

Financial Risk Assessment February 2020

Action	Area of Risk	Responsible to	Existing Control Measu	Additional Measures Required	Degree of risk (H/M/L)
INCOME To keep proper financial records of income within the statutory requirements	Not checking the accuracy of payments and legal powers to receive monies	The Town Clerk	Payment regulations set out in Standing Orders in line with Statutory requirements	None	M
Insuring all business activities are within legal powers	failure to do so would be ultra vires	The Town Clerk and internal auditors	Existing standing orders comply with legal requirements; ongoing internal audit regime in place	None	M
Complying with restrictions on borrowing	failure to do so would be ultra vires	The Town Clerk and internal auditors	Monies borrowed for purchase of Workshop/Store comply with borrowing restrictions	None	L

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Ensuring that all requirements are met under employment law and inland revenue regulations	Failure of responsible financial officer to recognise the appropriate requirements and regulations	The Town Clerk	Inspection by internal and external auditors	None	M
Ensuring that all requirements are met under H M Customs and excise regulations	Failure to complete would result in loss of refundable income	Town Clerk and internal auditor	Inspection by internal and external auditors; power is recorded in the minutes.	none	M
Ensuring the adequacy of the annual precept within sound budgeting arrangements	failure to comply would result in the loss of expenditure and financial difficulties	The Council	Annual budgeting carried out with the benefit of monthly budgeting controls and inspections	None	M
Ensuring the proper use of funds granted to local community bodies under specific powers or under section S137	failure to comply would be ultra vires	The Town Clerk	payments are recorded in the minutes of the appropriate committee under the relevant heading. Record kept on RBS Accounts System	None	M
Ensuring proper use of local support grant funding;	failure to consider the consequences of reduced funding would result in financial difficulties unless the precept were significantly increased.	The Council	Annual budgeting carried out with regard to cessation of local support grant funding	None	H

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Restrictions on the precept due to the Government introducing capping for local councils	failure to comply would trigger a costly referendum.	The Council	Annual budgeting carried out with regard to risk of capping.	None	H
Expenditure					
Expenditure should be actioned in line with Standing Orders and approved in accordance with the Council's Financial Regulations	Unauthorised payments lead to possible overspend in Councils budget	The Town Clerk and internal auditors	Examination of all Councils bank accounts and budgets by Finance & General Purposes Committee; monthly internal audit by rota, internal auditor appointed and audit plan produced .	None	M
Payment of expenditure by means of cheque	Unauthorised payments leading to illegal actions	The Town Clerk and the authorised cheque signatories	No blank cheques signed or payments made without the appropriate invoice; monthly internal audit by rota; internal auditor appointed and audit plan produced	none	M

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Payment of expenditure by Corporate Payment Card	Unauthorised payments leading to illegal actions	The Town Clerk/RFO	Only the Town Clerk/RFO is authorised to make payments. Which are restricted to a maximum transaction value of £500 unless authorised by the Finance and General Purposes Committee in advance. Card is kept under lock and key. All Payments made are reported to next Finance and General Purposes Meeting for approval.	M
All Invoices to be checked to be inline with orders and goods received.	inappropriate payments	The Town Clerk and authorised cheque signatories	payment procedure as set out in standing orders; monthly internal audit rota; internal auditor appointed and audit plan produced.	M
All invoices signed by the cheque signatories	inappropriate payments	The Town Clerk and authorised signatories	all invoices signed by the signatories on the corresponding cheques; monthly internal audit rota; internal auditor appointed and audit plan produced	L

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All cheque stubs to be initialled by cheque signatories	inappropriate payments	Authorised signatories	Included on monthly internal audit checklist	none	L
Standing order payments	Failure to check accuracy of standing order payments will lead to inaccurate payments	The Council	all standing order payments approved by resolution of the Finance and General Purposes Committee; reports of all payments made to Finance and General Purposes Committee; monthly internal audit rota; appointed internal auditor	None	L
Direct Debit Payments	Risk of payment of invoice not approved by the Council	The Council	All Direct debit payments approved by resolution of the Finance & General Purposes Committee; monthly reports of all payments to Budget and Development Committee; internal audit rota; appointed internal auditor	None	M

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Internet Payments	Failure to check accuracy of Internet payments will lead to inaccurate payments	The Council	All Internet Payments are approved and checked by 2 Councillors who are on the bank mandate and the Finance Officer, inline with the Financial Regulations and reported to the next Finance & General Purposes Meeting	None	M
Payroll	Loss of historic payroll records due to ICT failure	The Council	Payroll administered by third party provider with contractual terms regarding back up of records. Town Clerk and Finance & Administration Officer retain separate electronic files; hard copies retained in confidential file in the office	None	L
HM Customs & Excise VAT payments	Inaccurate checking of both income expenditure VAT payments and receipts to be made promptly - failure to comply will lead to fines	The Town Clerk and internal audit system	All VAT payments are recorded and reported to the Finance & General Purposes Committee monthly, quarterly returns are presented to the Budget and Development Committee	None	M

