

**TOTNES TOWN COUNCIL**

**FINANCIAL RISK ASSESSMENT**

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| COMPLETED BY: | **Catherine Marlton & Christina Bewley** |
| DATE: | **April 2024** |
| REVIEW DUE: | **April 2025** |

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| **Area** | **Risk(s) Identified** | **Risk Level** | **Potential Impact** | **Management/Control of Risk** | **Action Required** | **Responsibility and due date** | **Completed** |
| **Assets** |  |  |  |  |  |  |  |
| Insurance | Inadequate cover or over insurance increasing costs unnecessarily. | Low | High | Insurance cover reviewed annually with brokers.  Buildings reinstatement survey carried out July 2022 which removes under-insurance clause on buildings.  Annual review of asset register. | Maintain existing procedures. | N/A | N/A |
| Security of buildings/property | Vandalism, theft, fire, flood, leaks, weather and accidental damage. | Medium | High | All buildings/properties and contents are insured. Insurance is reviewed annually.  Buildings secured outside working hours.  Burglar alarm systems and CCTV installed at Guildhall.  Fire alarm systems in all properties. Regular fire alarm checks carried out. Annual servicing of fire extinguishers | Maintain existing procedures. | N/A | N/A |
| Maintenance of assets. | Inadequate maintenance of buildings etc. | Low | Low | Buildings conditions survey carried out in January 2018 and all appropriate recommendations were actioned.  The 2024/25 budget includes allocations for replacing the Civic Hall Annexe roof and the Chapel roof as well as allocations for general maintenance of all the Council’s buildings.  The Town Maintenance Officer (TMO) has responsibility for the Town Council’s facilities, buildings and assets specified in his job description and carries out regular monitoring checks. | Continue to monitor the conditions of the buildings and consider the need for a new conditions survey when appropriate. | Clerk & TMO | Ongoing. |
| Security of valuables and cash (e.g. civic regalia) | Loss or theft. | Medium | High | All valuables and cash are insured. Insurance is reviewed annually.  Cash and valuables stored in locked strong room out of hours.  Building alarmed and has CCTV. | Maintain existing procedures. | N/A | N/A |
| **Finance** |  |  |  |  |  |  |  |
| Adequacy of Precept | Precept sum inadequate.  Requirement not submitted in time. | Low | Medium | Budget and Precept considered by Council Matters Committee in December and Full Council in January each year.  Precept is set as a result of a full report detailing requirements for the forthcoming year has been reviewed by the Council Matters Committee.  The precept deadline is noted and complied with by the RFO.  The adequacy of reserves are reviewed annually at year end.  Charges are reviewed annually. | Maintain existing procedures. | N/A | N/A |
| Budgetary Process | Inadequate budget preparation leading to inability to fulfil obligations. | Low | Medium | A fully costed budget proposal with alternative precept options is considered by Council Matters Committee and Full Council annually. The impact of the different precept options on proposed activities of the council are considered. | Maintain existing procedures. | N/A | N/A |
| Security of Funds at Bank | Failure of bank | Low | High | The Council’s Bank is a large high street bank which has the minimum credit rating specified in the Financial Regulations.  Invested funds are only placed in interest bearing savings accounts with FSCS approved organisations. | None. | N/A | N/A |
| Investments | No Council investment policy exists | Low | Medium | The Council approved an Investment strategy in May 2022 and is scheduled for review every 2 years. | Maintain existing procedures. | Clerk & Finance Manager. | Ongoing |
| Banking | Bank errors and/or inadequate checks leading to financial irregularities. | Low | High | Bank reconciliation completed each month by the Finance Manager and are reviewed by the Clerk. They and submitted to the Council Matters Committee meetings and are signed as reviewed by the Committee Chair or Mayor quarterly.  Primary User (Clerk) and Secondary User (Finance Manager) set up on internet banking with appropriate authorities.  Suitable controls established for the Debit card use.  Annual Internal Audit of controls carried out by Independent firm. | Maintain existing procedures. | N/A | N/A |
| Financial controls and records | Inadequate records leading to financial irregularities.  Loss through theft or dishonesty.  Payments for good not received.  Unauthorised payments.  Income due to the Council not collected or banked. | Low | Medium | Clerk appointed as the Proper Financial Officer.  Financial Regulations adhered to and reviewed annually.  Annual Internal Audit of controls carried out by Independent firm.  Bank reconciliation completed each month by the Finance Manager and are reviewed by the Clerk. They are submitted to the Council Matters Committee meetings and are signed as reviewed by the Committee Chair or Mayor quarterly.  Budget monitor report reviewed by Clerk monthly and by the Council Matters Committee at each meeting.  Invoices raised monthly and receipts issued for all cash income.  Cash donations/collections counted by two staff.  Petty cash float counted monthly by two staff. | Maintain existing procedures. | N/A | N/A |
| Computer records | Loss of data through system failure or theft. | Low | High | Finance and Payroll packages backed-up to server on completion of each input session.  Sever backed-up daily to icloud.  Anti-virus software installed on server.  Contractor used for all hardware and software issues. | Establish written terms of service with IT support contractor. | Clerk  By end of Aug 2023. |  |
| Quotes and Tenders | Best value not achieved.  Breach of the Public Contracts Regulations. | Low | Low | Financial regulations detail procedures to be followed.  Annual Internal Audit of controls carried out by Independent firm. | Maintain existing procedures. | N/A | N/A |
| Salaries | Incorrect payments to staff.  Incorrect deductions made.  Non-compliance with Pension Regulations.  Payments not made to HMRC. | Low | Medium | SAGE payroll calculates wages and deductions monthly.  Full payment submission to HMRC made monthly via SAGE.  BACS payments of wages processed by Secondary User and checked and authorised by Primary User.  Annual Internal Audit of controls carried out by Independent firm.  Pensions Auto-enrolment rules adhered to. | Maintain existing procedures. | N/A | N/A |
| Election Costs | Inability to meet costs | Low | Low | Provision made in budget annually. Sufficient reserves held to cover any costs in excess of the budget allocation. | Maintain existing procedures. | N/A | N/A |
| VAT | Errors in calculation. Payments not made/claimed to/from HMRC.  Wrong treatment of VAT resulting in a fine or liability. | Medium | Medium | Compliance with HMRC regulations. Professional advice sought where correct VAT treatment is not known.  Input VAT only claimed where proper VAT invoices are held.  Clerk and Finance Manager have attended training.  Quarterly returns made.  RBS Software used to compile returns.  Returns reviewed by Internal Audit. | Maintain existing procedures. | N/A | N/A |
| Annual Return | Not submitted on time.  Incorrectly completed. | Low | Medium | Clerk/RFO aware of date.  Clerk and Finance Manager have attended training.  Accounts prepared by RBS Software Accounts.  Annual Return must be signed off by the Internal Auditor. | Maintain existing procedures. | N/A | N/A |
| **Liability** |  |  |  |  |  |  |  |
| Health and Safety of Staff, Visitors and Contractors | Liability incurred if Council found to be at fault. | Medium | Medium | Public Liability insurance in place (limit of indemnity £10m). Insurance cover reviewed annually with brokers.  Health & Safety Policy and Lone Working Policy in place.  Risk assessment programme in place and risk assessments are completed for all events put on by the Council.  All new staff and Councillors are issued with an Induction booklet and relevant policies.  H&S and risk assessment requirements included in facilities bookings terms and condition which are on the Council’s website.  Fire instructions for Civic Hall users are on the Council’s website.  PAT testing carried out annually.  Asbestos register in place. | Maintain existing procedures. | N/A | N/A |
| Compliance with Employment Law | Acts outside the Employment Law could lead to financial liability. | Medium | Medium | Employer Liability insurance in place (limit of indemnity £10m). Insurance cover reviewed annually with brokers.  Contract held with South West Councils to provide HR support and advice. | Maintain existing procedures. | N/A | N/A |
| Ensuring the Council acts within its legal powers. | Ultra Vires Acts incurring financial liability. | Medium | Low | Clerk to verify legal position for any new proposal.  Use of advice from NALC/DALC/SLCC.  Members Code of Conduct in place and reviewed regularly. | Legal advice to be sought where required. | Clerk  Ongoing. | N/A |
| **Administration** |  |  |  |  |  |  |  |
| Register of Members’ Interests | Incomplete register of interests.  Failure to declare interests. | Medium | Low | Regular reminder to members.  Standing agenda item for all meetings.  Induction programmes in place for new Councillors. | Maintain existing procedures. | N/A | N/A |
| Councillor/staff propriety | Breach of confidentiality. | Medium | Medium | Code of Conduct in place.  Data Protection Policy and Privacy Policy in place which all staff and councillors have been made aware of.  Regular reminders issued to Councillors/staff.  Included in new Councillors’ Induction. | Maintain existing procedures. | N/A | N/A |
| Reports and records | Improper and untimely reporting of meetings via the minutes. | Medium | Medium | Full Council meetings monthly to receive and approve minutes of Committee meetings held in the interim.  Minutes to be made available to press and public via the Council website within 5 working days of a meeting. | Maintain existing procedures. | N/A | N/A |
| Business continuity | Risk that Council business cannot operate due to fire, flood, extreme weather event, power outage, act of terrorism, or any other significant event. | Low | High | Business Continuity Plan approved in November 2023.  IT systems backed-up to i-cloud. IT support provided by contractor who would be able to reinstate systems.  Insurance cover in place and reviewed annually.  Internal staff cover arrangements identified.  Written procedure documents established for financial processes and cemetery procedures. | Maintain existing procedures. | N/A | N/A |