Northwich
town council

Financial Risk Assessment

Table 1 **Areas where there may be scope to use insurance to help manage risk**	
Risk identification Insurance cover for risk is the most common approach to certain types of inherent risks:	**Council's Response** Zurich Municipal provides insurance cover. Cover is provided subject to continuous review. Employers Liability £10,000,000 Libel and Slander £250,000 Personal Accident £500,000 (any one person) and £2,000,000 (any one incident) and Terrorism are included in the policy.
The protection of physical assets owned by the Council - buildings, furniture, equipment, etc (loss or damage)	The Public Liability cover is £15,000,000.
The risk of damage to third party property or individuals as a consequence of the Council providing services or amenities to the public (public liability)	The Council is covered by the Terrorism Cover.
The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)	
Loss of cash through theft or dishonesty (fidelity guarantee)	The Fidelity Guarantee cover is set at £2,000,000.
Legal liability as a consequence of asset ownership (public liability)	The Public Liability cover is £15,000,000.
Internal controls A Council's internal controls may include:	**Council's Response**
An up-to-date register of assets and investments	The Register of Assets is updated every year.
Regular maintenance arrangements for physical assets	All NTC staff carry out weekly inspections of all areas, premises and plant and any problems detected are reported on an inspection sheet,

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	which is then passed to the Public Realm and Contracts Manager who reports any problems to the Chief Officer.
Annual review of risk and the adequacy of cover	The Council and Chief Officer review the insurance cover annually and make any adjustments necessary.
Ensuring the robustness of insurance providers	The Council and Chief Officer are aware that insurance cover is provided by Zurich and would seek professional advice if the robustness of Zurich were brought into question.
Internal Audit Assurance Internal audit testing may include:	**Council's Response**
Review of internal controls in place and their documentation	The Council employ JDH Business Services, Mold as their Internal Auditor. The findings from the internal audit are reported at the next meeting of the Town Council. Any items of significant concern will be immediately reported by the Chief Officer to the Town Mayor and relevant Chairman. Internal Controls will be documented in the Council's Financial Regulations and Standing Orders.
Review of management arrangements regarding insurance cover	The Council heed the advice given by the Internal Auditor on managing risk, particularly in relation to insurance cover and internal controls. Significant assets are insured by the Insurers and capital expenditure has been built into the Council's precept to allow for repairs to insignificant assets.
Testing of specific internal controls and reporting findings to management	The Internal Auditor will inspect all internal controls and report the findings to the Chief Officer

Table 2 **Areas where there may be scope to work with others to help manage risk**	
Risk identification	**Council's Response**
The limited nature of internal resources in most local councils means that councils wishing to provide services often buy them in from specialist external bodies, e.g. Security for vulnerable buildings, amenities, or equipment.	The Council have adequate security to the majority of buildings i.e. CCTV fitted to the Cemetery Offices in Witton Cemetery fitted with an audible alarm system. Some play areas also have CCTV installed.

Date approved: 3 February 2025
Minute reference: NTC 24/101

Table 2 **Areas where there may be scope to work with others to help manage risk**	
Maintenance for vulnerable buildings, amenities, or equipment.	All other buildings are fitted with special security locks approved by the insurance company.
Professional services (planning, architects, accountancy, design, etc)	The Council commission DCS Payroll, Glasgow to provide salary and wages service for all the Town Council's staff. This is carried out under a standard level agreement between Northwich Town Council and DCS Payroll. All National insurance contributions, Income Tax payments and pension deductions are paid to the appropriate organisations by Northwich Town Council. The Council Commission Wirehouse Services to undertake all HR and H&S issues.
Banking arrangements, including borrowing or lending.	Banking arrangements are through a reputable High Street bank (H.S.B.C.) and relationship manager.
Ad hoc provision of amenities / facilities for events to local community groups.	The Council have adequate insurance to cover all playing fields, parks and burial grounds under their control. A weekly inspection of the areas is carried out by the Team Leader.
Vehicle or equipment lease or hire.	The Council carry adequate insurance to cover vehicle or equipment hire, which is covered by the Council's insurers.

