

ST JUST TOWN COUNCIL FINANCIAL RISK ASSESSMENTS

As per Audit Commission requirements the Council need to complete appropriate risk assessments and this paper aims to address the action to be taken. The Council is expected to carry out an annual assessment of the financial risks it is exposed to and identify any actions it considers necessary to minimise those risks. The following table attempts to identify the risks involved and recommends the necessary actions. The list is not exhaustive and the Council may wish to consider other risks not identified.

| Area | Risk | Control Measures | Recommendation |
|------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Precept | Illegal expenditure | a. All expenditure is presented to Council on Payment Schedules. b. Accounts are inspected on a quarterly basis by the Council's Internal Auditor c. Accounts are checked by Internal Auditor for comment prior to the completion of the Annual Return. | Continue with current control measures |
| | Inadequate monitoring of performance | a. Clerk presents a Budget Assessment on a quarterly basis b. Council to satisfy themselves sufficient funds are available, prior to making unbudgeted expenditure. | Continue with current control measures |
| | Annual precept not the result of proper detailed consideration | Proposed budget presented to Council with explanatory notes | Continue with current control measures |
| Accounting | Non-standard and/or non-compliant records kept. | a. All expenditure is presented to Council on Payment Schedules. b. Accounts are inspected on a quarterly basis by the Council's Internal Auditor c. Accounts are checked by Internal Auditor for comment prior to the completion of the Annual Return. | Continue with current control measures |
| | Non-compliance with audit requirements | a. Accounts are inspected on a quarterly basis by the Council's Internal Auditor b. Accounts are checked by Internal Auditor for comment prior to the completion of the Annual Return. c. Reports from Internal and External Auditors are analyzed and appropriate action taken | Continue with current control measures |

| Area | Risk | Control Measures | Recommendation |
|----------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| Administration | Payment arrangements | a. Clerk presents Payment Schedule to Council for approval b. The two Councillors, who sign the cheques at the meeting continue to initial the cheque stubs and cross check them against the payment schedule. | Continue with current control measures |
| | Reconciliation | Bank reconciliations carried out on receipt of each statement and on monthly basis. | Continue with current control measures |
| | Petty Cash | Reconciled on a monthly basis by RFO and countersigned by Mayor / Deputy Mayor. | Continue with current control measures |
| | Agency advice | Membership of CALC / Cornwall Council | Continue with current control measures |
| Payroll | Incorrect calculations | a. All expenditure is presented to Council on Payment Schedules. b. Accounts are inspected on a quarterly basis by the Council's Internal Auditor. | Continue with current control measures |
| | Loss of services of employee | Immediately advertise any vacancy (if permanent loss) Administrative Assistant to provide cover during period of absence of RFO | Continue with current control measures |
| Insurance | Public Liability (statutory) | Insured for £10,000 | Continue with existing cover |
| | Employers Liability (statutory) | Insured for £10,000 | Continue with existing cover |
| | Money | Insured for £250,000 | Continue with existing cover |
| | Fidelity Guarantee | Insured for £100,000 | Increased in 2010 |
| | Property | Check Asset register against existing insurance cover and adjust accordingly | Continue with current control measures |
| | Loss of revenue | Not covered | Continue with existing cover |
| | Officials Indemnity | Insured for £100,000 | Continue with existing cover |
| | Libel & Slander | Insured for £250,000 | Continue with existing cover |
| | Personal Accident | See scale of benefits on policy schedule | Continue with existing cover |

Elaine Baker
Town Clerk

Approved at Internal Audit Meeting of:

Signature:

Date:

