

# Financial Risk Assessment 9th March 2020

P and F 09/03/20  
Item 9 - App 1

| Scoring Rationale |               |                              |                  | Overall |
|-------------------|---------------|------------------------------|------------------|---------|
| Description       | Financial     | Strategical and Reputational | Operational Term |         |
|                   | over £500k    | Significant                  | Long             | High    |
|                   | £250k - £499k | Moderate                     | Medium           | Medium  |
|                   | Under £250k   | Minor                        | Short            | Low     |

| Service Area | Risk   | Internal Control   | Risk Categories |                              |                   | Likelihood | Overall Rating |
|--------------|--|--|-----------------|------------------------------|-------------------|------------|----------------|
|              |  |  | Financial       | Strategical and Reputational | Operational Terms |            |                |
| Insurance    | Public Liability (statutory) Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered. Policy lapsed | Continue existing cover (£10m). Review of insurance every 3 years. Insurance approved by Policy and Finance Committee and Council. Annual update of asset values |                 |                              |                   |            |                |
|              | Employers Liability Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered. Policy lapsed          | Continue existing cover (£10m). Review of insurance every 3 years. Insurance approved by Policy and finance Committee and Council. Annual update of asset values |                 |                              |                   |            |                |
|              | No Fidelity Guarantee  | Annual cover in line with the formula Total Balances plus 50% Precept. The Audit Commission has recommended that Members be added to this cover.                 |                 |                              |                   |            |                |
|              | No Property Insurance.   | Continue with existing cover for Town Hall.  |                 |                              |                   |            |                |
|              | Loss of revenue.   | Business Interruption cover.   |                 |                              |                   |            |                |
|              | Officials Indemnity.   | Continue with existing cover (£250K)   |                 |                              |                   |            |                |
|              | Libel & Slander  | Continue with existing cover (£250K)   |                 |                              |                   |            |                |
|              | Personal Accident.   | Continue existing cover (Scale benefits).  |                 |                              |                   |            |                |
| Payroll      | Loss of data on PC due to system fault.  | The Council computer system is remotely backed up on a daily basis by South East Business Systems.   |                 |                              |                   |            |                |
|              | Loss of services of employee.  | Immediately advertise any vacancy (if permanent loss) and request help from remaining employees to cover temporary loss.   |                 |                              |                   |            |                |
| Admin        | Payment arrangements   | Continue with requirement to report all payments to Policy and Finance Committee and Council for approval.   |                 |                              |                   |            |                |

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|                    |   | Continue with requirement for two authorised signatories to sign and to initial cheque stubs and invoices/documentation for electronic payment. |  |  |  |  |  |  |
|                    | Failed Bank Reconciliation  | Continue with bank reconciliation checks to be carried out on the receipt of each statement.  |  |  |  |  |  |  |
|                    | No Agency advice  | Continue with memberships of NALC, SALC and SLCC.   |  |  |  |  |  |  |
|                    | Cyber Crime   | Ensure adequate insurance is in place.  |  |  |  |  |  |  |
| Allotments         | Increase in net expenditure.  | Review allotment rents annually.  |  |  |  |  |  |  |
|                    | Constant annual increase in expenditure. Need for more allotments         | Investigate new site(s) and transfer those and existing sites to Societies and/or Associations.   |  |  |  |  |  |  |
|                    | Loss of service of contractor.  | Advertise vacancy immediately.  |  |  |  |  |  |  |
|                    | Loss of adequate space.   | Pending problem. The Council continues to pursue land off Hurstwood Lane.   |  |  |  |  |  |  |
| Cemetery           | Memorial Safety resulting in accidents.                                   | Continue with existing policy to approve all new applications.  |  |  |  |  |  |  |
|                    | Increase in net expenditure   | Review fees annually.   |  |  |  |  |  |  |
| Precept            | Annual precept not the result of proper detailed consideration.           | Continue to present budgets to committees and Full Council before the 31st January meeting annually.  |  |  |  |  |  |  |
| Open Space         | Accident and Injury.  | Adequate public liability insurance.  |  |  |  |  |  |  |
|                    | Travellers on Council Land  | Liaison with MSDC emergency planning and the Police.  |  |  |  |  |  |  |
|                    | Accidents at Town Council Events.   | Full Risk Assessment for all events.  |  |  |  |  |  |  |
| Town Council Depot | Loss of equipment or machinery.   | Day to day checking of the Depot and surveillance from neighbouring properties.   |  |  |  |  |  |  |
| Street Furniture   | Insurance Claims against unsafe furniture and/or injury to third parties. | Monthly check on the condition of equipment and logging of defects through to a resolution to the problem. Adequate insurance cover.            |  |  |  |  |  |  |
|                    | Illegal expenditure.  | Continue to ensure that all expenditure is within legal powers.   |  |  |  |  |  |  |
| Accounting         | Non-standard and/or non-compliant records kept.                           | Continue to require adequate, complete and statutory financial records and accounts   |  |  |  |  |  |  |

|   |   |   |  |  |  |  |  |  |
|---|---|---|--|--|--|--|--|--|
|   | Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns. | Continue to ensure that all accounts and annual returns are completed and submitted by the deadlines.   |  |  |  |  |  |  |
|   | Management of Debtors   | Seeking advice for progression to small claims court.   |  |  |  |  |  |  |
|   | Non-compliance with internal audit requirements.  | Appoint internal auditor and continue practice of appointing internal audit committee.  |  |  |  |  |  |  |
| Contracts   | Ensure continued value for money coupled with continuity of work.   | Approve the practice of seeking tenders for cemetery maintenance every three years by advertising in local press and issuing specifications and tender documents to contractors expressing an interest. |  |  |  |  |  |  |
|   |   | Tenders to be opened by the Leader and Clerk and reported to next available Council meeting.  |  |  |  |  |  |  |
| Ensuring the Council acts within its legal powers | Ensuring the Council acts within its legal powers Ultra Vires Acts incurring financial liability                        | Town Clerk is CILCA qualified use of manuals, advice from NALC/WSALC and SLCC   |  |  |  |  |  |  |