

Kidsgrove Town Council

Kidsgrove Town Council
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Kidsgrove Town Council Risk Assessment.

This version dated July 2020

Review date – July 2021

Notes

The greatest risk facing a Local Authority is not being able to deliver the activity or services expected from the Council.

Risk Assessment is a general systematic examination of working practices and financial management to identify any and all potential risks inherent in the practices. Based on a recorded assessment the Council should then take all necessary and practical steps to reduce or eliminate the risks, in so far as is reasonably practicable.

This document has been produced to enable the Kidsgrove Town Council to assess the risks that it faces and to satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise the following plan was followed:-

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and amend if required.

NULBC – Newcastle-under-Lyme Borough Council

Likelihood	Highly likely (3)	Medium (3)	High (6)	High (9)
	Possible (2)	Low (2)	Medium (4)	High (6)
	Unlikely (1)	Low (1)	Low (2)	Medium (3)
		Negligible (1)	Moderate (2)	Severe (3)
		Impact		

Subject	Risk(s) Identified	Likelihood	Impact score	H/M/L	Management / Control of Risk	Review / Assess / Revise
Business Continuity	Town Council not being able to continue its business due to unexpected, or tragic circumstances	1	2	L	There is a level of reserve in place for contingencies and insurance provision. In addition, the Town Council would seek the immediate help and advice from the Staffordshire Parish Council Association.	Review at least annually
Precept	Adequacy of Precept Requirements not submitted to NULB Amount not received from NULB	1	3	M	The council reviews the budget expenditure for the current year and at least the one previous year prior to the agreement of a budget and precept requirement for the following year. The Council considers it forward planning of capital projects and is currently producing a five-year plan to allow more accurate financial projections to be made. The budget setting process and approval by Full Council takes place prior to the submission date of budgetary requirements to Newcastle Borough Council. The Council holds a level of general reserve sufficient to allow Council business to continue for at least 6 months in the absence of the timely receipt of precept.	Review at least annually.
Financial Records	Financial records Financial irregularities	1	1	L	The Town Council has Financial Regulations which set out the procedures that the Council and its staff must adhere to.	Existing procedure adequate. Financial Regulations are reviewed annually.
Bank and Banking	Inadequate checks Bank mistakes Loss Charges Loss of signatories	1 2	1 1	L L	The Town Council has Financial Regulations which set out the requirements for banking, cheques, and reconciliation of accounts. The Clerk reconciles the bank accounts once a month when the statements are received and monitors the bank statements monthly. The Council has several councillors and officers as signatories to minimise this risk. The Council would choose replacements when signatories are lost but the bank takes time to implement the changes so ensuring enough	Review at least annually

Subject	Risk(s) Identified	Likelihood	Impact score	H/M/L	Management / Control of Risk	Review / Assess / Revise
					signatures are in place to cover the contingency is essential.	
Direct Costs Overhead Expenses Debts	Goods not supplied or inadequate but billed Unpaid Invoices	2	1	L	The Town Council has Financial Regulations which set out the requirements Town Council approves list of requests for payments Unpaid invoices to the Town Council for services are pursued.	Review at least annually
Employees	Fraud or error by employee Action taken by staff	1	3	M	The requirements of the Fidelity Guarantee Insurance to be adhered to with regard to fraud. Staff should be provided with relevant training, reference books, access to assistance and legal advice to undertake the role. The procedure for payments is being updated to Unity Bank online banking which requires both staff and councillor input to release payments.	Existing procedures are adequate Re-evaluate financial procedures and insurance at least annually.
Salaries, Pensions, and associated Costs	Salary paid incorrectly Wrong Deduction of NI and Tax . Pensions Unpaid Tax and NI to HM Revenue & Customs			L L L	The Town Council authorises the appointment of the Clerk and other staff. Salary rates are reviewed annually. Salary analysis & payslips are produced by a Payroll Company to which at least two members have sight of each month prior to the payment of salaries being processed. Staff maintain a timesheet that members can view upon request and which ensures the correct hours are worked. Staff have Contracts of Employment and Job Description.	Review at least annually

Subject	Risk(s) Identified	Likelihood	Impact score	H/M/L	Management / Control of Risk	Review / Assess / Revise
VAT	Re-Claiming / Charging Exempt business activity assessment against £7500 threshold	1	1	L	<p>The Town Council is not VAT registered and so does not charge VAT. It is entitled to reclaim VAT paid on goods and services and reclaims are made during the year.</p> <p>A VAT consultant was used to provide VAT advice early in 2018. A VAT calculation to be undertaken each year to ensure that the threshold for exempt activities is not exceeded.</p> <p>Ensure that relevant staff receive training in VAT matters.</p>	Review at least annually
Reporting and Audit	Compliance Information communication	1	1	L	<p>Financial information is a regular agenda item and discussed/reviewed and approved at most F&GP and Full Council meeting.</p> <p>An 'in house' audit is conducted at least quarterly by nominated councillors and reported to Council.</p> <p>An internal audit is conducted at least annually. The Internal Auditor is chosen each year by a resolution of the Council.</p> <p>The Annual return is prepared and signed by the Town Council and Clerk/RFO and is displayed according to the Transparency legislation in place for Councils with a turnover of more than £200,000.</p>	Review at least annually.
10. Best Value Accountability	Work awarded incorrectly Overspend on services	1	1	L	<p>Normal Town Council practice is to strive to seek 3 quotations for any substantial work to be undertaken or supply of goods. The procedure to be followed is laid down in Financial Regulations which are reviewed annually.</p> <p>Contracts are where applicable subject to three quotations or formal tender as outlined in financial regulations which are reviewed at least annually to ensure the best value for money is maintained.</p>	Review at least annually

