

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 and Lloyds. Fidelity Guarantee Insurance cover of £700,000 (recommended amount total reserves plus 50% precept) New 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. Requirement not submitted in time Unexpected/unbudgeted expenditure e.g. emergency repairs	Low Medium	High 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. Committee budgets reported and monitored at each meeting. New Reserves Policy	Maintain existing procedures. *Covid19 has caused unbudgeted expenditure e.g. Social Emergency Fund –

					report and monitor reserves regularly, no expenditure to be approved without identifying an adequate source of funding
Rental Income	<p>Failure of tenants / hirers to settle invoices</p> <p>Inadequate charges</p>	Medium	Medium	<p>Regular review of debtors and chasing of outstanding invoices as per Credit Management Policy and Procedures.</p> <p>Aged debtors reported to Finance, Economic Development and General Purposes committee for monitoring.</p> <p>Annual review of hiring fees and allotment charges.</p> <p>Valid leases in place for all Guildhall units and reviewed in line with the agreement.</p>	<p>Maintain existing procedures.</p> <p>*Covid19 will reduce Public Hall and Guildhall expected income. Review Facilities budget and consider how the shortfall should be managed e.g. delay of non-essential works/projects planned</p> <p>*Review the status of the small office lease</p>
Financial Controls and Records	<p>Inadequate or inaccurate records leading to financial irregularities.</p> <p>Errors in record keeping.</p> <p>Falsification of records.</p>	Medium	Medium	<p>Financial Regulations reviewed annually. Internal and external audit undertaken, and reports considered by Council, with recommendations prioritised for action</p> <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>Maintain existing procedures.</p> <p>Review annually – due August 2020</p> <p>*Consider how Councillors can make checks during covid19 restrictions – carry out risk assessment</p>
Petty Cash	<p>Payments not accounted for.</p> <p>Loss through theft of dishonesty.</p>	Low	Low	<p>Maximum holding £300</p> <p>Reconciled monthly</p> <p>All payments supported by relevant paperwork.</p>	<p>Maintain existing procedures.</p>

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 reconciled and banked monthly – with records sent to Accounts Clerk – maximum £500 limit Museum donations reconciled and banked monthly	Maintain existing procedures. *Updated TIC/museum banking procedure to be followed. Consider how a limit on the museum donations could be monitored
Bank Reconciliations	Inadequate checks Bank errors	Low	Medium	Bank reconciliations completed monthly, by the account's clerk and checked by the RFO.	Maintain existing procedures. *Quarterly verification to be carried out by a non-signatory Councillor
Payments	Goods not supplied but invoiced. Invoices incorrect Invoices unpaid (penalty charges)	Medium	Medium	All invoices checked and initialled for accuracy and checked against original order 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. Rialtas Omega accounting software used. Invoice due dates checked on receipt	Maintain existing procedures. *New system for BACS payments to be used and consider whether an appendix to the Financial Regulations are needed.
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. 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 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. *NB – extended dates for 2019/20 only due to covid 19
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 desktop review completed after switching insurer November 2019 and cover updated as recommended. Contents cover updated to reflect Public Hall refurbishment e.g. new kitchen equipment. 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 PH main exit route protected with new fire

				Utility meters read monthly. *Low crime rate in Liskeard Business Continuity Plan in place if alternative premises required to maintain services.	doors throughout that area. *New fire doors to be installed at the Guildhall *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 condition and 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
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 Scheme of Delegation / Terms of Reference in place to delegate matters to committees Standing orders regularly reviewed	Maintain existing procedures. *NB temporary measures in place

					during the covid19 pandemic
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 or 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 Rialtas and MTD enabled. Specialist advice obtained where necessary e.g. VAT 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 and employs consultants Ellis Whittam, who offer annual review and support to ensure procedures are up to date. 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	All risk assessments reviewed annually. *Additional covid19 risk assessments completed on all facilities and reviewed as guidelines change.

				<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>New Safety Media training platform in use</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>*New lone working policy required (to include covid19 section).</p> <p>*New PPE requirements for covid 19 complied with</p> <p>*Update First Aid training when face to face courses available following covid 19 restrictions (online training from St John Ambulance has been carried out to extend existing certificates)</p> <p>*DSE assessments carried out for home working. Consider home working review/policy for future use</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 2019</p> <p>Appropriate training given and logged</p> <p>Public liability insurance in place (recommended £10m)</p> <p>Facilities Manager and Caretaker/Handyman RoSPRA qualified</p> <p>Regular RoSPRA inspections carried out at parks and recorded (caretaker has RoSPRA training to carry out)</p> <p>Legionella control tests carried out monthly</p>	<p>Under constant review</p> <p>Valid until 19/9/2021</p> <p>Valid until 10/2/2023</p>

Computer records	Reliability of system Loss of data through system error or theft Corruption of data from viruses or hacking Loss of data through damage to hardware	Low	High	Back up to icloud Local monthly back up of all records to memory sticks retained in fire proof safe External IT support service used Professional anti-virus software (AVG business) All computers and accounts/payroll software password protected and regularly updated	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. Councillors encouraged to attend training Register of interests filed with Cornwall Council. Declaration on all agendas that Interests are up to date Gift / hospitality register held	Maintain existing procedures.
Proper document control	Documents unaccounted for No proof of documents received	Low	Low	Filing system established and updated Data Protection Act requirements in place to comply with GDPR 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	High	Financial Regulations in place and updated regularly Regular reports to all committees for budget monitoring Councillors encouraged to undertake financial training Balances reported regularly to Council / Finance, Economic Development and General Purposes committee	Maintain existing procedures. 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.	Maintain existing procedures.

				Minutes are made available to the press and public via the Council website. Meetings are recorded	
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Adopted by the Finance & General Purposes Committee 17 January 2017

Reviewed April 2018

Reviewed internally January 2019

Reviewed by Council 28 July 2020

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