



SHIFNAL
SHROPSHIRE

SHIFNAL TOWN COUNCIL

Financial and Administrative Risk Assessment

**Adopted at the meeting of the Full Council
18th May 2023**

Ratified at Full Council 18th May 2023

SHIFNAL TOWN COUNCIL
Risk Assessment – Financial & Administrative

Item	Detail	Assessment Notes	Assessment of Impact	Likelihood of occurrence	Current Controls	Action Required To be Agreed 18.05.23
Receipt & Payments Ledger	Record of the Council's income and expenditure.	Failure to record accurately or to maintain records properly could lead to overcharging of suppliers, loss of income, misappropriation of Council Funds and an inability to balance the year end accounts.	H	L	Financial Regulations reviewed annually by Full Council. Town Clerk/RFO in post to ensure records are maintained and up to date. Accounts Assistant in post to ensure records are maintained in the absence of the Town Clerk/RFO	
Purchase orders	For goods, services and works acquired on behalf of the Council.	Failure to observe Standing Orders and Financial Regulations could lead to overpayment, improper acquisitions or breach of Code of Conduct.	H	L	Purchase orders are issued from Town Council Office in accordance with Standing Orders and Financial Regulations	
Purchase payments	For goods, services and works on behalf of the Council.	Potential for overpayment, late payments and inappropriate payments.	M	L	Cheque signatories check payments values against	

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					<p>invoice following approval by Full Council.</p> <p>RFO has procedures in place to ensure payments are made promptly following approval by Full Council.</p> <p>Delegated powers are used to expedite urgent payments.</p>	
Supplier Fraud	For goods, services and works on behalf of the Council.	Failure of installing systems to prevent supplier fraud could lead to fraudulent activity and potential loss of council funds.	H	L	<p>Training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information.</p> <p>Establish a rigorous change of supplier details procedure</p> <p>Where a supplier has purported to have changed their bank details always call the supplier to check the</p>	

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					<p>veracity of a request, using details in your system, rather than those on any associated letter or email.</p> <p>A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change</p> <p>Periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.</p> <p>Checking address and financial health details with Companies House</p> <p>Checking samples of online payments to supplier</p>	

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					invoices to ensure the payment has been made to the supplier bank account.	
Cheque Signing	All expenditure except where Direct Debits or Standing Orders have been set up.	Low risk.	M	L	Cheques are only valid if they are signed by two members of the Council who are on a list of named members held by the Bank who can act as signatories.	
Annual Budget	Statement of Council's estimated income and expenditure for each year.	Risk of failure for services to be provided, over/under statement of Precept.	H	L	Annual budget approved by Full Council prior to Precept request in January of each year. Quarterly reports prepared by RFO to show positions of actual Expenditure to budget as per Standing Orders and Financial Regulations.	
Income	Precept and other income received by Council.	Lack of controls could result in loss of income, misappropriation of cash.	H	L	Annual budget approved by Full Council prior to Precept request in January of each year.	

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					<p>Quarterly reports prepared by RFO to show positions of actual Income to budget as per Standing Orders and Financial Regulations</p> <p>Fidelity Insurance reviewed annually in line with Internal Auditor's Recommendations.</p>	
Petty Cash	Minor operating expenses of the Council.	Risk in terms of misappropriation of cash including loss and potential risk of harm to member of staff/member who maintains the cash box and carries out bank transactions.	M	L	<p>Petty Cash system in operation.</p> <p>Petty Cash transactions to reported at least annually to Full Council.</p> <p>Members/staff handling cash in office ensure door is locked.</p> <p>No set time/route to bank.</p> <p>Minimal cash handling. One member of staff to hold keys with routine checks made by RFO.</p>	

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Payroll	Payment of wages and salaries to Council employees.	Failure to deduct, correct tax and NI contributions, failure to comply with current legislation on employment terms and conditions.	H	L	<p>External Payroll Provider prepares payroll in accordance with current legislation and provides cover in the event of Inland Revenue investigations.</p> <p>RFO ensures prompt payment of PAYE and Pension liabilities following calculations advice from Payroll Provider.</p> <p>RFO reviews service and legislation periodically to ensure compliance.</p>	
Loss of the Clerk	A contingency plan needs to be in place to protect Council's Financial record keeping and ability to fulfil statutory requirements in the absence of a Clerk through illness or resignation.	Council's 2009/10 qualified Internal Audit report highlights the problems faced by Council in this situation.	H	M	<p>Administration Officer, Community Projects Officer and Finance Assistant in post to provide emergency short term cover in the event of the Town Clerk's absence or resignation.</p> <p>Full Council can consider employment of a temporary</p>	