Subject	Risk(s) Identified	Likelihood	Impact score	H/M/L	Management / Control of Risk	Review / Assess / Revise
11. Election Costs	Risk of Election Costs	2	1	L / M	The Town Council maintains an allocated sum of money to cover unexpected election costs.	Existing procedure adequate.
12. Litigation	Potential risk of legal action being taken against the Council	1	3	M	Public Liability insurance covers general personal injury claims where the Town Councils found to be at fault, but not spurious or frivolous claims – these cannot be insured against.	Existing procedure adequate
13. Legal Powers	Illegal activity or payments	1	1	L	All activity and payments within the powers of the Town Council to be resolved and minuted at full Town Council Meetings.	Existing procedures adequate
14. Minutes/agendas/ Notices Statutory Documents`	Accuracy and legality	1	1	L	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Town Council meeting (or for Committees, at the next committee meeting). Agendas displayed according to legal requirements. Business conducted at Town Council meetings should be managed by an elected Chair	Existing procedures adequate. Members adhere to Code of Conduct
	Business conduct	1	1	L		
15. Members interests	Conflict of interests Register of members' interests	2	1	L	Declarations of interest by members at Town Council meetings. Register of members' interests forms reviewed annually and updated if required.	Existing procedures adequate.
16. Insurance	Adequacy Cost Compliance Fidelity Guarantee	1	2	L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers, Employees, and Public Liability insurance is necessary and must be paid for. Ensure compliance measures are in place, Ensure fidelity checks are in place	Existing procedure adequate. Review insurance provision annually.

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17. Freedom of Information	Policy Provision	2	1	L	The Town Council has a Model Publication scheme in place. The Town Council is aware that if a substantial request came in it could create a number of additional hours' work. The Town Council can request a fee to supplement the extra hours.	Monitor any requests made under FOI
18. Town Council Records – Paper	Loss through theft, fire, or damage	1	2	L	Current working documents and more recent historical minutes and accounts kept at the Victoria hall in locked cabinets and locked storage room or office. Documents of importance are also scanned and stored electronically.	Damage (apart from fire) and theft is unlikely and so provision is adequate. Review at least annually.
		3	2	H		
19. Town Council Records – Electronic	Loss through theft, fire, data corruption, or physical damage	1	1	M	The Council's electronic records are stored on the Council's computers and also in a Cloud storage. Most key documents are also uploaded to the website. All passwords are placed in a sealed envelope held in the Council's safe.	Review at least annually
20. Assets	Loss or Damage Risk / damage to third party(ies) property	2	1	L	An annual review undertaken for insurance provision, storage and maintenance provisions	Asset register to be reviewed at least annually.
21. Maintenance	Poor performance of assets or amenities Loss of income or performance Risk to third parties	1	1	L L L	All assets owned by the Town Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned / authorised with the correct procedures of the Town Council. All assets are insured and reviewed annually.	Review at least annually

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23. Victoria Hall	Health & Safety Insurance	1 1	3 3	M M	The Town Council is in the process of having the ownership of the Victoria Hall transferred over from NULBC. Ellis Whittam have been contracted to provide Health and Safety Support. Separate Insurance cover has been taken out on the building. Money is being allocated from reserves each year to build an adequate reserve fund to ensure the Town Council can fulfil maintenance requirements to the building. Security and caretaking arrangements are under review continuous review to ensure adequacy. The Victoria Tap Room Bar is contracted out and the contract holder has the appropriate licences and is the nominated Premises Supervisor.	Review at least quarterly whilst handover in process and procedures being established. Thereafter, at least annually.
24. GDPR	General Data Protection Legislation should be adhered to, to avoid a costly claim.	2	2	4	The Council contracts a Data Protection Officer to annually audit the Council. Emphasis and priority needs to be put into ensuring all related GDPR legislation is complied to.	Ongoing review.
25. Emergency situation, for example Covid-19	The Council cannot fulfil its functions.	3	2	6	In the event of a national emergency, the Council should put measures in place to delegate decisions to the Clerk and, if possible, to set-up an emergency committee to administer affairs.	As situation arises

Signed : Date (Mayor of Kidsgrove Town Council)

Minute Reference 20-21 FC2 18