THORPE ST ANDREW TOWN COUNCIL

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Financial Risk Assessment

Adopted December 25

Review Due December 26

The policy is overseen by the Finance Committee.

Introduction

RISK MANAGEMENT

Notes

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Town Council to identify all potential risks inherent in the place or practices. Based on a recorded assessment the Town Council should then take all practical and necessary steps to reduce or eliminate the risks, as far as is possible.

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed.

• Identify the areas to be reviewed.

• Identify what the risk may be and level of risk.

• Evaluate the management and control of the risk and record all findings.

• Review, assess and revise if required.

This report will be reviewed and is updated on an annual basis.

ASSESSMENT OF RISK

Each risk identified will be assessed in terms of its "likelihood" and "severity" upon the Town Council.

Likelihood

1	Unlikely to occur within the next 10 years	Rear Occurrence
2	Likely to occur within the next 10 years	Occasional Occurrence
3	Likely to occur within the next 2 years	Regular Occurrence

Severity

	Risk Threat	
1	Minor	Limited Inconvenience No Impact on Reserves, No Legal Challenge
2	Significant	Some public censure or small impact on Reserves (less than 10%), no legal challenge.
3	Serious	Impact on Reserves greater than 10% or legal challenge or severe public censure

Level of Risk (Likelihood x Severity)

1 or 2 = Low Risk

3 or 4 = Medium Risk

5 or 6 = High Risk

Area	Risk (s) Identified	L	S	Level	Control
Assets and Liabiities					
	Assets not adequately covered by insurance	2	2	M	Annual review of assets for insurance purposes including maintenance, storage provisions, street furniture. Review by CEO/TOWN CLERK/RFO and considered at Finance Committee and Full Council. An itinerary of non-fixed assets to show where they are stored. Locked to the standards set out by the Insurance Company.
	Liabilities not adequately covered by insurance.	2	2	M	Public and Employers Liability, Fidelity Insurance as mandatory. Review annually. Check fidelity insurance – It is on the insurance policy as it is mandatory.
	Theft or vandalism of Council Vehicles Vehicle damage	1	3	M	Annual review of insurance. Vehicles returned to council premises each night. Vehicles to be emptied each night. Vehicles signed in and out each day Logged. Vehicles be locked when parked up during work hours. Staff aware of use of council vehicles. Review of staff driving licences every 3 years.
	The Council does not meet insurance or legal building requirements	1	1	L	Regular inspections and maintenance where needed. Electrical testing, fire exists, fire alarms and extinguishers periodic testing. Intruder alarm in the building. Key sheets, sets of keys signed for and must be returned when finished with. (Key Safe for Hirers) Code changed regularly. Adequate insurance reviewed annually.

	Civic Regalia – lost, damaged or stolen	2	1	M	Kept at Mayor's Home. Listed on Home Insurance? Items insured as separate item away from Establishment? Mayor aware of need for security.
	Damage /injury to third party due to lack of maintenance of Council assets	1	1	L	Regular inspection and maintenance. Adequate insurance cover
	Damage/injury to third party due to health and safety risk	1	1	L	Regular inspection and maintenance. Adequate insurance cover
	Damage to or loss of Council assets due to poor housekeeping	1	1	L	Cleaning of Town Hall, Roxley Hall, Morse Pavilion and River Green Toilets.. Regular daily/weekly inspections. Annual inspections to identify significant repairs or renewals.
	Inappropriate meeting and activity venue causing risk to Members, Staff or public	1	1	L	Venues evaluated in advance to cope with numbers likely to attend activity taking place. Risk assessment in place.
Financial Management					
	Inaccurate Budget	1	2	L	Budget prepared by Finance Committee annually and finalised by Full Council. Reserves are maintained and agreed at Finance Committee and Full Council. The reserves are reviewed annually.
	Precept does not deliver budget	1	2	L	Council receives and discusses monthly financial reports. Finance Committee reviews Income and Expenditure in depth quarterly. New budget and precept approved in January Full council meeting.

	Precept rules change eg capped	1	2	L	Contribute to all relevant consultations. Lobby, as necessary
	Income from facilities/activities falls below budget	2	2	M	Monitor monthly and quarterly. Review charges annually. Improved marketing. Separate spreadsheet kept per event.
	Expenditure on facilities/activities run above budget	2	2	M	Monitor monthly and quarterly. Review charges annually. Improved marketing. Separate spreadsheet kept per event.
	Financial Regulations are not aligned with current legislation or do not deliver best value	1	1	L	Reviewed annually or as the legislation changes. CEO/Town Clerk/RFO is a member of the SLCC.
	Council takes on more services with no extra funding	1	3	M	Set appropriate fees or increase precept or fund from reserves.
	Lack of regular review of fees and services	1	1	L	Financial Regulations require annual review of all fees and charges. This review is on the annual review list.
	Bank insolvency	1	1	L	The Council holds four bank accounts with reputable banks. This means that £125,000 in each account is covered by the FCSC guarantee. Two accounts need review when new accounts opened and investment account sort.
	Investments	1	1	L	Take independent advice when considering investments. The Council has an investment policy reviewed annually.

