

**FINANCIAL RISK ASSESSMENT – December 2023**

**Next review due – September 2024**

**Adopted by Finance & General Purposes Committee:**

**Minute Ref: FIN 305/23**

## WADEBRIDGE TOWN COUNCIL – FINANCIAL RISK ASSESSMENT – DECEMBER 2023

Subject	Risk(s) Identified	Risk Level H/M/L	Potential Impact H/M/L	Management/control of risk	Review/assess/revise
<b>FINANCE</b>					
Banking	Failure of Bank	L	H	<p>Arrangements with Barclays</p> <p>Council's policy follows the latest guidance.</p> <p>Fidelity Guarantee Insurance cover at Internal Audit recommended level.</p>	Ongoing review
Investments	Loss of Investment	L	H	Investment Strategy – reviewed regularly.	Maintain existing procedures.
Borrowings	The Town Council does not have any borrowings at present	L	H	Borrowing Strategy to be prepared to prepare for any borrowings.	To be completed by 31 March 2024 and reviewed annually.
Precept	<p>Precept sum inadequate</p> <p>Precept required not submitted to Cornwall Council by deadline</p>	L	H	<p>Budget &amp; precept are considered by F &amp; GP committee and Full Council in December/January each year.</p> <p>The precept deadline is noted and complied with by the Town Clerk/RFO</p>	Maintain existing procedures.
Budget	Inadequate budget preparation leading to inability to fulfil	L	H	Budget considered by F & GP & Council in December/January.	Maintain existing procedures.

	obligations			<p>Balance sheet considered by F &amp; GP quarterly.</p> <p>Virements made where necessary.</p> <p>5-year business plan in place as a working document to allow for forward planning</p>	To be reviewed/revise
Receipts	Services provided by Council but not charged for.	L	H	<p>Bookings diary checked monthly and invoices issued. Debtor control procedures in place.</p> <p>List maintained of regular invoices to be issued.</p> <p>Rialtas booking system in operation.</p>	Maintain existing procedures and review regularly
Financial Records	Inadequate records leading to financial irregularities	L	M	<p>Financial Regulations updated annually</p> <p>Internal controls in place to ensure compliance and operation of satisfactory procedures.</p>	Review annually
Cash	Loss through theft or dishonesty	M	H	<p>All cash banked daily – receipts are issued and matched to invoices or excess parking tickets. Two people are present when cash machines emptied.</p> <p>Unbanked cash locked in safe.</p> <p>Petty cash reconciled weekly</p>	Maintain existing procedures

				Internal audit 2 x p.a.	
Petty Cash	Payments not accounted for  Loss through theft or dishonesty	M	H	Maximum holding £200  Reconciled monthly All payments supported by relevant paperwork	Maintain existing procedures & review regularly
Bank Reconciliations	Inadequate checks  Bank errors	L	M	Cash reconciled and banked regularly  Unbanked cash locked in safe  Car Park Income banked immediately  Bank reconciliations reviewed by Finance & General Purposes Committee	Maintain existing procedures & review regularly
Payments	Goods not supplied but invoices paid.  Invoices incorrect or unpaid	L	M	All invoices recorded and filed on receipt.  Invoices checked for accuracy and for receipt of goods.  List of payments presented at monthly Full Council meetings - 2 signatures required on cheques and stubs.  BACS payments made with authorisation limits in place.  Purchase order system implemented for all purchases/invoices.	Maintain existing procedures

				Clear audit trail of all expenditure.	
Approval of Expenditure	Unauthorised purchases  Fraud	L	M	All payments orders authorised as per Financial regulations	Anti-Fraud & Corruption Policy to be developed by 31 March 2024.  Whistleblowing Policy to be developed by 31 March 2024.
Cheque Books	Loss of cheques, fraudulent use	L	H	Cheque books kept in secure place and no blank cheques signed	Maintain existing procedure
Salaries & Wages	Incorrect payments to staff  Payments not made to HMRC  Pension contributions not made to Cornwall Council  Non-compliance with year-end obligations	L	H	Use of SAGE payroll – automatic updates and calculations  Use of timesheets with authorised overtime  HMRC payments made monthly  Cornwall Council payments made monthly  All forms and calculations produced by SAGE  Internal audit	Maintain existing procedures
Annual Return	Inability to complete year end close of accounts  Not submitted on time	M	M	Ensure adequate time allowed for work to be completed  Clerk and RFO aware of timetable and	Maintain existing procedures

				liaise with Auditors.  Full Council approval required prior to submission.	
Car Park Income	Closure of car park due to unforeseen circumstances – snow, fire, accident, pandemic (see below) etc  Cash Machine not working	L	H	Daily inspection/risk assessment  Grit bins in place and staff training undertaken (council owned grit bins only).  Regular maintenance and servicing of machines – replacement of machines when necessary.  Non cash payment (RINGO) on car park machines.	Maintain existing procedures
Reporting & Auditing	Information Communication Lack of awareness	L	M	Income/expenditure account and balance sheet presented to F & GP quarterly  Internal audit reports presented to F & GP & Full Council	Maintain existing procedures
Pandemic	Impacts on all financial aspects of the Council's business.	H	H	Precept received twice yearly from Cornwall Council as per amount requested by Full Council.  Continue to deliver services (where staffing allows) which are essential while non-essential services are considered on an individual basis.	Introduce policies which address the impact of the Pandemic to the Council, its services, its employees and Members.  Complete pandemic risk

				<p>Access government programmes which will alleviate the financial impact to the Council.</p> <p>Budget monitoring and prudent expenditure.</p> <p>Determine which capital projects can proceed during pandemic.</p> <p>Utilise reserves where available.</p> <p>Dependent on length of pandemic redundancies may need to be considered.</p> <p>Ensure insurance arrangements comply during pandemic.</p> <p>Work with guidance produced by CALC and NALC.</p> <p>Work with Cornwall Council on common areas.</p>	assessments for every aspect of Town Council business.
<b>ASSETS</b>					
Security of buildings/property	Vandalism, fire, flood, leaks, weather and accidental damage	M	M	<p>Buildings &amp; property insured and reviewed annually. Buildings restatement values reassessed 2017 – reviewed as required.</p> <p>Fire and intruder alarms for all buildings.</p>	Ongoing review

				<p>Regular fire alarm checks and annual servicing.</p> <p>Buildings secured outside working hours.</p> <p>CCTV coverage in Town Hall &amp; Parks Department.</p> <p>Regular checks carried out of toilets.</p>	
Maintenance of buildings/property	Inadequate maintenance of buildings, vandalism.	M	M	<p>Amenities manager ensures maintenance completed in a timely manner and to a good standard.</p> <p>All buildings inhabited or regularly inspected.</p> <p>Capital provision made for large scale maintenance/renovation.</p> <p>Small reserve held for unforeseen repairs</p>	Maintain existing procedures
Security of Valuables (regalia)	Loss, theft or damage	M	H	<p>Regalia stored in safe and immediately returned after use.</p> <p>Insurance in place.</p>	Maintain existing procedures
Grants Payable	Power to pay	L	L	<p>Formal applications on official application form with year-end accounts considered by F &amp; GP quarterly.</p>	Maintain existing procedures & review Grant Policy regularly



				Policy on grants in place and budget adhered to.	
<b>LEGAL LIABILITIES</b>					
Ensuring the Council acts within its legal powers	Ultra Vires Acts incurring financial liability	L	H	Town Clerk is CILCA qualified  General Power of Competence in place  Use of advice from NALC/CALC and SLCC  Members follow the Code of Conduct.	Maintain existing procedures
Insurance	Inadequate or deficient insurance cover.  Over insurance increasing costs unnecessarily  Policy lapsed	L	H	Annual review of insurance with brokers  Annual review of asset register  Insurance approved by Full Council and/or Finance & General Purposes Committee.	Maintain existing procedures
Compliance with Employment Law	Acts outside Employment Law could lead to financial liability.	L	H	Contract with professional Advisers – South West Councils  Approval of employment matters by Staffing Committee.  Up to date contracts for all staff  Employee Handbook for Staff	Under continual review

