

Liskeard Town Council

FINANCIAL RISK ASSESSMENT 2022

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 and Lloyds. Deposit with Cornwall Council Fidelity Guarantee Insurance cover of £700,000 (recommended amount total reserves plus 50% precept) Reserves Policy	Review annually
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.	Low	High	Budget and Precept requirements considered by committees and agreed by Council by 31 January.	Maintain existing procedures.
	Requirement not submitted in time	Low	High	The precept deadline is noted and complied with by the RFO.	
	Unexpected/unbudgeted expenditure e.g. emergency repairs	Medium	High	Committee budgets reported and monitored at each meeting. Reserves Policy Covid emergency expense fund held	

Rental Income	<p>Failure of tenants / hirers to settle invoices Unexpected loss of income</p> <p>Inadequate charges</p>	Medium	Medium	<p>Regular review of debtors and chasing of outstanding invoices as per Credit Management Policy and Procedures. Aged debtors reported to Council/Finance, Economic Development and General Purposes committee for monitoring.</p> <p>Annual review of hiring fees and allotment charges. Valid leases in place for all Guildhall units and reviewed in line with the agreement.</p>	Maintain existing procedures.
Grant funded projects	<p>Non receipt of funding after expenditure incurred e.g. ineligible expenditure incurred, failure to provide required audit trail of expenditure, failure to deliver outcomes, failure to submit claim before expiry of the funding.</p> <p>Clawback of funding e.g. non compliance with grant offer letter or failure to deliver outcomes or within required timescales</p> <p>Additional expenditure incurred not covered by project funding</p>	Medium	High	<p>Legal advice obtained before entering into complex funding agreements Large projects managed by working group or management board for closer monitoring Large projects suitably risk assessed for delivery and ongoing potential liabilities Employment of internal or external project manager. RFO/project manager aware of eligibility criteria for expenditure Town Clerk/RFO/project manager aware of all conditions related to grant funding Purchase order numbers designated when issued. Income and expenditure processed through separate cost centres/nominal codes for tracking Regular reviews with funders to ensure project on track and compliant Regular reviews with contractors to ensure the works are being completed satisfactorily within the timeline.</p>	<p>Maintain existing procedures.</p> <p>*Review as needed following experiences on current CMM and Active Travel projects</p>
Financial Controls and Records	<p>Inadequate or inaccurate records leading to financial irregularities.</p> <p>Errors in record keeping.</p>	Medium	Medium	<p>Financial Regulations reviewed annually. Internal and external audit undertaken, and reports considered by Council, with recommendations prioritised for action</p>	Maintain existing procedures.

	Falsification of records.			<p>Programme of internal checks and controls carried out by Councillors.</p> <p>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.</p> <p>RFO checks monthly budget reports</p>	
Petty Cash	<p>Payments not accounted for.</p> <p>Loss through theft or dishonesty.</p>	Low	Low	<p>Maximum holding £300</p> <p>Reconciled monthly</p> <p>All payments supported by relevant paperwork.</p>	Maintain existing procedures.
Cash	Loss through theft or dishonesty.	Medium	High	<p>Cash reconciled and banked weekly.</p> <p>Unbanked cash locked in safe.</p> <p>Low value and level of cash transactions.</p> <p>TIC cash reconciled and banked monthly – with records sent to Accounts Clerk – maximum £500 limit</p> <p>Museum donations reconciled and banked monthly</p>	Maintain existing procedures.
Bank Reconciliations	<p>Inadequate checks</p> <p>Bank errors</p>	Low	Medium	<p>Bank reconciliations completed monthly, by the account's clerk and checked by the RFO.</p> <p>Regular verification check carried out by non-signatory Councillor.</p>	Maintain existing procedures.
Payments	<p>Goods not supplied but invoiced.</p> <p>Invoices incorrect</p> <p>Invoices unpaid (penalty charges)</p>	Medium	Medium	<p>All invoices checked against original order and receipt of goods/services, and then checked and initialled for accuracy by RFO.</p> <p>List of payments presented to Council/Finance, Economic Development and General Purposes Committee monthly for authorisation.</p> <p>2 signatures on all cheques and stubs initialled to confirm payee and name on stub match.</p> <p>All bacs payments printed to confirm sort code and account number.</p> <p>Clear audit trail of all expenditure.</p> <p>Rialtas Omega accounting software used.</p> <p>Invoice due dates checked on receipt</p>	Maintain existing procedures.

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 Only card 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. Details input by accounts clerk and checked by RFO before payments processed. Subject to internal audit Salary spinal points and hours worked confirmed annually by Council, and subject to internal control check by a Councillor. Business Continuity Plan in place for long term / permanent loss of key staff / skills	Maintain existing procedures. *Review Business Continuity Plan with benefit of experience of covid 19 *Produce procedures manuals for all job roles
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 (see below) Fire and intruder alarms with automatic response for some buildings but not all.	Maintain existing procedures.