Financial Control					
	Risk of incorrect purchase invoicing	1	2	L	At each Full council meeting a list of invoices is distributed for ratification. All invoices are checked by the CEO/Town Clerk/RFO and signed by the Clerk and two councillors who are bank signatories. Bank reconciled each month. The Council has up to date Financial Regulations and an internal Control policy. Both are reviewed annually.
	Risk of incorrect Payments	1	1	L	At each Full council meeting a list of invoices is distributed for ratification. All invoices are checked by the CEO/Town Clerk/RFO and signed by the Clerk and two councillors who are bank signatories. Bank reconciled each month. The Council has up to date Financial Regulations and an internal Control policy. Both are reviewed annually.
	Risk of late payment	1	1	L	Payment process allows timely payment at monthly Full Council/Finance Committee meetings.
	Incorrect Salaries Paid	1	1	L	Timesheets checked and signed by the CEO/Town Clerk/RFO The Council outsources all Salary requirements. Salaries paid at a different time by bank transfer released by two cheque signatories. The bank is reconciled monthly.
	Incorrect NI and PAYE Paid	1	1	L	The Council outsources all Salary requirements. NII and PAYE paid at a different time by bank transfer released by two cheque signatories. The bank is reconciled monthly.

	Incorrect Pension	1	1	L	The Council outsources all Salary requirements. Pension paid at a different time by bank transfer released by two cheque signatories SR71 and on-line by I Connect completed by the CEO/Town Clerk/RFO. The bank is reconciled monthly.
	Incorrect Payment from Petty Cash	1	1	L	Council no longer uses petty cash.
	Theft/Dishonest, including cash and cheques	1	1	L	Minimal cash received. All cash received has a corresponding receipt. The cash is locked in a drawer if too late to bank and paid in immediately to the Post Office where a receipt is obtained. This is then reconciled on the bank statements.
	Late or non receipt of rents,, fees and charges	1	1	L	A list of debtors is obtained weekly and follows up any late receipts.
	VAT return incorrect	1	1	L	Council use Scribe accounting package, and this automatically calculates the VAT return. The return then gets submitted electronically to HMRC quarterly.
	Late receipt of Precept	1	1	L	Maintain adequate reserves. Payment normally arrives beginning of April/September.
	Loss of cheques (receipts)	1	1	L	Minimal cheques received. Receipt recorded and banked correctly. If lost, sender asked to cancel.

	Unpaid Invoices (receipts)	1	2	L	A list of debtors weekly and follows up any late receipts
	Risk of inaccurate or incomplete financial records	1	1	L	Council use Scribe accounting software specifically designed for parish/town councils.. Annual internal auditor engaged as per the regulations. Any errors will be noticed and identified on the Internal Auditor report. Training for the Clerk when needed.
	Risk of bank making error, not indentified	1	1	L	CEO/Town Clerk/RFO checks the Unity bank online every few days. Reconciliations are done throughout the month. Month end reconciliations are signed by Chair, after agreement at the Full Council Meeting. If error made the Bank is contacted immediately.
	Annual Return not completed correctly	1	1	L	Annual return produced by the CEO/Town Clerk/RFO. Internal auditor engaged. Return is then reviewed by the Finance committee and then taken to Full Council for ratifying and signing off by the Clerk and Chair of the Council. Return then submitted to the External Auditor in the correct timeline.
	Annual Return not within time limited	1	1	L	Monitor and abide by the timeline set out by the External auditor. Ask for extension for exceptional circumstances.
	Loss of data on PC's due to system fault	1	1	L	Scribe is an on line platform and undertake back-up of all financial systems, including Bookings, and Allotments. IT company undertakes all backup off site, and under Microsoft 365 requirements for full traceability.
People					

	Loss of Clerk	2	2	M	Employ locum via agency or other source. .Staffing Committee . start recruitment process. .
	Loss of Employee	1	3	M	Keep all job descriptions up to date. Initiate recruitment immediately through the Staffing Committee
	Long Term Sickness of Employee	2	2	M	Employ Temporary Staff if necessary via Agency or Part-Time staff offered more hours. For maintenance employee a temporary member of staff, contractors. Contingency reserve to cover costs.
	Actions of Employees bringing the Council into disrepute	1	3	M	Disciplinary procedures as per the employee handbook. Contact HR Consultant/ ACAS for advice. Management via the CEO/Town Clerk/RFO or Staffing Committee. Code of conduct.
	Actions of Councillor bringing the Council into disrepute	1	3	M	CEO/Town Clerk/RFO to speak with Member and if necessary report any Code of Conduct complaint to the District Monitoring Officer.
	Current or Ex Employee brings claim again the Council	3	2	H	Use HR Consultant. Management via CEO/Town Clerk/RFO or Staffing Committee. Grievance procedures to be followed.
	Temporary Staff, or Contracted Resources. Do not meet Obligations	1	2	L	Clear contract and work specifications. Effective supervision.

