandable and robust'. An accessibility statement is available on the website. some parts of the website are not fully accessible