

## FINANCIAL RISK ASSESSMENT

### Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisations ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

### Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5)

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focuses approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- Identifies the level of risk
- Evaluates the management and control of the risk and records findings

Reviews, assesses, and revises procedures if required.

### MANAGEMENT

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Business Continuity	See separate document			
Meeting locations	Adequacy Health and Safety	M	Office accommodation leased 10 Lind Street, and 147 High Street Ryde. Outside venues used for large committee meetings. Health & safety, all the premises and facilities are considered to be adequate for the staff, Councillors and public.	Review of staff accommodation at 10 Lind Street and 147 High Street ongoing.  Existing Health & Safety procedure adequate. Existing Fire Risk Assessment procedure adequate.
Council Records	Loss through theft, fire, damage	M	Papers, both current and archived are held at 10 Lind Street, 147 High Street and Puckpool Storage Unit. Digital records are also kept of all minutes and agendas.	No fire alarms at Puckpool Storage Unit. Code for Offices at Lind Street changed regularly if any change in personnel.

			Computer back up completed daily and removed from the premises overnight.  Website backup undertaken by PC Consultants (External)	
Council Records electronic	Loss through damage, fire, corruption of computer	L	The Town Council's electronic records are stored and continually backed up on the computer network.	Existing position considered adequate but subject to ongoing review.
Maintenance of Buildings	Deterioration of neglected assets.	L	All assets and maintenance schedules are reviewed and updated at least annually.	
Ad hoc provision of amenities/facilities for events to local community groups	Claims against the council	L	Copies of insurance and licences obtained from hirers.	Existing procedure adequate.

## FINANCE

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Precept and budgetary control	Adequacy of precept	L	Sound budgeting to support precept. Budget prepared by RFO for consideration of Finance Committee	Existing procedure adequate.
	Overspent budgets would reduce reserve.	L	Finance Committee receives Budget Monitor and Bank Reconciliation quarterly.	Budgets for all services to be reviewed on an ongoing basis from the commencement of service provision.
	Financial information provided by IWC may not be reliable.	L	For the coming year budget updates, information and detailed budgets are prepared in the late autumn. Budget presented to January Finance Committee The precept is an agenda item at the February meeting of Full Council. Budgets for new services are based on information provided by IWC	

	Investment in new assets failing to generate anticipated income and savings	L	Close monitoring and control of associated income and expenditure cash flows.	Ongoing and subject to regular review.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L	An annual review is undertaken of all insurance arrangements in place. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement. The Council is taking over new services from the IWC and adequate insurance requirements need to be identified and put in place.	Existing procedure adequate.  Review provision and compliance annually.  New Services are reviewed to ensure appropriate insurance is in place.
Banking	Inadequate Checks	L	Banking arrangements are the responsibility of the RFO. Payments to suppliers made weekly by the Finance Assistant and authorised by the RFO.	Existing procedures adequate. Review Financial Regulations as necessary. Payments to suppliers are made via a two-step approval, with one person uploading the payments and another approving them. The RFO can make out of cycle payments where required.
Petty Cash & Cash Takings	Loss through theft or dishonesty	L	The Council has a £300 petty cash float at Lind Street and 147 High Street. Cash withdrawals are made by the RFO and Youth Work Manager, these are recorded, and records maintained by the Finance Assistant. The Ryde Marina operation handles cash takings on a daily basis, this is recorded on a daily log and reconciled weekly by the Finance Assistant.	All transactions are recorded by the Finance Assistant & RFO
Financial Controls & Records	Inaccurate Records	L	Bank Reconciliation prepared weekly by the Finance Assistant and checked by the RFO. Budget Monitors prepared monthly &	Existing procedures are adequate.

			reported to Finance Committee. Internal Audit undertaken twice a year, External Audit Annually and approved by Finance Committee.	
Contract Procurement	Non-compliance with relevant legislation.	L	Contract Standing Orders details limits where procurement rules must be followed by staff.	Contract Database updated when new contracts awarded.
Freedom of Information Act	Policy Provision	M	The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council can request a fee if the work will take over 15 hours. However, the request can be resubmitted, broken down into sections, thus, negating the payment of a fee	Monitor and report any impacts made under Freedom of Information Act
Clerk	Loss of Clerk	L	Deputy Clerk to stand in with the support of RFO and admin staff.	Existing staffing is sufficient
	Clerk Fraud	L	The requirements of Fidelity Guarantee insurance must be adhered to, the Clerk should be provided with relevant training, reference books, access to assistance and legal advice.	Legal Requirement, insured. Membership of SLCC, IWALC & NALC maintained.
Payroll	Incorrect Payments	L	Payroll hours are provided to an external body, Community Action IW, for processing by the RFO. This is then returned for checking by the RFO and approval is sent to Community Action IW before payments are sent to the employees. All overtime hours are approved by the relevant line managers.	RFO overseeing payroll arrangements is sufficient.
Election Costs	Risk of election costs	M	Annual payments into the main elections reserve are made via the budget setting, however if there are any bi-elections then this reserve is depleted before the main elections take place	A reserve of £11,000 is required by 31/03/2025

VAT Accounting	Re-claiming/charging	L	The Council is registered for VAT and has financial regulations which set out its reporting requirements.	Existing procedures adequate and responsibility of the RFO
Annual return	Not submitted within time limits	L	The Annual Return is completed by the RFO and signed by the Mayor and Clerk. It is then submitted to the Internal Auditor for completion and signing. Once checked it is sent on to the External Auditor within time limits set.	Existing procedures adequate To ensure feedback from Internal & External Auditors are actioned

**ASSETS – see separate register.**

### LIABILITY

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Legal Powers	Illegal activity or payments.	L	All activity and payments made within the powers of the Town Council to be resolved and clearly minuted.	Existing procedures adequate
Minutes/ Agendas/ Statutory documents	Accuracy and legality Non-compliance with statutory requirements	L	Minutes and agendas are produced in the prescribed method and adhere to legal requirements. Minutes are approved and signed (each page to be initialled) at the next council meeting. Minutes and agendas are displayed according to legal requirements. Business conducted at Council meetings should be managed by the Mayor or relevant committee chairman.	Existing procedures adequate Undertake adequate training.  Members to adhere to the Code of Conduct.
Public Liability	Risk to third party, property, or individuals	M	Insurance is in place. Risk assessment of any further individual event undertaken	Existing procedures adequate.
Employer Liability	Non-compliance with employment law	L	Undertake adequate training	Existing procedures adequate
Legal Liability	Legality of activities	M	Clerk to clarify legal position on proposals and to seek advice if necessary.	Existing procedures adequate

	Proper and timely reporting of Minutes	L	Council receives and approves minutes at the subsequent meeting, and these are published online.	Existing procedures adequate
	Proper Document Control	L	Retention of document process in place and staff trained on GDPR requirements	Existing procedures adequate

### COUNCILLORS PROPRIETY

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review/Assess/Revise
Members Interests	Conflict of interest	M	Councillor's have a duty to declare any interest at the start of the meeting.	Existing procedures adequate
	Register of Members Interest	L	Register of Members Interests form to be reviewed at least on an annual basis	Members to take responsibility to update their register.

Date of Review: 31/03/2023

Reviewed by: \_\_\_\_\_



\_\_\_\_\_ Tara Bloomfield - RFO \_\_\_\_\_