				<p>Weekly fire alarm checks and annual servicing. PH Fire alarm upgraded and extended to L2 summer 2018. PH main exit route protected with new fire doors throughout that area. Guildhall Fire Alarm upgraded to L3 summer 2018. New fire doors installed 2020. Foresters Hall dual com alarm connections upgraded 2021. Fire extinguishers inspected annually. 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 Business Continuity Plan in place if alternative premises required to maintain services.</p>	<p>*Upgrade being undertaken of Foresters Hall dual com alarm connections.</p> <p>*New key and alarm fob register required with items issued signed for</p>
Maintenance of buildings / property	Inadequate maintenance of buildings, vandalism	Medium	Medium	<p>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 reviewed and updated.</p>	<p>Maintain existing procedures.</p> <p>*Add column to asset register for condition and longevity of asset</p>
Security of valuables (silver and regalia)	Loss, theft or damage	Medium	High	<p>Silver stored in safe compliant with requirements of insurance company. Separate key and combination holders. Keys held at remote location. Only withdrawn for civic occasions. New insurance valuation obtained 2017. Regalia stored in safe and immediately returned after use.</p>	<p>Maintain existing procedures.</p> <p>Revalue 10 yearly</p>

				Insurance in place and indexed.	
Legal Liabilities					
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 at each new Council term as required. Use of advice from NALC/CALC and SLCC Members follow the Code of Conduct and regular training in place Scheme of Delegation / Terms of Reference in place to delegate matters to committees Standing orders regularly reviewed	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 and upon taking up new assets, responsibilities, museum loans, etc Buildings reinstatement values desktop review completed after switching insurer November 2019 and cover updated as recommended.	Maintain existing procedures. *3 year LTA expires Oct 2022 and full review to be undertaken
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/Worknest Approval of employment matters by Finance, Economic Development & General Purposes committee. Up to date contracts for all staff New Employee handbook with up to date policies introduced Nov 2016.	Under constant review *Review of all personnel related policies and procedures to be undertaken 2022 (new home working policy to be added) and establish Personnel committee for sensitive issue if needed
Compliance with HMRC and Pensions Regulator requirements.	Payments missed. Quarterly VAT returns inaccurate or submitted late. Pension enrolment rules not followed	Low	High	Sage Payroll system calculates HMRC and pension deductions VAT returns processed within Rialtas and MTD enabled. Specialist advice obtained where necessary e.g. VAT Liaison with Cornwall Council Pension Services	Maintain existing procedures. *Rollout of new system for submitting pension data due 2022

	Pension returns not made in a timely manner leading to fines from the regular			Subject to internal audit	
Health and Safety of Staff, Visitors and Contractors	Liability incurred if Council found to be at fault.	Medium	High	<p>Council has Health and Safety policy and employs consultants Ellis Whittam/Worknest, who offer annual review and support to ensure procedures are up to date.</p> <p>External review of all policies and procedures carried out Feb 2017 by SWAAT</p> <p>Risk assessments in place for all property and processes and regularly reviewed</p> <p>Appropriate levels of Public Liability and Employers Liability insurance (recommended £10m)</p> <p>Lone working minimised and managed</p> <p>Appropriate PPE issued with instructions for use</p> <p>Appropriate training given to staff and logged</p> <p>Staff Training and Development Policy</p> <p>Training log maintained</p> <p>Staff training needs reviewed at annual appraisal and training plans set up</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>	<p>All risk assessments reviewed annually.</p> <p>*Additional covid19 risk assessments completed on all facilities and reviewed as guidelines change.</p> <p>*New lone working policy required (to include covid19 section).</p> <p>*DSE assessments carried out for home working.</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 Sept 2021</p>	Under constant review

				<p>Legionella control tests carried out monthly</p> <p>Appropriate training given and logged</p> <p>Public liability insurance in place (recommended £10m)</p> <p>Facilities Manager and Caretaker RoSPRA qualified</p> <p>Regular RoSPRA inspections carried out at parks and recorded</p>	<p>*NB equipment currently used at home not tested</p> <p>FM - Valid to 19/9/21</p> <p>CT - Valid to 10/2/23</p> <p>*Training booked for 3 staff members July 2022</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/external hard drive retained in fireproof 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 and Financial Regulations correctly followed</p> <p>Procurement procedures in place and staff have received training</p> <p>Contracts reviewed annually/at expiry</p>	Maintain existing procedures.
Register of Members' Interests	<p>Not maintained in accordance with Code of Practice</p>	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> <p>Declaration on all agendas that Interests are up to date</p> <p>Gift / hospitality register held</p>	Maintain existing procedures.
Proper document control	<p>Documents unaccounted for</p> <p>No proof of documents received</p>	Low	Low	<p>Filing system established and updated (paper and electronic)</p> <p>Data Protection Act requirements in place to comply with GDPR</p> <p>Registered with ICO</p> <p>Documents date stamped on receipt and actioned by staff</p>	Maintain existing procedures.

				Communications Policy in place Data retention policy in place Councillors' mail available for collection	
Internal Financial Controls and Internal Audit	Proper financial controls not maintained. True financial position not known	Low	High	Financial Regulations in place and updated regularly Regular reports to all committees and Council for budget monitoring Councillors encouraged to undertake financial training Balances reported regularly to Council / Finance, Economic Development and General Purposes committee	Maintain existing procedures. *Continue to implement new system of internal controls
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	Maintain existing procedures.

First adopted by the Finance & General Purposes Committee 17 January 2017

Reviewed April 2018

Reviewed internally January 2019

Reviewed by Council 28 July 2020

Reviewed by Council 27 April 2021

Reviewed by Council 7 June 2022