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					clerk on the event of the Town Clerk's absence or resignation.	
Asset Control	Record of Council's Assets and investments.	Failure to maintain or review could result in undervaluing. e.g. insurance.	H	L	RFO reviews and produces Asset Register annually.	
Bank Reconciliation	Record of the Council's transactions in respect of income and expenditure.	Failure to undertake monthly reconciliation could result in loss of income, inappropriate payments or misappropriation of funds.	H	L	Bank reconciliation produced monthly by RFO. Bank reconciliation report to Full Council quarterly and annual reconciliation at year end.	
Year end accounts	Statement of financial activity of the Council for each year.	Failure to provide an accurate statement of the Council's financial transactions for each year.	H	M	RFO to produce year end accounts as per current legislation. Administrative Officer, Community Projects Officer and Finance Assistant to provide emergency cover in the absence of the RFO.	
Insurance	Insurance cover provided for	Inadequate cover could lead to financial loss and	H	L	RFO/Town Clerk reviews insurance cover annually and reports to Full Council.	

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	Council's financial and other activities.	legal claims against Council.				
Fidelity Insurance	Consider increasing the Insurance Cover.	Internal Auditor (2017/18) identified that inadequate cover was in place.	H	L	The cover is reviewed annually in line with the Internal Auditor's recommendations.	
Financial Records	Record of Council's financial transactions.	Failure to ensure safekeeping and updating of records.	H	L	<p>External backup of computer based information stored off site.</p> <p>Accounts system is cloud based and backup stored off site.</p> <p>Regular backups of accounts system.</p> <p>Confidential information stored in lockable cabinet in secure office.</p>	
Internal Audit	Review of systems and controls implemented by Council.	Failure to secure independent internal audit and record audit results.	H	L	The Internal Auditor for 2021/22 is JDH Business Services.	

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External Audit	Completion of the Audit Commission process.	Failure to comply with statutory requirements for completion and publication of Audit.	H	L	<p>RFO to ensure compliance with External Audit process.</p> <p>The External Auditor for 2023-26 will be PKF Littlejohn.</p> <p>In the event of RFO's absence the Administrative Officer, Community Projects Officer and Finance Assistant will provide emergency cover.</p>	
Raise money through a precept	Local Government Act 1972 s, 150	Unacceptable or inadequate level of Precept.	H	L	<p>RFO to produce budget estimate based on members proposals as per Financial Regulations.</p> <p>Members to approve budget before Precept request in January of each year.</p>	
Risks to Staff	In the execution of their duties.	Risk to staff whilst carrying out their duties is reasonably low. However, there is some risk when working alone in terms of vulnerability and there is	H	M	<p>In the event there only being one member of staff in the Offices or Library.</p> <p>Staff should be aware of their own personal safety.</p>	Review of the Lone Working Policy. With Employment Committee for recommendation.

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		also a perceived risk during office/library opening hours.			<p>In the event of fire should make their way to nearest exit.</p> <p>In the event of perceived personal threat Staff should make their way to identified lockable office and alert Emergency Services by dialling 999.</p> <p>Estates Officer to keep the Office informed of his location at least twice a day.</p> <p>Employers' Liability insurance in the sum of £10 million is in place.</p>	
Risks to the Public	<p>Whilst using facilities managed/maintained by Shifnal Town Council.</p> <p>Impact of activities of the Council.</p>	<p>Risks are potentially present in the following locations:</p> <p>Community Hub</p> <p>Library</p> <p>Old Fire Station</p> <p>Curriers Lane Park</p> <p>Wheatfield Recreation Area</p> <p>Jubilee Park</p>	H	M	<p>Method Statements and Risk Assessments are in place for the activities.</p> <p>Risk Assessments to be completed on Shifnal Community Hub Building and all other assessments reviewed on a regular basis.</p>	

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		<p>Priorslee Road Cemetery Aston Street Allotments Priorslee Road Allotments Broadway Allotments Park Lane triangular area Various Parcels of Land on Asset Transfer Closed Section St Andrew's Church – including the Millennium Garden.</p> <p>The following activities of the Council have identified risks:</p> <p>Christmas lights – installation/removal/period of display. Activities of staff when carrying out their duties.</p> <p>Any other events shall require a full written risk assessment and method statement prior to delivery.</p>				

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