



Liskeard Town Council

FINANCIAL RISK ASSESSMENT

AREA	RISK(S) IDENTIFIED	RISK LEVEL	POTENTIAL IMPACT	MANAGEMENT / CONTROL OF RISK	REVIEW / ACTION REQUIRED
Finance					
Banking	Failure of Bank	Low	High	Arrangements with HSBC. Council's policy follows the latest guidance. Fidelity Guarantee Insurance cover of £700,000 as per recommendation in 2016	
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 sum inadequate. Requirement not submitted in time	Low	High	Budget and Precept considered by Finance and General Purposes Committee and Full Council each year. 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.	Maintain existing procedures.

					*Set-up regular reporting to the Finance and General Purposes Committee. *Review procedure for pursuing outstanding invoices.
Financial Controls and Records	Inadequate records leading to financial irregularities.	Low	Medium	Financial Regulations reviewed annually. Internal and external audit. 2 signatures on all cheques.	Maintain existing procedures.
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.	Maintain existing procedures.
Payments	Goods not supplied but invoiced. Invoices incorrect Invoices unpaid	Medium	Medium	All invoices checked and initialled for accuracy and receipt of goods/services by Town Clerk. Two signatories on payment orders and initialling of accompanying paperwork. List of payments presented to Finance and General Purposes Committee bi-monthly. Clear audit trail of all expenditure. Sage 50 Accounts system used.	Maintain existing procedures.
Approval of Expenditure	Unauthorised purchases Fraud	Low	Medium	All payment orders authorised by Council as per Financial Regulations. Anti-Fraud and Corruption Policy 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.
Salaries	Incorrect payments to staff	Low	Medium	SAGE payroll calculates wages monthly. Subject to internal audit	Maintain existing procedures.

Annual Return	Not submitted on time Incorrectly completed	Medium	Medium	RFO aware of date	Maintain existing procedures.
Assets					
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. 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 Utility meters read monthly. *Low crime rate in Liskeard	Maintain existing procedures. *Install additional smoke detectors and consider having these monitored. *Regularly inspect fire doors.
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. All buildings inhabited or regularly inspected. Capital provision made for large scale maintenance / renovation	Maintain existing procedures.
Security of valuables (silver and regalia)	Loss, theft or damage	Medium	High	Silver stored at Lloyds bank for safe-keeping and only withdrawn for civic occasions Regalia stored in safe and immediately returned after use. Insurance in place and indexed.	Maintain existing procedures. Up to date insurance values to be obtained (last dated 2004)
Legal Liabilities					
Ensuring the Council acts within its legal powers	Ultra Vires Acts incurring financial liability	Low	High	Town Clerk is CiLCA qualified General Powers of Competence in place. Use of advice from NALC/CALC and SLCC Members follow the Code of Conduct	Maintain existing procedures.
Insurance	Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered Policy lapsed	Low	High	Review of insurance with brokers annually. Insurance approved by the Finance and General Purposes Committee.	Maintain existing procedures. *Update asset register

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
Compliance with HMRC requirements.	Payments missed. Quarterly VAT returns inaccurate or submitted late.	Low	High	Sage Payroll system calculates wages, pension and NI. Liaison with Cornwall Council Pension Services Subject to internal audit	Maintain existing procedures.
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 Risk assessments in place for all property Public liability insurance in place Lone working minimised and managed Appropriate training given to staff and logged Staff Training and Development Policy Event Management Plans completed for local events	All risk assessments reviewed annually. Full review of all Health and Safety related policies and procedures to be carried out Feb 2017 by outside advisers (SWAAT)
Legal liability as a consequence of asset ownership	Injury caused through fault with asset or incorrect training in operation.	Low	High	Buildings and other assets inspected regularly by staff for faults. PAT tests carried out annually. Appropriate training given and logged Public liability insurance in place	Under constant review
Computer records	Reliability of system Loss of data through system error or theft Corruption of data from viruses or hacking	Low	High	Back up to icloud External IT support service used Professional anti-virus software	Maintain existing procedures.
Tendering process	Procedures not followed for significant contracts Best value not achieved Fraud	Low	Medium	Standing Orders correctly followed Procurement procedures in place and staff have received training Contracts reviewed annually	Maintain existing procedures.
Register of Members' Interests	Not maintained in accordance with Code of Practice	Low	Low	Up to date Code of Conduct adopted by Council. Register of interests filed with Cornwall Council.	Maintain existing procedures. *Consider a gift / hospitality register

				Declaration on all agendas that Interests are up to date	
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.
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 Finance and General Purposes Committee for budget monitoring	Maintain existing procedures.
Administration					
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 and stored for future reference	Maintain existing procedures.

Adopted by the Finance & General Purposes Committee

To be reviewed