Systems and Processes					
	Council unable to continue its business due to major system failure	2	1	M	A backup of the IT system is taken every night by the IT Provider. The accounting system is on the web version so can be accessed on any device with a password. Salaries are outsourced and backed up from provider. Emails are on Microsoft and can be accessed on any computer with the passwords, which are locked away and accessible access from IT provider.. All documents are saved to the OneDrive, and these can be accessed on any computer with the passwords that are locked away. IT provider is available.
	Loss of paper records through fire, theft or damage	2	1	M	A backup of the IT system is taken every night by the IT Provider. The accounting system is on the web version so can be accessed on any device with a password. Salaries are outsourced and backed up from provider. Emails are on Microsoft and can be accessed on any computer with the passwords, which are locked away and accessible access from IT provider.. All documents are saved to the OneDrive, and these can be accessed on any computer with the passwords that are locked away. IT provider is available.
	Loss of electronic records through fire, damage or corruption of computer	2	1	M	A backup of the IT system is taken every night by the IT Provider. The accounting system is on the web version so can be accessed on any device with a password. Salaries are outsourced and backed up from provider. Emails are on Microsoft and can be accessed on any computer with the passwords, which are locked away and accessible access from IT provider.. All documents are saved to the OneDrive, and these can be accessed on any

					computer with the passwords that are locked away. IT provider is available.
	Loss of Data held by the Council in whatever form which, could identify individuals from a third party	1	3	M	Minimal data kept for minimal time. All personal information shredded when no longer required. Employee information locked in a secure drawer/cabinet. Registered with the ICO.
	Financial or resource requirements of responding to FOI requests	1	3	M	Model publication scheme in place. Ensure all agendas, agenda items minutes, policies and financial documents are published on the Council website.
	Financial or resource requirements of responding to DSAR requests	1	1	L	Minimal difficulty in providing information.IT Provider can undertake Data search of all records kept.
	Data Protection Breach	1	1	L	Employees and Councillors aware of GDPR and the ways of working. Council is registered with the ICO. Part of the Cyber Insurance.
	Cyber Attack	1	2	L	One Drive passwords locked away securely. IT Provider can assess. Hard copy of passwords locked away securely. Cyber insurance needs to be purchased. Risk management with insurance company .
Procurement					

	Poor Procurement decisions	2	2	M	Act in accordance with Financial Regulations.
	Contractors are not insured	1	2	L	Check contractors' indemnity insurance and keep a copy for records. Food Hygiene for Catering Staffs at events, copy kept on records.
	Suppliers/Contractor failure	1	1	L	Due diligence in the tendering process.
Governance					
	The Council acts illegally/does not comply with current regulations	1	3	M	Council ensures that all activities and payments including grants given are properly resolved and minuted at the appropriate Council meeting.
	The Council does not comply with its Standing Orders	1	2	L	All members have copies of Standing Orders which are reviewed annually, or as changing legislation dictates. CEO/Town Clerk/RFO is a member of SLCC..
	The Council does not make decisions in the best interest of residents	2	2	M	Members declarations of interest signed on appointment and published on the Council's website. These are checked every year and updated where necessary. Update them at any time if something changes.
	The Council does not act in a professional manner	2	2	M	Standing orders to be followed and reviewed annually or as legislation changes. Council adopted the Broadland District Council

					model of code of conduct. Dispensations are requested and approved as required.
	Changes to legislation affect Council decision making or operations	2	2	M	Contribute to all relevant consultations. Lobby as necessary
	The Council does not make decisions in the best interest of residents	2	2	M	Council meetings are held in public. Agendas, minutes, and policies are published on the council website.
	Requirement to hold referendum, parish poll, election etc	1	2	L	Maintain a reserve for the elections.
Mullti Factor Risk					
	Pandemic or Epidemic Disease	2	3	H	Fixed income (mainly precept) exceeds fixed costs (mainly salaries). Adequate reserves maintained. Application of official restrictions and advice to avoid infection of staff. Segregation of staff to avoid cross contamination. Emergency assistance from Broadland District Council, SLCC etc employees become disabled.