

Current

Ledbury Town Council Risk Assessment of Financial and

Agenda Item 15

Residual Risk

Prob Impact Risk

Mitigation

Finance

Identified Weakness	Risk Owner	Actual Risk	Prob	Impact	Risk	Mitigation	Prob	Impact	Risk
Bank Failure	LTC	1	4	4	4	Council use a major clearing bank and a portfolio approach to reserves	1	2	2
Bank Fraud	LTC	1	4	4	4	Monthly statements are checked by the Clerk and signed off by trained Cllr	1	2	2
Internal fraud	LTC	2	4	4	8	Cheques require 3 Signatories, Internal Audit, Cllr reconciliations. F&GP authorise payments.	2	1	2
Cheque Book or cash theft from offices	LTC	2	1	1	2	Appropriate measures in place; cheque book kept locked away, FR stipulate limit on cash withdrawal value and minimum of cash on premises.	2	1	2
Custom & Excise (VAT) return	LTC	3	4	4	12	Return checked by the internal auditor.	2	3	6
Inland Revenue returns and regulations (payroll)	LTC	2	4	4	8	Payroll system handled via computer package that produces required return diarise return date, Cllr Verification of Payroll.	1	3	3
Failure to set a precept by the HC deadline	LTC	1	3	3	3	Set a project plan for the budget development plan and agree this at the first meeting of the Finance, Policy & General Purposes Committee after September. Clerk ensures decision made before Herefordshire Council deadline. Hereford would impose precept based on last year	1	3	3
Council budget overspend	LTC	1	4	4	4	Payment procedures in place to ensure all receipts and payments are reported to councillors at each finance meeting. All cheques to be signed by two councillors and countersigned by Clerk or Deputy Clerk.	1	3	3
Committee budget overspend	LTC	2	3	3	6	Payment procedures in place to ensure all receipts and payments are reported to councillors at each finance meeting. All cheques to be signed by two councillors and countersigned by Clerk or Deputy Clerk and reviewed quarterly.	1	2	2
Line item Overspend	LTC	3	3	3	9	constant review against budget and invoices are sent to F&GP as outlined in Financial regulations.	1	1	1

Employer's Liabilities

Council fails to comply with employment law.	Standing Committee	3	4	4	12	Professional bodies are available for advice, support and regular review. All staff and councillors are encouraged to identify and attend appropriate training as it is identified. Budget is maintained to cover this.	2	3	6
Long term unavailability of the Clerk or loss of the Clerk without a period of notice.	Standing Committee	1	4	4	4	The appointment of a Deputy Clerk ameliorates this situation in the short term and backfill with longer term replacement as necessary.	1	2	2

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Actual Risk

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Mitigation

Residual Risk
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Long term unavailability of the staff other than the Clerk.	Standing Committee	2	3	6	The council will employ short term contract or agency staff.	2	2	4
Failure to maintain safe working environment	Standing Committee	2	4	8	Health & Safety Policy adoption, and practice.	1	3	3
Protection of office based staff from visitors	Clerk/standing committee	2	3	6	When the council offices are open; two staff (staff can include councillor) must be on the premises. When closed an electronic door lock and speaker system is fitted (and must be used). Lone working policy in place staff receive appropriate training, CCTV installed.	1	2	2
Other Liabilities								

The Town Council expends funds on an activity outside its legal powers.	Clerk	1	4	4	The Clerk checks the legal position with professional bodies. Internal auditor reviews expenditure. Council processes are in place. Council has General Power of Competence. Governance framework is being updated to strengthen this.	1	3	3
Failure to maintain full document control	Clerk	3	3	9	Primary copies of unsigned documents are held electronically offsite and secured to backup media within one day of creation or amendment. Stored at appropriate off-site location. a file protocol will be established.	1	3	3
Failure to keep records in accordance with the Data Protection Act	Clerk	3	3	9	A council policy is in place to ensure compliance with the DPA or FOIA as appropriate The policy is administered by the Clerk, who will report any failings to Councillors on operation of the record keeping of the Council as soon as possible. Reviewed if there is a change in law or every three years, whichever is the sooner. clerk attends appropriate training	1	3	3
GDPR. Rule changes.	Clerk/Councillors	3	3	9	Staff and Councillors receive available training.	1	3	3
Failure to respond to Data Protection/Freedom of Information Act disclosure requests as required by law	Clerk	3	4	12	A council policy is in place to ensure compliance with the DPA or FOIA as appropriate. The policy is administered by the Clerk, who will report any failings to Councillors on operation of the record keeping of the Council as soon as possible. Reviewed if there is a change in law or every three years, whichever is the sooner. Clerk attends appropriate training, adequate staffing available.	1	3	3
Insufficient insurance cover for any aspect of Council responsibilities.	LTC	2	4	8	All appropriate insurances are in place. List is maintained in the council offices covering policies, types and amounts. Annual review in F&GP. Up to date Valuations.	1	4	4

