

Much Wenlock Town Council
Internal Financial Risk and Health & Safety Evaluation

PURPOSE

The following checklist is designed to assess internal financial controls, identify risks, evaluate performance against guidelines where applicable and ensure that Health & Safety measures are in place. The effectiveness of this risk management should be reviewed on an annual basis or as soon as practicable where a problem is identified by a negative answer. The findings of the review should be considered by the Town Council and a statement of the review published annually.

RISK LEVEL	AREA	CONTROLS	BUSINESS RESILIENCE
	Finance - data driven risk		
Low	Are proper financial records kept in accordance with statutory requirements	Yes - the Council uses RBS Rialtas Omega software for its accounts and these are balanced monthly. The Council's financial status is presented to the Finance, Asset Management & HR Committee during each meeting	Yes - data is backed up each month
Low	Do the accounts comply with the Accounts and Audit Regulations	Yes - they are checked by the RFO. The Annual Accounts are checked internally by the appointed Internal Auditor and external audit is carried out annually.	Yes
Low	Are Annual Accounts formally approved and accepted by Councillors at a Town Council Meeting	Yes - the accounts are approved and accepted as soon as possible after the end of the financial year.	Yes
	Internal Controls - business driven risk		
Low	Does the Council have Standing Orders	Yes - these were last reviewed at the Town Council meeting in June 2020	Yes
Low	Does the Council have Financial Regulations that deal with the award of contracts for services or the purchase of capital equipment	Yes - these were last reviewed at the Town Council meeting in June 2020	Yes
Med	Have items or services above the de minimus amount been competitively purchased?	Yes. However, there are some services which are specialist and it is difficult to obtain more than one quote.	There can be a delay in urgent work being carried out when specialist work is required.
Low	Have the Financial Regulations been formerly approved by the Council	Yes - these were last reviewed at the Town Council meeting held in June 2020	Yes
Low	Are the Financial Regulations regularly monitored and reviewed	Yes - these were last reviewed at the Town Council meeting held in June 2020.	Yes
Low	Is there an annual review of contracts	Where applicable - some contracts are for a three year term.	Yes
Low	Are there clear statements of management responsibility for each service	Yes - all committees have Terms of Reference approved by the Town Council	Yes
Low	Does the Council have a code of practice for procurement and investment	Yes - as set out in Financial Regulations	Yes
Low	Are there arrangements in place to detect fraud and corruption	Yes - internal audits are carried out at least once per annum and financial status presented to councillors for approval at each meeting of the Finance, Asset Management & HR Committee	Yes

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RISK LEVEL	AREA	CONTROLS	BUSINESS RESILIENCE
Low	Are the bank statements reconciled and independently reviewed	The RFO produces monthly bank reconciliations and Councillors are provided with copies at each meeting of the Finance, Asset Management and HR Committee. These are checked by the internal auditor.	Yes - the Council has 5 bank accounts so the money is spread between 3 banks.
Internal Audit Assurance - business driven			
Low	Is an Internal Audit carried out at least once per year	Yes - normally twice yearly	Yes
Low	Is the Internal Auditor independent from members of the council	Yes	Yes
Low	Does the internal audit review internal controls and their documentation	Yes	Yes
Low	Do minutes record the Council carrying out an annual risk assessment	Yes, usually . The last risk assessment was carried out in March 2020.	Yes
Low	Are internal financial controls documented and regularly reviewed	Yes	Yes
Low	Does a review of the minutes identify any unusual financial activity?	Yes	Yes
Low	Does the internal audit review minutes to ensure compliance with legal powers	Yes	Yes
Low	Does the internal audit assess that adequate insurance cover is in place	Yes	Yes
Low	Does the internal audit provide assurance to the Council that there is adequate internal control	Yes - auditor's report presented to councillors for approval, along with Town Clerk's/RFO comments on action taken/necessary.	Yes
High	Is the annual precept adequate to ensure sound budgeting arrangements	Yes - a draft budget is presented to the Finance, Asset Management & HR Committee and recommended to the Town Council for approval.	Yes
Legal Requirements - legislative risk			
Low	Are all business activities within the legal powers applicable to local councils	Yes - the Council is qualified to use the General Power of Competence	Yes
Low	Is there assurance that funds granted to local community bodies are used solely for the specific powers under s137	All applicants must complete a grant application form and must state for what purpose the grant is required. Council is eligible to use the general power of competence.	Yes
Low	Does the Council comply with restrictions on borrowing	The Council has no borrowings	Yes
Low	Are all requirements met under employment law and HM Revenue & Customs	Yes	Yes

