

LLANFAIR CAEREINION TOWN COUNCIL

FINANCIAL RISK ASSESSMENT

1. Introduction

1.1 Under the audit regime the council is required to carry out a formal risk assessment to enable the statement at section 2 of the annual return to be signed on the Council's behalf. Paragraph 4 of that statement reads:

'We have carried out an assessment of risks facing the Council and taken appropriate steps to manage those risks, including the production of internal controls and external insurance cover where required.'

1.2 The Council works to the 'Practitioners Guide to Local Councils Governance and Accountability' classifying risk into three general categories and given each:

- a) Risk identification
- b) Internal controls
- c) Internal audit assurance Risk Identification The risks affecting the Council have been identified (see Council Risk Assessment) and the following actions taken to ensure that they are reduced to a minimum.

1.3 Internal insurances and controls Insurable risks have been identified and insurances effected. A copy of the policies is available at the offices of the Town Clerk.

In addition to the normal insured risks the Council carries the following insurances:

- a) DAS legal expenses cover for employment disputes and awards, legal defence statutory license, property protection, bodily injury and tax protection.
- b) Inspection insurances for hot water boilers, heating boilers and two electric lifts, on stair lift and other smaller electrical items.
- c) Comprehensive cover for all equipment and motor vehicles.

2. Insurances

The insurances cover (using professional valuations) property, fixtures, fittings and artefacts as well as third party and public liability.

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3. Internal controls

3.1 As to internal controls for insurable risks an asset register is in place which is maintained and updated annually.

3.2 The Council has adopted the following as part of any risk assessment:

- a) Cash Handling procedure.
- b) Proper records and book keeping with financial reporting.
- c) Acts legally.
- d) Complies with borrowing restrictions.
- e) Complies with employment law and tax regulations.
- f) Complies with VAT rules.
- g) Ensures that the budget and precept are properly assessed.
- h) Keeping accurate minutes and records of all Council meetings.
- i) Complying with electors rights.
- j) Respond efficiently to consultation documents.

4. Checks and controls for audit

4.1 The Council has an internal auditor and the external audit by the Welsh Government appointed auditors. The internal auditors also meet the Council Officers on a routine basis so that they are up to date with the Council's position.

4.2 A financial report is prepared monthly for the Council including a full financial report including reconciliation.

4.3 Bank statements are issued direct from the bank to the auditors showing balances at the beginning and end of financial year.

4.4 All Council meetings are published in advance in accordance with legal requirements.

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5. Financial Regulations

The Council also has financial regulations, an annual investment strategy, cash handling procedure and Council risk assessment in place.

Robert A Robinson MBE FRICS
Town Clerk