



FRAMLINGHAM TOWN COUNCIL RISK ASSESSMENT AND PROCEDURE RECORD (See Guidance for performing and reviewing Risk Assessments)

AREA: FINANCIAL MANAGEMENT AND CONTROL

Assessor: Finance and HR Committee
Cllr D Carter - November 2021

The Accounts & Audit (England) Regulations 2011 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Town Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control:-

‘The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based ie level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control....care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.’

As part of its internal control, the Town Council has appointed a non-signatory Councillor to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received.

Date approved by

Full Council: 2022/01/06

Topic	Risk Identified	Frequency + Severity = Risk Rating			Management of Risk	Adequate Y/N	Suggested improvements	Action
1. Precept	Not submitted	H		L	Full TC minute – RFO follow up	Y		
	Not paid by District Council			L	Confirm and report to Finance and HR Committee	Y		
	Adequacy of Precept				Bi-monthly review of budget to actual	Y		
	Precept recorded in cashbook agrees with ESC notification			L	Income and expenditure report presented to every Finance and HR Committee meeting	Y		

2. Other Income	Cash Handling Cash Banking Cemetery Allotments Markets			L	Cash handling is avoided, but where necessary controls are put in place prior to collection Check to bank statements and monthly bank reconciliation Burial Register updated monthly Memorial fees banked and documented Check Allotment register to invoices – annual report to Lands and Markets Committee Check Market invoices to bank statement – quarterly report to Lands and Markets Committee Cash from Fireworks events put in the Safe after the event by the RFO and escort and counted at the earliest opportunity and banked at the Post Office – RFO and one or two Councillors present.	Y		
3. Grants – all	Claims procedure Receipt of grant when due		M		RFO to check and report to appropriate committee	Y		
4. Investment income	Receipt when due, investment policy – surplus funds			L	RFO to report to Finance and HR Committee Code of Practice for Procurement & Investment Strategy refer to Finance and HR Committee	Y		
5. Employee Contracts	Wrong wages paid Wrong hours paid Wrong rate of pay False employee Wrong deductions		M		Check to minutes of annual review Check to Contract of Employment Check to Contract of Employment Check to PAYE records and list Check to PAYE calculations	Y		
6. Direct Costs and Overhead Expenditure	Goods not supplied Invoice incorrectly calculated or recorded Cheque incorrectly calculated or to wrong party		M M	L	Committee/Full Council approval for expenditure Follow up on all orders Monthly bank reconciliation Chairman of Committee to verify invoice before payment presented for approval. Two cheque signatories required on cheque and stub	Y		
7. Allowances and Expenses				L	Claim form completed and verified before expenses agreed at Full Council	Y		

8. Grants and Support	No Power to pay or no evidence of agreement of Council to pay		M		Minute council agreement to pay (General Power of Competence) and committee to check Power used with RFO prior to order	Y		
9. VAT	Claimed within time limits		M		VAT claimed quarterly and reconciled to Alpha Finance Computer Programme	Y	May change from 1 st April on VAT Registration	
10. General and Ear Marked Reserves	Adequacy			L	Considered by Finance and HR Committee when budgeting and reviewed at Finance and HR meeting	Y		
11. Assets	Loss, damage etc		M		Annual Inspection, update of Register of Assets and Insurance including Public Liability	Y		
12. Election costs	Invoiced at correct rate			L	RFO check and consider budget	Y		
13. Staff	loss of key personnel (Town Clerk/RFO) Fraud by staff		M		Separate Risk Assessment Fidelity Insurance reviewed annually Financial passwords secured and obtainable by authorised person	Y		
14. Consequential Loss	Due to critical damage or third party performance			L	Review adequacy of insurance cover annually (and Contractors)	Y		
15. Maintenance	Reduced value of assets or amenities – loss of income or performance		M		Annual maintenance/site inspections – Lands and Markets Committee	Y		
16. Legal Powers	Illegal activity or payment	H			Training updates on legal Powers Consultation with SALC and NALC via monthly bulletins	Y		
17. Financial Records	Inadequate records			L	Regular checks on records by Finance and HR Committee and Internal Audit review Review Financial Regulations and Standing Orders annually	Y		
18. Minutes:	Accurate and legal			L	Minutes approved at following Full Council or Committee meetings Adequate staff training	Y		

19. Members Interests and Dispensations	Conflict of interest		M		Declarations of Interest documented in Interest Book and minuted as appropriate Dispensations agenda item at Full Council (see Standing Order 13)	Y		
20. Adoption of Standing Orders and Financial Regulations	Unauthorised or illegal activity		M		Annual review of all Policies and Documents via Finance Committee and approved at Full Council	Y		
Awareness of Standing Orders and Financial Regulations			M		Electronic or hard copy of all Policies and Documents provided to Councillors and also available on website			
21. Annual review of Contracts (where appropriate)	Unauthorised contracts			L	List of contracts and review dates kept and considered as part of the annual budget discussions	Y		
22. Compliance with Local Transparency Code of 2014 Items of expenditure incurred over £500	Information is not put into the public domain		M		All payments listed on Payment Sheets and published monthly on the website	Y		
23. Procedures in place for recording and monitoring members' Interests and Gifts of hospitality	Leads to public complaints if not followed			L	Interest Book kept Minutes record members' interests Reminded to review interests and update online register at Annual Meeting	Y		
24. Adoption of Code of Conduct for members Declaration of Acceptance of Office	Reputation risk and acting inappropriately Unable to act as a Councillor until signed		M		Copy of Suffolk Code of Conduct provided to every member (adopted 3/7/14) Declaration completed and signed at first meeting	Y		