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Minute reference: NTC 24/101

Table 2 **Areas where there may be scope to work with others to help manage risk**	
Internal controls	**Council's Response**
A council's internal controls may include:	
Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment.	Standing Orders and Financial Regulations have been approved and adopted and are in place and are reviewed annually.
	The Council and the Chief Officer will review all suppliers, providers and contractors on a regular basis and any problems detected throughout the year will be reported to the Council.
	There is an annual review undertaken by the Chief Officer and the Council of all the outside contracts undertaken by the Town Council.
Regular reporting on performance by suppliers, providers, contractors	Monthly reports to be reported to the Members of the Finance Committee and any problems detected to be rectified as soon as possible.
Annual review of contracts	
Clear statements of management responsibility for each service Regular scrutiny of performance against targets	Personal and pecuniary interests are declared at the commencement of the Council meetings and on each individual agenda item. This stored on file and accordingly recorded in the Minutes.
Adoption of and adherence to codes of practice for procurement and investment	The Internal Auditor will test for fraud and corruption during Council's internal audit. Expenditure is verified by the Chief Officer and approved at the Finance Committee meetings.
Arrangements to detect and deter fraud and/or corruption	Cheques must be signed by 2 of the appointed Councillor signatories. BACs payments must be authorised by 2 of the appointed Councillor signatories.
Regular bank reconciliations, independently reviewed	Monthly reconciliations are undertaken by the Deputy Chief Officer/RFO, checked by the Chief Officer and overseen by the Chair of Finance. Any discrepancies or amendments are reported to the Finance Committee Chair and then to members at the next meeting of the Town Council.
Internal Audit Assurance Internal audit testing may include:	The Internal Audit is undertaken throughout the year by JDH Business Services or appointed Auditor.

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Table 2 **Areas where there may be scope to work with others to help manage risk**	
Review of internal controls in place and their documentation Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied Review and testing of arrangements to prevent and detect fraud and corruption Review of adequacy of insurance cover provided by suppliers Testing of specific internal controls and reporting findings to management	

Table 3 **Areas where there may be a need to self-manage risk**	
Risk Identification	
There are a number of activities that create business risks but do not fall easily into either of the above categories for a number of reasons, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable.	The Council is to ensure that that all financial records in accordance with statutory requirements are kept at all time and these records be reviewed annually.
Keeping proper financial records in accordance with statutory requirements	The records should be kept in a safe place for a minimum of 6 years.
Ensuring all business activities are within legal powers applicable to local councils	The Council is to review all business activities on a regular basis and are within the legal powers applicable.
Complying with restrictions on borrowing	If Council borrow any monies then this must comply with the restrictions on borrowing.
Ensuring that all requirements are met under employment law and Inland Revenue regulations	The Council must ensure that all requirements are met under employment law and in line with the Inland revenue regulations. This must be reviewed annually.
Ensuring all requirements are met under Customs and Excise regulations (especially VAT)	The Council must ensure that all requirements under the HMRC regulations are adhered to, especially VAT, and this must be reviewed annually.
Ensuring the adequacy of the annual precept within sound budgeting arrangements	The Council keep strict controls on setting the annual precept and show that they have sufficient budgeting procedures. This is agreed at a special meeting to discuss the yearly estimates and amount to precepted.

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Table 3 Areas where there may be a need to self-manage risk	
Monitoring of performance against agreed standards under partnership agreements	The Council will monitor the performance against agreed standards under partnership agreement.
Ensuring the proper use of funds granted to local community bodies under specific powers or under Section 137 and other sections.	The Council is to ensure that all funding granted to local community bodies is identified under specific powers and recorded in the Minutes accordingly.
Proper, timely and accurate reporting of council business in the minutes	Chief Officer or Council Secretary will ensure that all Council business is accurately recorded and kept in the minute binder.
Responding to electors wishing to exercise their rights of inspection	The Council allow electors to inspect all minutes and correspondence in connection to the Council’s business with the exception of personal and confidential matters ie salaries, wages, pensions and staff.
Meeting the laid down timetables when responding to consultation invitation	The Council should ensure that all timetables are adhered to when responding to any of the consultation invitations.
Meeting the requirements for Local Council Award Scheme (which replaced Quality Parish Status) or other accreditation	The Council should aim to meet the requirements for Local Council Award Scheme or other accreditation and this be properly recorded.
Proper document control	
Register of members' interests and gifts and hospitality in place, complete, accurate and up to date	The Council keep an accurate and up to date register of Members interests, gifts and hospitality. This document is kept in the Chief Officer Office.
Internal Controls	**Council’s Response**
A council's internal controls may include:	
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	That the Council regularly scrutinise all financial records and have proper procedures for the approval of expenditure.
	Expenditure under LGA 1972 sec137 and all other Sections is separately identified and recorded in cashbook.
Recording in the minutes the precise powers under which expenditure is being approved	Resolutions and Minutes are correctly numbered, and the Minutes are then stored in the official Minute book.

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Table 3 **Areas where there may be a need to self-manage risk**	
	Electronic copies of all documents are stored on back up and retained in the Council offices.
Regular returns to HMRC; contracts of employment for all staff, annually reviewed by the council, systems of updating records for any changes in relevant legislation	DCS Payroll & Northwich Town Council and the Chief Officer and Deputy Chief Officer/RFO are responsible under the Service Level Agreement and are responsible for all Inland Revenue payments.
Regular returns of VAT; training the responsible officer in matters of VAT and other taxation issues as necessary	The Council and the Chief Officer will ensure that all contracts of employment for all staff are annually reviewed and that systems of updating records for any changes in relevant legislation.
Regular budget monitoring statements	The Chief Officer is responsible for VAT returns and oversees the formulation out of the return.
Developing systems of performance measurement	The Council will receive from the Chief Officer or other Officer a monthly report on all budgets in connection with the Council.
	The Chief Officer will report to the Policy & Operations Committee annually how the development systems of performance measurements are working.
Procedures for dealing with and monitoring grants or loans made or received	These performances will then be reported to the Council. The Council will agree all requests for grants and loans and these will be identified and Minuted to the appropriate powers.
Minutes properly numbered and paginated with a master copy kept in safekeeping	Minutes will be taken at all meetings of the Council by the Deputy Chief Officer/RFO or Chief Officer or other Officer and kept in a properly numbered and paginated with a master copy being kept in a minute book.
Documented procedures to deal with enquiries from the public	Correspondence received for the Council is sorted and any necessary communication is reported to the Council at each meeting and recorded in the minutes.
Documented procedures to deal with responses to consultation requests	All Consultation exercises will be reported back to Council once completed and minuted accordingly
Monitoring arrangements by the council regarding Local Council Award Scheme (replacing Quality Council status)	Chief Officer will inform Members when necessary if the conditions of Local Council

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Table 3 **Areas where there may be a need to self-manage risk**	
Documented procedures for document receipt, circulation, response, handling and filing Procedures in place for recording and monitoring members' interests and gifts and hospitality received Adoption of codes of conduct for members and employees	Award Scheme are in place and on course. Correspondence received for the Council is sorted and any necessary communication is reported to the Council at each meeting and recorded in the minutes Record of members' interests need to be reviewed and up dated at all times. The adoption of the Code of Conduct to be reviewed annually and all new Councillors must complete and return to Chief Officer the appropriate forms. Records of Attendances and Declarations of Interest must be kept on file and up to date.
Internal Audit Assurance Internal audit testing may include: Review of internal controls in place and their documentation Review of minutes to ensure legal powers in place, recorded and correctly applied Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash transactions Review and testing of arrangements to prevent and detect fraud and corruption Testing of disclosures Testing of specific internal controls and reporting findings to management	**Council's Response** JDH Business Ltd presently undertakes the internal audit testing and the findings from the report are submitted to the Council for their information

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Table 3 **Areas where there may be a need to self-manage risk**	
Risk identification	**Council's Response**
Security of Vickersway Park and Church Walk Paddling Pool complex cash systems.	All cash on premises, is secured in an approved fixed floor mounted steel safe, during the normal opening hours.
Protection of cash on the shop/pavilion premises.	Public Realm and Contracts Manager, Team Leader or other appointed officer, on a daily basis, on a normal working week (at the discretion of the Chief Officer) collects all cash on a varied time scale.
The movement of cash in transit from the parks to the Cemetery Offices.	All cash should be conveyed in a secure carrying case and transported to the Council's Cemetery Offices, where it should be placed in a secure approved steel fixed wall safe.
Security of cash and cheques at Cemetery Offices.	All cash and cheques to be kept in a secure approved steel fixed wall safe. All cash and cheques are transported on a weekly basis throughout the summer months (April to October on a weekly basis and November to March on a monthly basis) This procedure is carried out by two appointed officers, using an approved locked container and transported in an unmarked vehicle.
Banking of cash and cheques.	All appropriate records and receipts of cash transfers are kept at all times.
Float	A float of £100 for Church Walk and Vickersway park is used to avoid shortage of change in busy periods

Table 5 **Areas where there may be need to self manage risk – Town Mayor's Regalia**	
Risk identification	**Council's Response**
Security of Regalia	The Town Mayor's chain and regalia must be kept in a locked approved receptacle at all times when not in use on official Council business. If overnight storage is required away from the office then only the ribbon and medal will be issued to the Mayor. An approved steel safe will be fitted at each

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Minute reference: NTC 24/101

Table 5
Areas where there may be need to self manage risk – Town Mayor's Regalia

	elected Mayor's residence at the commencement of the term of office, for this purpose. Should there be a requirement for prolonged storage, all regalia will be kept in the Council Cemetery Offices, in a secure environment.
Security of regalia in transit	When attending official functions, where the chain of office is required, an approved taxi must be used to convey the Mayor and Escort to and from such events, again if overnight storage is required then only the ribbon and medal will be issued.
Handover of regalia	The appropriate Officer will keep a signed log of the movements of the mayoral chain to and from the Council premises.

Date approved: 3 February 2025
Minute reference: NTC 24/101