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Petty Cash	Loss of council money due to inappropriate accounting	The Town Clerk	petty cash account limited to £200 kept in a secure box.; receipts required for payment; records kept; monthly internal audit rota	None	L
Insurances					
Fidelity Insurance cover	Loss of the Council's money	The Town Clerk and internal auditor	Reviewed annually by the Council's Finance & General Purposes Committee	None	M
Public Liability Insurance	Claims against the Council from members of the public at Council run events and on Council property	The Town Clerk and internal auditor	Reviewed annually by the Council's Finance & General Purposes Committee - reflected in Council's insurance policy	None	M
Property and Furniture Insurance	Underinsured items that are subject to claims	The Town Clerk and Internal Auditor	Reviewed annually by the Council's Finance & General Purposes Committee	None	M
To review the assets of the Council annually and to update insurances accordingly	Failure to do so would lead to underinsurance	The Town Clerk and Internal Auditor	To be reviewed and updated as required	None	M
Risk Assessment					
The Council to prepare a risk assessment policy	Failure to do so would not meet requirements as set out in the Local Government financial regulations	The Council	To be reviewed and updated annually and as required by changing legislation	None	M

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Legal

Provision of Safe place of work and healthy working environment	Risk of injury or harm to employees resulting in prosecution under the Health and Safety at Work Act which could have severe financial consequences	The Council; the Town Clerk	New Workshop/Store purchased. Full Risk Assessment completed and recommendations implemented. Ellis Whittam contracted and Health & Safety consultants. Full General Risk assessment completed annually. All high priority recommendations implemented	Working to remaining Action points through Ellis Whittam action plan. Monitored by the Staffing Committee	M
Commissioning contractors	Risk of injury or harm to employees, the public and contractors resulting in prosecution under the Health and Safety at Work Act which could have severe financial consequences	The Council; the Town Clerk	Council Policy to refuse consideration of any quotation that does not comply with the Management of Contractors Safety . Ellis Whittam procedures implemented		H

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Procurement	Failure to produce robust, detailed contract specifications resulting in poor commissioning of services and additional costs incurred due to items omitted	The Town Clerk, Senior Officers, The Council	Allocation made in the revenue budget to fund expertise needed. Organisational Review Commissioned and additional training recommended for Councillors and Officers; in the meantime expert procurement advice sought	Implementation of Organisational Review recommendations approved	M
Procurement	Failure to comply with Procurement regulations resulting in legal challenge	The Town Clerk, Senior Officers, The Council	Organisational Review commissioned and additional training recommended for Councillors and Officers. Independent Internal audit regime in place and audits carried out every six months. In the meantime expert procurement advice sought when needed.	Development of and adoption a Procurement Policy to include all aspects of the process. Implementation of Organisational Review recommendations	M

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Licences	Failure to obtain the required licences from Cornwall Council could mean the Council is unable to deliver promised services	The Town Clerk	Community Network Manager at Cornwall Council requested to provide all necessary information and help; constant communication with fellow clerks	L
Policies	Failure to regularly review essential policies and procedures to ensure compliant with current legislation could leave the Council open to litigation	Town Clerk/The Council	Timetable for annual review drawn up; Council is member of NALC; Town Clerk is member of SLCC to be kept abreast of changes in legislation affecting local councils	M
Performance Management Framework	Lack of performance management framework could result in failure to deliver improved services.	Town Clerk/The Council	Funding allocated to earmarked reserves for Parish Plan. Corporate Plan developed and Forward Plan implemented with quarterly monitoring by Full Council	L

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Quality Status	Loss of Quality Status would damage the reputation of the Council.	Town Clerk/The Council	Town Clerk successfully completed CiLCA. Foundation status accredited under Local Council Award Scheme January 2015; application for accreditation to Quality Status achieved January 2016.	Implementation of remaining measures needed to fulfil Quality status criteria. E.g. Financial Management Training for all Councillors.	M
Changes to legislation	Failure to comply could result in the Council acting 'ultra vires' with consequent risk of legal action against it	Town Clerk/The Council	The Corporate Governance Working Party is to review all procedures when relevant new legislation is enacted		H
Future service provision					

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Transfer of assets or services from Cornwall Council	Legal and financial risks arising from increased responsibilities without regard for resources and capacity	The Council	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 devolved services.	H
Asset acquisition	Legal and financial risks arising from increased responsibilities without regard for resources and capacity	The Council	Policy of due diligence where independent professional advice is sought before acquiring any asset.	H
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	The Council	Actively Participating in all local consultations with CALC and Cornwall Council.	M

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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	The Council	Town Clerk suitably qualified, CILCA trained and General Power of Competence module of CILCA completed, 2/3rds of the Council Elected to Office	M
Temporary Absence of Town Clerk	Failure to comply with legal and financial regulations	The Council	Council is a member of CALC and South West Councils for support and advice. Committee Support Officer and Finance Officer to receive the CiLCA training. Organisational Review recommended changes to allow for deputization	M

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Staff Retention	Loss of employees due to pay and conditions, poor management resulting in increased recruitment and training costs, agency fees and loss of expertise and experience	The Town Clerk, Senior Officers, The Council	Performance Appraisal system in place and reported to the Staffing Committee. Training and Development Plans for every employee and adequate budget provision made to support development. Root and Branch Review undertaken in 2014 and Organisational Review in 2017 to review and evaluate job descriptions and responsibilities to ensure fair remuneration.	Implementation of approved recommendations of the Organisational Review
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