

## Liskeard Town Council

### FINANCIAL RISK ASSESSMENT

AREA	RISK(S) IDENTIFIED	RISK LEVEL	POTENTIAL IMPACT	MANAGEMENT / CONTROL OF RISK	REVIEW / ACTION REQUIRED
<b>Finance</b>					
Banking	Failure of Bank	Low	High	Arrangements with HSBC. Fidelity Guarantee Insurance cover of £700,000 as per internal audit recommendation in 2017 (recommended amount total reserves plus 50% precept)	Review annually <b>*New Reserves Policy required</b>
Investments	The Town Council does not have any investments at present			Investment Strategy in place to guide future activity.	
Borrowings	The Town Council does not have any borrowings at present.			Investment Strategy in place to guide future activity.	
Adequacy of Precept	Precept amount inadequate.  Requirement not submitted in time	Low	High	Budget and Precept considered by Finance, Economic Development and General Purposes Committee and agreed by Council by 31 January. The precept deadline is noted and complied with by the RFO.	Maintain existing procedures.
Rental Income	Failure of tenants / hirers to settle invoices	Medium	Medium	Regular review of debtors and chasing of outstanding invoices. Aged debtors reported to Finance, Economic Development and General Purposes committee for monitoring.	Maintain existing procedures. <b>*New Debtors Policy required</b>

	Inadequate charges			Annual review of hiring fees and allotment charges. Valid leases in place for all Guildhall units and reviewed in line with the agreement.	
Financial Controls and Records	Inadequate or inaccurate records leading to financial irregularities.  Errors in record keeping.  Falsification of records.	Medium	Medium	Financial Regulations reviewed annually. Internal and external audit undertaken, and reports considered by Council, with recommendations prioritised for action Programme of internal checks and controls carried out by Councillors. Separation of duties – invoicing, receipt of payments and banking separated from account recording and bank reconciliation – different members of staff have responsibility for these functions.	Maintain existing procedures. Review annually  *Review of Financial regulations required  *Update system of internal controls
Petty Cash	Payments not accounted for. Loss through theft of dishonesty.	Low	Low	Maximum holding £300 Reconciled monthly All payments supported by relevant paperwork.	Maintain existing procedures.
Cash	Loss through theft or dishonesty.	Medium	High	Cash reconciled and banked weekly. Unbanked cash locked in safe. Low value and level of cash transactions. TIC cash banked regularly. Museum donations banked monthly	Maintain existing procedures.  *Set maximum value of TIC holding (to include limit for stamps and tickets)
Bank Reconciliations	Inadequate checks  Bank errors	Low	Medium	Bank reconciliations completed monthly, checked by a (non-signatory) councillor and reported to Council.	Maintain existing procedures.
Payments	Goods not supplied but invoiced.  Invoices incorrect  Invoices unpaid (penalty charges)	Medium	Medium	All invoices checked and initialled for accuracy and receipt of goods/services by RFO. 2 signatures on all cheques and stubs initialled to confirm payee and name on stub match. List of payments presented to Council/Finance, Economic Development and General Purposes Committee monthly for authorisation. Clear audit trail of all expenditure. Sage 50 Accounts system used.	Maintain existing procedures.  NB Upcoming change to RBS Rialtas accounting software and new procedures for checking and authorising invoices for

					payment of goods and services
Approval of Expenditure	Unauthorised purchases Fraud	Low	Medium	All payment orders authorised by Council as per Financial Regulations. Whistleblowing Policy	Maintain existing procedures.
Cheque Books	Loss of cheques Fraudulent use	Low	Medium	Cheque books held securely No blank cheques signed	Maintain existing procedures.
Debit Card	Loss / theft  Fraudulent use	Low	Low	Card retained in safe No PIN number issued – only used for online/telephone payments Card only held on separate number 2 account with maximum balance £2,000 Use of card authorised by Town Clerk Details included in list of payments presented to Council / Finance, Economic Development and General Purposes Committee	
Salaries	Incorrect payments to staff  Loss of key staff / skills	Low	Medium	SAGE payroll calculates wages monthly. Subject to internal audit Salary spinal points and hours worked confirmed annually Business Continuity Plan in place for long term / permanent loss of key staff / skills	Maintain existing procedures.  Review of Payroll arrangements to be undertaken
Annual Return	Not submitted on time Incorrectly completed	Medium	Medium	RFO aware of date	Maintain existing procedures.
<b>Assets</b>					
Security of buildings / property	Vandalism, fire, flood, leaks, weather and accidental damage	Medium	Medium	Buildings and property insured and reviewed annually. Buildings reinstatement values reassessed 2016 (10 yearly review). Covered updated in the interim as required (e.g. to reflect Public Hall refurbishment) Fire and intruder alarms with automatic response for some buildings but not all. Weekly fire alarm checks and annual servicing. Buildings secured outside working hours CCTV coverage at Public Hall and Foresters Hall Weekly checks conducted of remote locations e.g. parks, toilets, allotments	Maintain existing procedures.  PH Fire alarm upgraded and extended to L2 summer 2018  Guildhall Fire Alarm upgraded to L3 summer 2018