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Individual councillor fails to maintain a full and accurate registers of Interests.	Councillors	2	1	2	Register of interest forms are provided to councillors by the Clerk upon first appointment to the Council. Completed forms are returned to the Clerk and the appropriate registers maintained. Councillors are reminded Annually by the Clerk of the duty of Councillors to update. This is a criminal offence with the impact on the councillor not the Council. Council would have to elect a new councillor in worst case.			1	1	1
Slander and/or libel by a councillor	Councillors	3	1	3	Councillors are personally responsible for their own actions, and covered by code of conduct and Nolan principles			3	1	3
Slander and/or libel by a member of staff.	LTC	2	3	6	Staff covered by TC's liability insurance and employment conditions and staff training and H&S policies			1	2	2
failure to claim back judicial review costs	LTC	3	3	9	plan to maintain reserves with increases to the precept and investigation of cost reclamation.			1	3	3

Council Property

Impact of flooding or other occurrence affecting use of council offices	LTC	2	3	6	Adequate insurance cover is in place. Disaster recovery plan.			1	2	2
backlog of bodies to be buried at the cemetery	LTC	1	4	4	bodies would stored by local undertakers , in the event of a more significant backlog undertakers from further afield could be approached and in the event of major epidemic. national government would assist.			1	2	2
Impact of flooding on parish	LTC	2	3	6	Sandbags, HC weather alerts processes and personnel in place.			1	2	2
Impact of Snow/Ice on Parish	LTC	2	3	6	HC gritting , gritting bins, adequate supplies of salt.			2	2	4
General building safety.	LTC	2	4	8	All appropriate Health and Safety legislation is complied with and a record of any events which compromise building safety of all town council buildings are kept and acted on by Town Clerk in conjunction with Town Councillors. This includes regular fire inspections and any action that is necessary. Appropriate liability insurance is in place.			2	2	4
contractors working in areas with asbestos	LTC	2	2	4	clerk to check contractors are approved to work with asbestos			1	1	1
Damaged play equipment.	LTC	3	4	12	It is a key task for our Groundsman to monitor weekly the state of all Council play equipment.All Council play equipment has an annual inspection by ROSPA. Play equipment Insured.			2	2	4

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Falling tree or branch hits person.	LTC, GO & Contractors	2	3	6	It is a key task for our Grounds Officer/Contractor to monitor at all times the state of: 1. Trees in all Council grounds for any signs of damage or other weakness particularly in the event of any storm or other extreme weather conditions before undertaking other duties. tree surveys undertaken by tree warden and regular maintenance performed. and residents reports are acted upon			1	2	2
Damage to street furniture	LTC GO & Contractors	1	2	2	All signs of damage or any other safety issue are to be reported immediately to the Clerk. Intentional damage is reported to the Police and an incident number obtained. There is no set inspection programme however reports from councillors and residents are acted upon quickly. Most street furniture is the responsibility of Balfour Beatty			1	2	2
Collapse of grave memorial or boundary wall at the closed churchyard and cemetery.	LTC GO & Contractors	2	3	6	Memorial testing programme is enacted every 10 years. Visual inspection by Grounds officer to identify risks as part of general duties. Programme of inspection and repair in place for boundary walls.			1	3	3
Forced entry to council property.	LTC	2	2	4	The buildings rather than the contents are the main assets. Doors are kept locked when not in use and intruder alarms fitted. Council data is stored offsite, only paper copies are stored onsite. BT redcare ensure emergency response.			1	2	2

Other Assets

Failure to maintain a full and accurate Asset Register.	Clerk	4	3	12	The Asset Register is administered by the Clerk, who reviews annually and prepares report to F&GP, and FC.			1	1	1
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Contractual