VAT	Errors in calculation	L	H	<p>Use of SAGE software/Rialtas Software</p> <p>Payments made quarterly to HMRC/use of online system</p> <p>Liaison with Cornwall Council Pension services.</p> <p>Subject to Internal Audit</p>	Maintain existing procedures
Health & Safety of Staff, Visitors and Contractors.	Liability incurred if Council found to be at fault.	M	H	<p>Council has Health &amp; Safety Policy</p> <p>Risk assessments in place for all property</p> <p>Public liability insurance in place</p> <p>Lone working minimised and managed</p> <p>Appropriate training given to staff and logged</p> <p>Staff Training &amp; Development Policy</p> <p>Events – insurance and risk assessments required.</p> <p>Pandemic consideration in all risk assessments</p>	All risk assessments reviewed annually
Legal liability as a consequence of asset ownership	Injury caused through fault with asset or incorrect training in	L	H	Buildings and other assets inspected regularly by staff for faults.	

	operation.			<p>PAT tests carried out annually</p> <p>Appropriate training given and logged</p> <p>Public liability insurance in place</p> <p>Annual RoSPA inspection of play areas/skatepark with action plan implemented and monitored by the Amenities Manager.</p>	
Computer Records	Loss of data through system error or theft	L	H	<p>Back up of data onto 4 hard drives in office and 2 separate hard drives.</p> <p>System set up so the automatic back up is alternated between the 2 separate hard drives.</p> <p>Cloud external back-up system with IT Provider.</p> <p>External IT support service</p> <p>Anti-virus software</p>	Maintain existing procedures
Tendering Process	<p>Best value not achieved</p> <p>Procedures not followed for significant contracts.</p> <p>Fraud</p>	L	M	<p>Financial regulations lay down procedures to be followed.</p> <p>Tenders issued have evaluation procedures and record is held of compliance with these procedures in evaluation process.</p>	Maintain existing procedures
Register of Members	Not maintained in	L	L	Up to date Code of Conduct adopted	Maintain existing

Interests	accordance with Code of Practice			by Council  Register of Interests filed with Cornwall Council	procedures. Member has role in the ensuring the content of their Register of Interests is accurate – not the Council.
Proper Document Control	Documents unaccounted for  No proof of documents received	L	L	Filing system established and updated  GDPR requirements in place  Registered with ICO  Documents date stamped on receipt and actioned by staff  Councillors mail available for collection	Refresh filing system  Continue work to ensure compliance with GDPR for all aspects of Council business.  Maintain existing procedures
<b>ADMINISTRATION</b>					
Business Continuity	Risk of Council not being able to continue business due to unforeseen circumstances – bank failure, long term illness of staff.	L	H	Business Continuity Plan	Current plan out of date – to be revised
<b>FUTURE SERVICE PROVISION</b>					
Transfer of assets or services from Cornwall Council	Legal and financial risks arising from increased responsibilities without regard for resources and capacity	L	H	Full Council to consider all aspects related to transfer of a service or asset to include finance, health and safety, insurances, legal liabilities and staffing before taking any decision on	Maintain existing procedures

				devolved services.	
Asset acquisition	Legal and financial risks arising from increased responsibilities without regard for resources and capacity.	L	H	Policy of due diligence where independent professional advice is sought before acquiring any asset.	Maintain existing procedures
Boundary Review	Risk of loss of Precept if the size of the Council was decrease, or risk of taking on large area without the budget to cover expense.	L	H	Actively Participating in all local consultations with CALC and Cornwall Council.	Maintain existing procedures
General Power of Competence	Failure to meet criteria requirements to adopt the general power of competence under the Localism Act 2011 could result in the loss the Library Building and Legal Challenge.	L	H	Town Clerk suitably qualified, CILCA trained and General Power of Competence module of CILCA completed, 2/3rds of the Council Elected to Office	Maintain existing procedures
Temporary Absence of Town Clerk	Failure to comply with legal and financial regulations.	L	H	Council is a member of CALC and South West Councils for support and advice.	Staffing Committee to review job roles and responsibilities in 2023/24.