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RISK LEVE	AREA	CONTROLS	BUSINESS RESILIENCE
Med	Are all requirements met under Revenue & Customs regulations e.g. VAT	The Council is not VAT registered and reclaims VAT on non business purchases. The Council needs to monitor its sales to ensure that it does not need to register to charge VAT.	Yes
Low	Are proper and accurate reports of council business recorded in the minutes	Yes - all expenditure, is approved at meetings and recorded in the minutes	Yes
Low	Are the minutes available for public inspection	Yes - they are available to view on the Town Council website	Yes
Low	Are minutes properly numbered and paginated with a secure master copy	Yes - electronic and hard copies kept	Yes
Low	Is a proper Register of Members' Pecuniary Interests and Gifts of Hospitality in place, that is complete, accurate and current	Yes - one copy is held by the Town Clerk and one copy with the Monitoring Officer at Shropshire Council.	Yes
Low	Does the Council meet the necessary criteria to use the power of general competence	Yes	Yes
Low	Has a Code of Conduct for Members been formerly adopted	Yes - the new Code of Conduct was adopted 7 June 2012 and is effective from 1 July 2012	Yes
	Organisational Structure - business driven risk		
Low	Does the Council have a plan of its organisational structure	Yes, however, it needs to be updated due to recent organisational changes	Yes
	Budgets - business driven risk		
Low	Are annual budgets produced for revenue and capital expenditure and approved by the Council	Yes	Yes
Low	Has the Council prepared an annual budget in support of its precept	Yes - a draft budget is agreed by the Finance, Asset Management & HR Committee and recommended to the Town Council for approval.	Yes
Low	Are there regular budget monitoring statements	Yes - these are presented to Members at each Finance, Asset Management & HR Committee meeting. Currently all councillors are members of this committee.	Yes
Low	Are there any significant unexplained variances from budget	No. Any significant variances from budget are explained.	Yes
Low	Is performance against budgets monitored at regular intervals	The Responsible Financial Officer monitors expenditure and recommends virement for approval when necessary	Yes
	Income - business driven risk		
High	Is all income properly recorded and banked	Yes - cheques/cash banked as soon as practicable	Yes
Med	Are receipt books controlled with regular checks to ensure accurate recording of income received	Yes - monthly bank reconciliations are approved by members and approval is noted in the minutes	Yes
Med	Are regular checks carried out to ensure there are no discrepancies between records	Yes - monthly reconciliation carried out and checked by RFO and approved by Members	Yes

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RISK LEVEL	AREA	CONTROLS	BUSINESS RESILIENCE
Med	Are all receipts accounted for in the bank paying in book	Yes - all cheque payments are accounted for in the bank paying in books. Cash receipts are paid into the post office and receipts provided. Receipts are also issued for any direct credit transactions	Yes
Med	Are receipts banked at least weekly	Yes	Yes
Low	Are full records held of all investments	Yes	Yes
Low	Are investment records held in a secure place	Yes	Yes
Med	Are investments reviewed regularly	Yes	Yes
Low	Are investment instructions authorised by the appointed cheque signatories	Yes	Yes
Med	Are there controls in place for loss of income	Yes - the Council is insured for loss of income	Yes
Med	Are there controls in place to identify insufficient income being generated	Yes - the income and expenditure is monitored by the Finance, Asset Management & HR Committee on a monthly basis and the Council has reserves.	Yes
	Control of Assets		
Low	Is a list of all assets held and kept up to date	Yes - the asset register was last updated as at March 2020 and it is kept under regular review	Yes
Low	Are all assets checked on a regular basis to ensure they are kept in good repair	Yes	Yes
Low	Are all assets adequately insured	Yes	Yes
High	Are all valuables held on premises insured	Yes	Yes
	Bank/Building Society Accounts - business driven risk		
Low	Are secure records held of all accounts	Yes	Yes
Low	Are regular bank reconciliations carried out	Yes - monthly	Yes
Low	Are instructions to open/close accounts properly authorised and reported to councillors	Yes	Yes
Low	Are bank statements regularly inspected by councillors	Yes - monthly	Yes
Low	Are all bank statements cross checked with income and expenditure recorded by internal audit	Yes	Yes
	Internet banking - data driven risk		
Low	Are computer passwords protected	Yes, passwords are held securely and kept confidential. Passwords are changed if there is a change in personnel	Yes
Low	Are bank account pins kept secure	Yes - in accordance with Financial Regulation 6.12 only administrative staff have access to internet banking other than councillors who have their own pins to authorise bank transfers	Yes
	Data loss		