Incorrect application of tender rules.	Clerk	3	3	9	The Clerk checks the legal position with professional bodies, either when requested by councillors or in his/her judgement there is a risk to council.			1	3	3
Failure to maintain privacy of CIC information.	Clerk	4	3	12	The Clerk checks the legal position with professional bodies, either when requested by councillors or in his/her judgement there is a risk to council.			1	4	4

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A member of staff and or a Councillor commit to a contract without proper authority.	LTC/Clerk	2	3	6	The authority for the commitment to all contracts rests solely with Councillors at a properly convened meeting of Ledbury Town Council except when the Clerk commits to a contract for daily operation of the Council. All commitments made outside the conditions above will be considered a misrepresentation by Council and will be reported to the Police and may result in court action in either the criminal or civil court. Councillor training ensures they are aware that any contract entered in to outside of these provisions is invalid and would render them personally liable.	1	2	2
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Council Activities

Failure to provide an accurate and timely report of any council, committee or working party meeting.	LTC	4	2	8	All minutes of meetings are prepared within agreed timescales and agreed by councillors at the next meeting. All minutes are made available for public access on the Town Council website. Adequate staffing levels are provided.	2	2	4
Failure to follow the proper procedures during the allocation of grant monies.	LTC	1	2	2	"Councillors have a personal duty to ensure that their decisions regarding the allocation of grant monies is in accord with all relevant procedures. If the Clerk or any Councillor believes or becomes aware of any infringement of procedures in the allocation of grant monies they must raise the matter as a point of order immediately if part of the meeting where the subject is under discussion. Councillors will consider their own position as to whether any breach of procedures warrants a code of conduct report to the monitoring officer. Grant applications are recorded on appropriate forms and final reports are produced to ensure monies spent correctly. Approved by by F&GP and ratified by FC"	1	2	2

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Failure to respond to consultation invitations from senior authorities or other public bodies within the allotted time. This risk has little financial consequence the primary risk is to the reputation of LTC	LTC	2	2	4	2	1	2
The Clerk is responsible for notifying LTC of deadlines. Where consultation deadlines are unreasonably short, the Council will make strong representations to the relevant authority to gain an acceptable period.							
Failure to complete consultations on long term plans eg. Neighbourhood development Plan	LTC	3	3	9	2	2	4
Hold proper consultations, involve appropriately qualified personell. Take expert advice at the correct stages of the project. Manage the project properly and make sure all provisions of the localism act are followed.							

New Website

Web site not delivered to specification	ITC/F&GP	3	4	12	1	2	2
Website not delivered to budget	ITC/F&GP	3	4	12	1	1	1
Website not delivered to time	ITC/F&GP	2	2	4	1	2	2
specification is not what is actually required	ITC/F&GP	2	4	8	1	1	1
Tenderer does not understand the nature of the requirement	ITC/F&GP	2	4	8	1	1	1
Unsuitable tenderer chosen	ITC/F&GP	3	4	12	1	2	2
Tendering rules not followed correctly	ITC/F&GP	3	3	9	1	2	2
No contractor produces a suitable bid	ITC/F&GP	2	2	4	1	1	1

requirements document developed before tendering process and ratified by ITC and FC. All tenders evaluated to the specification

LTC will favour a fixed price contract which places risk on the contractor and not on LTC

Prince 2 project management principles will be followed by LTC in its dealings with the contractors and regular project oversight will take place to ensure that there are no overruns which can be prevented by LTC

Requirements document evaluated extensively by the ITC and ratified by FC

development of a requirement document and measurement of each tender against that document

evaluation of the tenderer against the requirements doc. Evaluation of the tenderer's project plan and contract requirements.

consultation with clerk/deputy clerk and consultation with suitably qualified legal professionals

LTC reserves the right not to award the tender at all

LEDBURY TOWN COUNCIL

RISK REGISTER

Ledbury Town Council recognise that the greatest risk to a local authority is not being able to deliver the activity or services expected of the Council. Management of risk is an essential part of the Council's work - it ensures that those who use our facilities are safe, giving the staff the protection to get on with their work, and protecting the assets that the council hold. Risk assessment is a systematic examination of working conditions, workplace activities and environmental factors that enable the Council to identify any and all potential inherent risks. Ledbury Town Council will take all practical steps to reduce or eliminate the risks insofar as is reasonably practicable and making sure that all employees are made aware of the contents of this risk register and any related risk assessments.