				Utility meters read monthly. *Low crime rate in Liskeard Business Continuity Plan in place if alternative premises required to maintain services.	PH main exit route protected with new fire doors throughout that area.  *New key and alarm fob register required with items issued signed for
Maintenance of buildings / property	Inadequate maintenance of buildings, vandalism	Medium	Medium	Facilities manager ensures maintenance completed in a timely manner and to a good standard. Plant and machinery serviced and tested in compliance with regulations All buildings inhabited or regularly inspected. Capital provision made for large scale maintenance / renovation Asset register regularly maintained	Maintain existing procedures.  *Add column to asset register for longevity of asset
Security of valuables (silver and regalia)	Loss, theft or damage	Medium	High	Silver stored in safe compliant with requirements of insurance company. Keys and combination maintained at remote location. Only withdrawn for civic occasions. New insurance valuation obtained 2017. Regalia stored in safe and immediately returned after use. Insurance in place and indexed.	Maintain existing procedures.  Revalue 10 yearly
<b>Legal Liabilities</b>					
Ensuring the Council acts within its legal powers	Ultra Vires Acts incurring financial liability	Low	High	Town Clerk and RFO & Deputy Town Clerk are CiLCA qualified General Power of Competence in place and renewed annually. Use of advice from NALC/CALC and SLCC Members follow the Code of Conduct Scheme of Delegation / Terms of Reference in place to delegate matters to committees Standing orders regularly reviewed	Maintain existing procedures.  *To be reviewed

Insurance	Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered Policy lapsed	Low	High	Review of insurance with brokers annually and upon taking up of new assets. (e.g. new kitchen equipment and accessible toilet equipment purchased at the Public Hall, new museum loans)	Maintain existing procedures.
Compliance with Employment Law	Acts outside the Employment Law could lead to financial liability	Low	High	Contract with professional HR advisers and insurers Ellis Whittam. Approval of employment matters by Staff Committee Up to date contracts for all staff New Employee handbook with up to date policies introduced Nov 2016.	Under constant review  *To be updated
Compliance with HMRC and Pensions Regulator requirements.	Payments missed.  Quarterly VAT returns inaccurate of submitted late.  Pension enrolment rules not followed  Pension returns not made in a timely manner leading to fines from the regular	Low	High	Sage Payroll system calculates wages, pension and NI. VAT returns processed within Sage Specialist advice obtained where necessary e.g. VAT Liaison with Cornwall Council Pension Services Subject to internal audit	Maintain existing procedures.  Review of Payroll arrangements to be undertaken  Comply with new Making Tax Digital legislation  Updated Pensions Discretions policy required
Health and Safety of Staff, Visitors and Contractors	Liability incurred if Council found to be at fault.	Medium	High	Council has Health and Safety policy and employs consultants Ellis Whittam – external review of all policies and procedures carried out Feb 2017 by SWAAT Risk assessments in place for all property Appropriate levels of Public Liability and Employers Liability insurance (recommended £10m) Lone working minimised and managed Appropriate PPE issued with instructions for use Appropriate training given to staff and logged	All risk assessments reviewed annually. *Carry out SWAAT recommendations  Ellis Whittam offers annual review and support to ensure procedures are up to date.

				<p>Staff Training and Development Policy</p> <p>Event Management Plans and risk assessments completed for local events</p> <p>Trained first aiders</p> <p>Accident records kept and reported where necessary</p> <p>Annual Display Screen Equipment reviews undertaken</p> <p>Contract out grass cutting, weed control, footpath maintenance where council does not have suitably qualified staff to undertake these functions.</p>	
Legal liability as a consequence of asset ownership	Injury caused through fault with asset or incorrect training in operation.	Low	High	<p>Buildings and other assets inspected regularly by staff for faults.</p> <p>PAT tests carried out annually – last done August 2018</p> <p>Appropriate training given and logged</p> <p>Public liability insurance in place (recommended £10m)</p> <p>Facilities Manager is RoSPRA qualified</p> <p>Regular RoSPRA inspections carried out at parks and recorded</p> <p>Legionella control tests carried out monthly</p>	<p>Under constant review</p> <p>Valid until 25/9/2021</p>
Computer records	<p>Reliability of system</p> <p>Loss of data through system error or theft</p> <p>Corruption of data from viruses or hacking</p> <p>Loss of data through damage to hardware</p>	Low	High	<p>Back up to icloud</p> <p>Local monthly back up of all records to memory sticks retained in fire proof safe</p> <p>External IT support service used</p> <p>Professional anti-virus software (AVG business)</p> <p>All computers and accounts/payroll software password protected and regularly updated</p>	Maintain existing procedures.
Tendering process	<p>Procedures not followed for significant contracts</p> <p>Best value not achieved</p> <p>Fraud</p>	Low	Medium	<p>Standing Orders correctly followed</p> <p>Procurement procedures in place and staff have received training</p> <p>Contracts reviewed annually</p>	Maintain existing procedures.
Register of Members' Interests	Not maintained in accordance with Code of Practice	Low	Low	<p>Up to date Code of Conduct adopted by Council.</p> <p>Councillors encouraged to attend training</p> <p>Register of interests filed with Cornwall Council.</p>	Maintain existing procedures.

				Declaration on all agendas that Interests are up to date Gift / hospitality register held	
Proper document control	Documents unaccounted for  No proof of documents received	Low	Low	Filing system established and updated Data Protection Act requirements in place Registered with ICO Documents date stamped on receipt and actioned by staff Councillors' mail available for collection	Maintain existing procedures. *Update procedures to comply with GDPR with effect from 25/05/2018 – new Data Protection policy required
Internal Financial Controls and Internal Audit	Proper financial controls not maintained.  True financial position not known	Low	Medium	Financial Regulations in place and updated regularly Regular reports to all committees for budget monitoring Councillors encouraged to undertake financial training Balances reported monthly to Council / Finance, Economic Development and General Purposes committee	Maintain existing procedures.  Update system of internal controls
<b>Administration</b>					
Reports and records	Improper and untimely reporting of meetings via the minutes	Low	Low	Council meets bi-monthly to receive and approve the minutes of meetings held in the interim. Minutes are made available to the press and public via the Council website. Meetings are recorded	Maintain existing procedures.

Adopted by the Finance & General Purposes Committee 17 January 2017

Reviewed April 2018

Reviewed internally January 2019