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RISK LEVEL	AREA	CONTROLS	BUSINESS RESILIENCE
Low	Is computer data backed up sufficiently to safeguard against loss of data	Yes - in accordance with Financial Regulation 6.13 and 6.14. Anti virus software is installed on all computers and there are periodic back ups carried out and stored off site.	Yes
	Personal/employee data		
Low	Is personal data and employee information kept secure	Yes - employee information is kept on file and locked away in the Town Clerk's desk.	Yes
	Bank reconciliation - data driven risk		
Low	Is there a bank reconciliation for each account	Yes	Yes
Low	Are there any unexplained balancing entries in any reconciliation	No	Yes
Low	Is the value of investments held summarised on the reconciliation	Yes	Yes
	Year-end procedures - business driven risk		
Med	Are year end accounts prepared on the correct accounting basis - income and expenditure	Yes	Yes
Med	Do accounts agree with the cash book	Yes	Yes
Med	Is there an audit trail from underlying financial records to the accounts	Yes	Yes
Med	Where appropriate, have debtors and creditors been properly recorded	Yes	Yes
	Expenditure - business driven risk		
Low	Is all expenditure properly recorded	Yes - electronic and hard copies produced monthly and presented to each Finance, Asset Management & HR Committee meeting	Yes
Low	Does all expenditure have supporting documentation e.g. invoices	Yes	Yes
Low	Is all expenditure properly authorised	Yes - list of monthly payments presented to Members and approved at Finance, Asset Management & HR Committee meetings	Yes
Low	Are invoices checked against orders made	Yes	Yes
Low	Is the quality and quantity of goods supplied checked against orders made	Yes	Yes
Low	Are invoices checked for accuracy	Yes	Yes
Med	Is regular stocktaking carried out	Yes - stock in Guildhall checked monthly by custodian	Yes
Med	Are payments only made against original invoices	Yes. Occasional internet purchases made, which are covered by supporting documentation and approved by Members retrospectively	Yes
Med	Are cheque books kept secure	Yes - kept in a locked drawer	Yes
Low	Are blank cheques ever signed	No	Yes

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Med	Are all cheques signed by two authorised signatories in accordance with the bank mandate	Cheque stubs are also initialled by the same two Members who have signed the cheque	Yes
Med	Are any cash payments made	Petty cash payments only	Yes
Med	Is all expenditure properly recorded	Yes	Yes
Med	Does supporting expenditure documentation show the following details: - Payee, payment details, amount, authorised cheque signatory, cheque no. and payment date	Yes - detailed list of payments supplied to Members for approval at each Finance Asset Management & HR Committee meeting. Authorised cheque signatories shown on cheque stubs and invoices paid	Yes
Petty Cash - business driven risk			
Med	Is Imprest operated to the agreed level	£300 budget for 2019/2020 and £500 budget for 2020/21 topped up usually in amounts of £50	Yes
Med	Are all cash payments made from a cash float	Paid from Petty Cash and supported with receipts	Yes
Med	Is all Petty Cash expenditure properly recorded in a Petty Cash book	Yes	Yes
Med	Are all top-up bank withdrawals recorded in the Petty Cash book	Amount included in monthly list of payments	Yes
Low	Are VAT receipts available to support all Petty Cash expenditure	All receipts kept on file	Yes
Low	Are receipts cross-referenced with Petty Cash book	Yes	Yes
Low	Are entries in the Petty Cash book kept up to date	Yes	Yes
Low	Is the Petty Cash balanced at regular intervals	Yes	Yes
Low	Are personal cheques cashed from Council funds or petty cash	No	Yes
Low	Are accounts books maintained and kept up to date	Yes	Yes
Low	Are reconciliations carried out monthly	Yes	Yes
VAT - business driven risk			
Low	Are VAT reimbursements claimed and what is the frequency of such claims	VAT is claimed quarterly and is refunded directly into the Council's current account by HMRC	Yes
Payroll controls - business/legislative driven risk			
High	Do salaries and wages paid agree with those approved by the Council	Yes	Yes
Med	Are other payments to employees reasonable and approved by the Council	Yes	Yes
Med	Are any salaries paid in cash	No - paid directly into employees' bank account	Yes
Low	Do all employees have a proper contract of employment	Yes	Yes
Med	Are salaries paid as agreed by NJC and recommended by NALC and SLCC	Only Town Clerk and administrative staff	Yes
Med	Are salaries regularly reviewed	Yes	Yes

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RISK LEVE	AREA	CONTROLS	BUSINESS RESILIENCE
Med	Are appropriate PAYE/NIC deductions made and paid to HM Revenue & Customs	Yes	Yes
	Insurance - legislative/business driven risk		
Med	Does the council have adequate insurance cover	Yes - cover includes legal liabilities, asset protection, revenue protection, and asset/revenue protection.	Yes
Med	Is the insurance cover approved by members	Yes, annually	Yes
Low	Is there adequate fidelity guarantee (= total of balances at 31 st March plus half annual precept)	Fidelity Guarantee = £250,000 Balances 31 March 2020 = £305,773 + 50% precept 2019/20 (£194,698/2) £97,349 = £403,122	Part
Low	Is there cover for public liability	£15,000,000	Yes
High	Is there cover for employers liability	£10,000,000	Yes
High	Is there cover for libel and slander	£250,000	Yes
High	Is there cover for personal accident	Yes	Yes
High	Are employees insured for personal accident	Yes. Also covered for business travel.	Yes
High	Are Members insured for personal accident	Whilst performing council duties only	Yes
Low	Is there cover for terrorism	No	No
Low	Is there cover for loss of money	Yes	Yes
Low	Is there separate cover for users of the Council's premises	Tenants and stall holders are required to have their own insurance	Yes
Low	Are the buildings adequately insured	Yes	Yes
Low	Are the buildings insured for damage	Yes	Yes
Low	Are the contents of the buildings insured	Yes	Yes
Med	Is there cover for loss of gross revenue	Yes	Yes
	Corn Exchange - business driven risk		
High	Is the property adequately insured	Yes	Yes
High	Is the building regularly checked	Yes	Yes
High	Is there an intruder alarm system	Maintained and tested annually	Yes
High	Is there a fire alarm system	Maintained and tested annually	Yes
Low	Is there a phone for public use	Phone for staff use only	Yes
Low	Is there a first aid kit on the premises	Signposted with an accident record book nearby	Yes
Low	Are there adequate fire extinguishers	Yes - maintained and tested annually	Yes
Low	Is all electrical equipment regularly checked by a competent electrician	PAT testing was last carried out in March 2020	Yes
Low	Are emergency exits kept clear	Yes	Yes
Low	Are emergency exits adequately displayed	Yes	Yes
Med	Is the water adequately tested	No cause for concern but requirements of water monitoring will be checked.	Part
Low	Is the heating system inspected regularly	Yes - new boiler installed Feb 2018. Last service was carried out in spring 2020. Next service due spring 2021.	Yes
Low	Are hazardous materials i.e. cleaning materials adequately labelled and out of reach	No hazardous materials on premises other than cleaning materials	Yes

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RISK LEVE	AREA	CONTROLS	BUSINESS RESILIENCE
Low	Are tenants aware that they are responsible for their own property and liability insurance	Yes	Yes
Low	Are tenants informed of safety procedures to follow in case of emergency	Yes - fire alarm tests carried out regularly, evacuation procedures have been given to all tenants	Yes
High	Are building repairs mitigated	The Council has £50,000 in reserves for property and there is an annual budget for repairs and maintenance.	Part
The Guildhall - business driven risk			
Low	Is the property adequately insured	Yes	Yes
Low	Is the building regularly checked	Yes	Yes
Low	Is there an intruder alarm system	Maintained and tested annually	Yes
Low	Is there a fire alarm system	Maintained and tested annually	Yes
Low	Is there a phone for public use	No, phone for staff use only	Yes
Low	Is there a first aid kit on the premises	Yes - kept in kitchen - only available when building is open	Yes
Low	Are there adequate fire extinguishers	Yes - maintained and tested annually	Yes
Low	Is all electrical equipment regularly checked by a competent electrician	PAT testing was last carried out in March 2020	Yes
Low	Are emergency exits kept clear	Yes	Yes
Low	Are emergency exits adequately displayed	Yes	Yes
Med	Is the water adequately tested	No cause for concern but requirements of water monitoring will be checked.	Part
Low	Is the heating system inspected regularly	Service carried out in spring 2020. Next service due spring 2021.	Yes
Low	Are hazardous materials i.e. cleaning materials adequately labelled and out of reach	No hazardous material kept on site other than cleaning materials	Yes
Low	Are regular users of the building informed of safety procedures to follow in case of emergency	All users are issued with safety procedure information	Yes
High	Are building repairs mitigated	The Council has £50,000 in reserves for property and there is an annual budget for repairs and maintenance.	Part
The Cemetery Chapel - business driven risk			
High	Is the property adequately insured	Yes	No - the building is unoccupied and presently used for storage only
Low	Is the building checked regularly	Checked periodically since the building is not used	
Low	Is there an intruder alarm system	No	
Med	Is there a fire alarm system	No	
Low	Is there a phone for public use	No	
Low	Is there a first aid kit on the premises	No	
Med	Are there adequate fire extinguishers	None	
Low	Is all electrical equipment regularly checked by a competent electrician	No electrical equipment kept on premises	

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RISK LEVE	AREA	CONTROLS	BUSINESS RESILIENCE
Low	Are emergency exits kept clear	Yes - only one main door	
Low	Is the water adequately tested	Water on site used for non-drinking use	
Low	Is the heating system tested regularly	No heating on premises	
Low	Are hazardous materials i.e. cleaning materials adequately labelled and out of reach	None kept on premises	
Low	Are regular users of the building informed of safety procedures to follow in case of emergency	Building not used	
High	Are building repairs mitigated	The Council has £50,000 in reserves for property and there is an annual budget for repairs and maintenance.	Part
The Cooke Clock - business driven risk			
High	Is the building regularly checked	Yearly maintenance inspection carried out.	Yes
Low	Is the building adequately insured	Yes	Yes
The Pound - business driven risk			
High	Is the property checked regularly	Periodically when weeding is carried out	Yes
High	Is the property adequately insured	Yes, covered by the council's Public Liability insurance	Yes
Street lighting - business driven risk			
Med	Are the lights regularly checked	Yes - annual maintenance check carried out to a third of the lights each year	Yes
Med	Is there adequate insurance cover	Yes. Lights not insured but public liability insurance in place.	Yes
Bus shelters			
Low	Is the property regularly checked	Yes	Yes
Low	Is there adequate insurance cover	Yes	Yes
Gaskell Recreation Ground - event driven risk			
Med	Is the property adequately insured	Yes	Yes
Med	Is the property regularly checked	Yes and RoSPA testing is carried out in the children's playground annually plus weekly inspection	Yes
High	Is there adequate security in place	Key holders to the Linden gate are limited and a high security padlock is fitted. Area is open to the general public and is a public open space	Yes
Cemetery field - business/legislative risk			
High	Is the property adequately insured	Leased to the Allotments Society which takes responsibility	Yes
Med	Is the property regularly checked	Leased to the Allotments Society which takes responsibility	Yes
Low	Is access to the property secure	Gate to premises is kept locked	Yes
Street furniture - business driven risk			
High	Is the property adequately insured	Yes	Yes
Low	Is the property regularly checked	Yes	Yes

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Low	Is the property secure	Vulnerable to vandalism, although none recorded to date	Yes
	Assets controls - business driven risk		
High	Are all assets adequately insured	Yes - based on a replacement valuation. However, the Council owns items of provenance which cannot be replaced.	Yes
Med	Are the assets and investments registers up to date	Yes	Yes
High	Are all assets kept secure	Yes - the Guildhall and Corn Exchange are fitted with security alarms and secure locks. The buildings are kept alarmed when empty.	Yes
Med	Does the Council maintain a register of all material assets owned or in its care	Yes	Yes
	This risk assessment will be reviewed annually.		
	Date of assessment:	20 January 2021	
	Assessment carried out by:	Trudi Barrett/Diane Barlow	
		Town Clerk/Responsible Financial Officer	