Subject	Possible Risks	Actual			Management & Controls	Review/Assess/Revise	Residual		
		Likelihood	Severity	Risk			Likelihood	Severity	Risk
Financial									
Business Continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance	1	3	3	Daily back-ups of council files made and stored to cloud storage	Appropriate back up measures in place.	1	2	2
	Loss of Clerk	1	3	3	In the event the Clerk unable to work Deputy Clerk to act up	Appropriate back up measures in place.	1	2	2
	Adequacy of precept	2	2	4	Regular budget updates provided throughout the year to check the adequacy of the precept which is fixed by council.	Existing procedures adequate	1	1	1
	Failure to set a precept by HC deadline	1	3	3	Set a project plan for the budget development plan and agree this at the first meeting of the Finance, Policy & General Purposes Committee after September. Clerk ensures decision made before HC deadline, if not made on time HC would impose precept based on previous year	Review process regularly	1	3	3
Bank & Banking	Inadequate Checks	2	3	6	The Council has adopted the model Financial Regulations which set out the requirements for financial reporting to the council.	Review financial regulations annually	1	1	1
Bank & Banking	Bank error/failure/fraud	1	4	4	Council use a major clearing bank and a portfolio approach to reserves - Bank accounts reconciled monthly by clerk and chair of Finance	Review banking arrangements regularly	1	1	1

Proposed
finance R/R,

Internal Fraud	2	4	8	Cheques require 3 signatories (2 x Cllr and either TC or DTC), internal audit, Cllr reconciliations, Committee approval of payments	Review and update processes regularly	2	1	2
Cash/Cheques	2	2	4	Cheque books kept in locked draw and office locked at night. Financial Regulations provide limit on cash withdrawal value and minimum cash on premises. Cash held in locked tin and kept in locked safe at all times. Appropriate controls in place when receiving money from Mayor	Review financial regulations annually	2	1	2
VAT	3	3	6	The Council's Financial Regulations sets out the required processes and it is checked annually by the Internal Auditor	Review financial regulations annually	2	2	4
Payroll	2	3	6	The payroll is managed by Worcestershire Council - details to be provided by dates set by them, with email confirmation once prepared - Diarise monthly dates for sending details of hours worked and expected date of confirmation from WCC	Review process regularly	2	2	4
Inland revenue returns and regulations	2	4	8	Payroll computer package produces required return, date diarised, Cllr verification of payroll monthly	Review process regularly	2	2	4
Election Costs	2	2	4	Risk is higher in an election year.. An earmarked reserve is held to cover anticipated as well as unanticipated election costs	Review earmarked reserve annually and increase/decrease input accordingly	2	1	2
Reporting & Auditing	1	2	2	Monthly budget reports provided to the Finance Committee which includes Bank reconciliations, breakdown or receipts and payments and balance sheet and trial balance.	Review processes Regularly	1	1	1
Compliance	2	2	4	Annual Internal and External audits undertaken in line with Accounts and Audit Regulations 2015	Ensure Clerk/RFO aware of amendments to Accounts and Audit Regulations	1	1	1

Annual Return	Submit within time limits	2	2	4	Annual Return is completed and approved by Council and submitted to the External Auditor on time - Internal auditor completes relevant paperwork following year end close down Diarise annual end of year close down and internal audit visit	Review process regularly	2	1	2
Direct Costs	Goods billed but not supplied	2	3	6	Council has financial regulations that set out underlying requirements	Review Financial Regulations annually	2	1	2
Orders and Invoices	Incorrect Invoicing	2	2	4	Invoice for payment provided to either Finance or Full Council meetings for Cllr consideration and approval	Review Financial Regulations annually	2	1	2
Debts	Loss of Stock	1	2	2	The council carries minimal stocks which are checked and monitored regularly by the Clerk	Review Financial Regulations annually	1	1	2
	Unpaid invoices	2	1	2	Unpaid invoices to the council are pursued and where possible payment is obtained in advance	Review Financial Regulations annually	2	1	2
Council budget	Budget Overspend	1	4	4	Payment procedures in place to ensure all receipts and payments are reported to monthly finance meeting.	Review Financial Regulations annually	1	2	2
	Committee budget/line item over	1	4	4	Financial Regulations provide procedures to be followed - finance committee to review committee budgets quarterly and agree any necessary in-year virements	Review Financial Regulations annually	1	2	2

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