

Kirkby Stephen Town Council
Financial Risk Assessment – 19th April 2017

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. In conducting this exercise the following plan was followed:

- Identify the areas to be reviewed
- Identify what the risk may be. Assess the level of risk. High, Medium or Low
- Evaluate the management and control of the risk and record all findings.
- Review Date/ Reassessment - Review, assess and revise if required.

Subject	Risk(s) Identified	H/M/L	Management/Control of Risk	Review date/Reassessment
FINANCIAL				
Precept	Adequacy of Precept	L	KSTC has regular budget information. Estimates prepared and Precept agreed by full council	Existing procedure adequate
Financial Records	Inadequate records Financial irregularities	L	Financial Regulations are followed. Monthly reconciliation prepared by Clerk. These are checked by the Chairman and Town Council. Two signatories on cheques. Internal audit every six months. External audit annually. All payments resolved and clearly minuted.	Review Financial Regulations as necessary. Existing procedure adequate.
Financial Reporting	Information Communication	L	A monitoring statement is produced monthly for approval at each Council meeting. The statement includes bank reconciliation, budget update and a breakdown of receipts and payments.	Existing procedure adequate.
Banking	Loss of cheques Inadequate checks	L L	Cheques received and banked promptly by Clerk. Financial regulations are followed. Monthly statements are checked on receipt by Clerk.	Existing procedure adequate. Review Financial Regulations as necessary.
Cash	Loss through theft or dishonesty	L	The Council has no petty cash or float. Any cash received is banked promptly by the Clerk.	Existing procedure adequate.
Salaries and expenses	Incorrect rates paid	L	Salary agreed at commencement of employment. Timesheets produced for records. Contract of Employment supplied to each staff member.	Salary reviewed annually And annual appraisal carried out.
Employers return	Expenses over claimed. Paying and accounting for NI and tax of employees' salaries	L L	All expenses claimed to be supported by receipts. Payroll software used which is automatically updated and is connected to the HMRC website.	Existing procedure adequate Existing procedure adequate
VAT	Re-claiming/charging	L	The Council has financial regulations which set out the requirements. VAT reclaims are undertaken annually.	Existing procedures adequate.
Election Costs	Risk of Election Cost	M	Risk is higher in election year. There are no	Include in financial budget

			measures which can be adopted to minimise the risk of a contested election. A contingency fund should be established to meet the costs in the relevant financial year.	when setting precept.
Annual Return	Not submitted within the required time limits	L	Annual Return is completed and signed by the Council, submitted to the internal auditor for completion and signing then checked and sent to the External Auditor within the time limit.	Existing procedure adequate.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken of all insurance arrangements in place. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement. Current levels are as follows: Material Damage – The Cloisters £739836 All Risks - £115,000 Money – Loss of non-negotiable money - £250,000 Loss of money in transit - £5,000 Loss of money in private residences - £250 Loss of money in the premises - £5000 Public Liability - £10,000,000 Employers Liability - £10,000,000 Libel and Slander - £250,000 Fidelity Guarantee - £100,000 Personal Accident - £500,000 per person, £2,000,000 any one incident Legal Expenses - £200,000	Existing procedure adequate Review provision and compliance annually
Councillor Allowances	Councillors over paid	Negative	No allowances are allocated to Councillors	No procedure required
MANAGEMENT				
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance	L	Files and Records are kept in the Council Office. Monthly back up of electronic files are made.	Requirement to find a locum clerk if necessary
Meeting Location	Adequacy Health and Safety	L L	Meetings are held in the Local Links Meeting Room. Clerk holds a key. The premises and facilities are considered to be adequate for the Clerk, Councillors and any public who attend from a health and safety and comfort aspect.	Adequate risk control in place.
Council Records	Loss through fire, theft or damage	L	Current files held in metal cabinets in office. Archived papers will be sent to the Archive office in Kendal where appropriate.	Damage or theft unlikely so provision adequate.
Employees	Loss of key personnel	L	Clerk required to give three months' notice.	Adequate time to recruit new

	Fraud by staff	L	The requirements of the Fidelity guarantee insurance to be adhered to with regards to fraud. Clerk to be provided with relevant training, reference books, access to assistance and legal advice required to undertake this role. Staff to be provided with relevant training to undertake the role. Health and safety advice adhered to.	Clerk Existing procedure adequate Membership of CALC and SLCC Monitor working conditions, safety requirements and insurance regularly.
	Actions Undertaken by staff	L		
	Health and Safety	L		
Members Interests	Conflict of interest	L	The declaring of interest by members at a meeting should remind Councillors of their duty. Register of Members Interest forms should be reviewed regularly by Councillors.	Existing procedure adequate Members take responsibility to update their register
	Register of Members interest	M		
ASSETS				
Street Furniture War memorial Street cleaning shed and tools IT equipment Christmas lighting	Damage to or theft of assets	M	An asset register is kept up to date and insurance is held at the appropriate level for all items. Regular checks are made on all equipment by members of the Council and staff.	Existing procedure adequate
LIABILITY				
Legal Powers	Illegal activity or payments Working parties taking decisions	L	All activity and payments made within the powers of the Council and to be resolved and clearly minuted. Ensure established clear terms of reference.	Existing procedure adequate
Minutes/Agendas/ Statutory Documents	Accuracy and legality Non-compliance with statutory requirements	L	Minutes and agendas are produced and adhere to legal requirements. Minutes are approved and signed at next meeting Minutes and agendas are displayed according to legal requirements Business conducted at the meeting should be managed by the Chairman	Existing procedure adequate Members to adhere to code of conduct
Public Liability	Risk to third party, property or individuals	M	Insurance is in place. Risk assessment of any individual event undertaken.	Existing procedure adequate
Employer Liability	Non-compliance with employment law	L	Undertake adequate training and seek advice from CALC/ District Council where necessary	Existing procedure adequate
Legal Liability	Legality of activities Proper and timely reporting via Minutes	M L	Clerk to clarify legal position on proposals and to seek advice if necessary. Council always receives and approves minutes at monthly meetings.	Existing procedure adequate

Reviewed at the meeting of: Signed by the Chairman: