

# RISK ASSESSMENT AND REVIEW OF INTERNAL CONTROLS

Approved – 30 April 2024

Area	Risk	Responsible Officer	Actions to Minimise Risk/Internal Controls	Likelihood	Impact
<b>Assets</b>	Protection of physical assets	Town Clerk/Deputy Town Clerk and RFO  Centres and Operations Managers	<ul style="list-style-type: none"> <li>- Adequate insurance</li> <li>- Regular health and safety reviews and audits</li> <li>- Adequate door security system</li> <li>- Alarm systems in place</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Failure to maintain record of council assets	RFO	<ul style="list-style-type: none"> <li>- Maintenance of an asset register to ensure that all requisitions / disposals are accurately and promptly recorded</li> <li>- Carry out periodical inventory checks</li> </ul>	<b>LOW</b>	<b>MEDIUM</b>
<b>Investments</b>	Failure to retain long term investments and to comply with investment guidance for local government bodies	RFO	<ul style="list-style-type: none"> <li>- Developing an Annual Investment Strategy to ensure that the Council has assessed the risk of committing funds to long term investments and properly planned to comply with legislative requirements</li> <li>- Reviewing the Investment Strategy annually</li> <li>- Seeking independent advice if long-term investment in assets is to be considered</li> </ul>	<b>LOW</b>	<b>HIGH</b>
<b>Finance</b>	Failure to comply with HMRC Regulations	RFO	<ul style="list-style-type: none"> <li>- Maintenance of comprehensive records of all calculations on income tax, national insurance deducted from pay</li> <li>- Submit monthly returns to HMRC</li> <li>- Make prompt payment of all liabilities due</li> <li>- Ensure that all input tax and output tax is properly recorded</li> <li>- Complete and submit VAT claims promptly and on a regular basis.</li> <li>- Reconcile claims to accounting program</li> <li>- Correct treatment of payments and services provided by contractors and ensure these are not falling within the scope of PAYE</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Poor financial management	Town Clerk  Town Clerk and RFO	<ul style="list-style-type: none"> <li>- Define responsibility through appointment of Responsible Finance Officer</li> <li>- Ensure appropriate standing orders and financial regulations are in place, which are subject to periodic review</li> <li>- Implement effective independent internal audit</li> </ul>	<b>LOW</b>	<b>HIGH</b>

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			<ul style="list-style-type: none"> <li>- Arrange for regular financial reports to committees/council</li> <li>- Annual review of contracts and insurance cover</li> </ul>		
	Failure to set a precept within sound budgeting arrangements	RFO	<ul style="list-style-type: none"> <li>- Ensure that presentation to committees/ council follows an agreed timetable</li> <li>- Ensure that precept is set as a result of a full report detailing requirements of forthcoming year for all managers</li> <li>- Review all charges made by the Council</li> <li>- Review adequacy of all balances and reserves</li> <li>- Ensure that effective budget monitoring is in place throughout the year</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Failure to maintain adequate reserves	RFO	<ul style="list-style-type: none"> <li>- Ensure that earmarked reserves are realistic and approved by the Council</li> <li>- General reserves are risk-assessed and approved annually by the Council</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Failure to maintain an effective payments scheme	RFO	<ul style="list-style-type: none"> <li>- All payments to be supported by authorised invoice/voucher</li> <li>- All detail to be checked and payment entered onto the accounting program</li> <li>- At least two people are involved in each electronic payment</li> <li>- All payments to be noted by Council and recorded in Minutes</li> <li>- All cheques to be signed by one authorised signature for less than £1,000 and two signatures required for expenditure over £1,000</li> <li>- All expenditure to be the subject of budgetary control</li> <li>- Ensure that all grant applications are complete and fully supported prior to submission to committee/council</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Loss of money through theft/misappropriation	RFO	<ul style="list-style-type: none"> <li>- Determine responsibility for all cash at all sources</li> <li>- Ensure that invoices/receipts are issued for all income</li> </ul>	<b>LOW</b>	<b>HIGH</b>

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			<ul style="list-style-type: none"> <li>- Ensure that secure arrangements are in place for prompt recording and banking of all cash received</li> <li>- Ensure regular bank reconciliation is carried out</li> <li>- Arrange regular report to Council</li> <li>- Ensure that the Council holds adequate fidelity guarantee insurance</li> </ul>		
	Failure to maintain adequate internal controls	RFO	<ul style="list-style-type: none"> <li>- Take all reasonable steps to ensure that there are no matters of non-compliance with laws and regulations</li> <li>- Maintain throughout the year an adequate system of internal control</li> <li>- Appropriate action on a matter raised in an Internal Audit Report</li> </ul>	<b>LOW</b>	<b>HIGH</b>
<b>Liability</b>	Risk to third party, property or individuals	RFO and Department Managers	<ul style="list-style-type: none"> <li>- Ensure that appropriate insurance cover / policy is in force</li> <li>- Open spaces and trees are being checked regularly</li> <li>- Investigations are being carried out when damage reported</li> <li>- Risk assessment done on each individual event such as Christmas Lights</li> </ul>	<b>LOW</b>	<b>HIGH</b>
	Liability as consequences of asset ownership (especially burial ground, playgrounds, trees)	Town Clerk/Deputy Town Clerk and Operations Manager	<ul style="list-style-type: none"> <li>- Ensure that appropriate insurance cover and policies are in place</li> <li>- Regular checks of playgrounds and tree surveys</li> <li>- Risk assessment and regular checks carried out by ROSPA and tree surgeon</li> <li>- Staff training for playgrounds and trees inspection</li> </ul>	<b>LOW</b>	<b>HIGH</b>
<b>Legal Liability</b>	Incurring expenditure without proper legal authority	Town Clerk	<ul style="list-style-type: none"> <li>- Ensure that legal position on any new proposal is being clarified and legal advice sought where necessary</li> <li>- Detailed information in Agendas and properly record expenditure in Minutes</li> </ul>	<b>LOW</b>	<b>HIGH</b>
<b>Employer Liability</b>	Compliance with Employment Law	Town Clerk and Deputy Town Clerk	<ul style="list-style-type: none"> <li>- Membership of various national and regional bodies</li> <li>- Ensure that legal position is being clarified and legal advice sought where necessary</li> </ul>	<b>LOW</b>	<b>HIGH</b>

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			- Ensure that appropriate insurance cover is in place		
	Safety of Staff and Visitors	All Managers	- Regular health and safety reviews and audits are being carried out	<b>LOW</b>	<b>HIGH</b>
	Data Protection	Town Clerk and Deputy Town Clerk	- Training provided for staff - Regular reviews and audits are being carried out - Actions taken to address audit points	<b>MEDIUM</b>	<b>HIGH</b>
<b>IT</b>	Cyber Security	Town Clerk	- The Clerk with support from the IT Company will ensure all measures are in place and that regular reviews are being carried out.	<b>LOW</b>	<b>HIGH</b>