

ROYSTON TOWN COUNCIL: RISK MANAGEMENT ASSESSMENT: January 2019

| Area | Risk | Level | Internal Controls (<i>bold indicates areas where work is needed</i>) | Internal Audit Assurance |
|-----------|---|-------|---|--|
| Assets | Protection of physical assets owned by the council – buildings, furniture, equipment etc. (loss or damage). Legal liability as a consequence of asset ownership (public liability). | M | Buildings insured. Value increased annually by RPI. Valuation on buildings for insurance purposes. Town Hall valuation done by NHDC March 2012. Assets register kept and, where there is a change, updated for all properties. From 2013 minimum asset value for register £100. | <p>Review of internal controls in place and their documentation.</p> <p>Review of management arrangements regarding insurance cover.</p> <p>Testing of specific internal controls and reporting findings to management.</p> <p>Compliance contract in place for Town Hall, Museum and Market Hill Rooms. This is in the process of being updated with a new provider and will be for a three year period from February 2019.</p> <p>The Internal Control Review Team reviews all Risk Assessment documents and insurance schedules as part of their check on effectiveness. A report on the Effectiveness of the Internal Controls is then submitted to Full Council for adoption. Checked by internal auditor and confirmed as part of the annual return.</p> |
| | The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability). | M | Annual review of risk and the adequacy of cover. Public liability insurance held (£10m) Ensuring the robustness of insurance providers. | |
| | The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss). | L | Valuation of 30 Kneesworth Street done December 2013. Reserves held in accordance with reserves policy. Loss of rent/income cover included in insurance. | |
| | Security of buildings, equipment etc. | M | Caretaker or responsible person checks security of Town Hall when hirers leave. CCTV installed at all entrances to the Town Hall. CCTV installed at Market Hill Rooms. CCTV notices displayed and policy held. Museum staff secure building when leaving. Museum has an audible alarm and CCTV. | |
| | Maintenance of buildings etc. | L | Buildings currently maintained on a Maintenance Plan. Health & safety checks on equipment and buildings done monthly by contractor, any defaults are rectified. | |
| Liability | Risk to third party, property or individuals. Ad hoc provision of amenities/facilities for events to local community groups Markets management Car Parks – Market Place & Angel Pavement Management Professional services (planning, architects, accountancy, design, etc). | M | Insurance in place. Cover £10m. Risk assessments on all properties carried out yearly and updated as required/when necessary. Risk assessments of individual events such as Christmas lights and May Fayre carried out as necessary. Health & Safety Policy reviewed yearly. Car park surfaces checked twice weekly for defects & records kept. Contractors employed to put up Christmas lights and test fixings when installing them. Public Liability insurance in place (£10m). | |

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| | Plantations management | | Contractors maintain Stile and Green Walk plantations. Appropriate liability insurances held. Monthly inspections undertaken and damage reported and safety work carried out as required. Tree maintenance policy has been introduced. | |
| Employer Liability | Comply with Employment Law and regulations. | M | Clerk is member of SLCC Advisory Group Employer Liability insurance in place (£10m) Council is a member of HAPTC Professional HR advice sought where necessary | |
| | Comply with Inland Revenue requirements | M | Advice from IR and Sage when required. Internal auditor checks books 6 monthly and external auditors carry out annual audit. VAT advice received from an independent advisor. | Internal auditor checks compliance. |
| | Safety of Staff and Visitors | M | General risk assessment checks of all properties and office working conditions as required. Health and Safety Policy in place – updated as required. Health and Safety posters displayed in all properties Signing in/out book in operation. Adoption of codes of conduct for members and an employee handbook. CCTV installed at all entrances to the Town Hall and the main entrance at Market Hill Rooms. CCTV notices displayed. CCTV policy adopted. | |
| Legal Liability | Proper and timely reporting via the Minutes | M | Council receives and approves Minutes of meetings held. Minutes made available to press and public at the Town Hall and on web site. Documented procedures to deal with enquiries from the public. Responding to electors wishing to exercise their rights of inspection. Minutes properly numbered and paginated with a master copy kept in safekeeping. Also from April 2010 copy of all minutes kept electronically | Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied. |

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| | Ensuring all business activities are within legal powers applicable to local councils. | M | Meeting the laid down timetables when responding to consultation invitations. Ensure Council has the power to act. Meeting the requirements for the Local Council Award scheme or other accreditation. Monitoring arrangements by the council regarding the Foundation Level. | |
| Legal Liability | Proper document control | M | Original leases and Deeds stored in fireproof safe in main office. Documented procedures for document receipt, circulation, response, handling and filing. Disposal of confidential documents – shredded. Shredding facility available to Councillors for confidential information. Document Retention Policy in place (updated 2018). | |
| | Computer | M | Backups done daily and stored in fireproof safe. Cloud storage currently being investigated. | |
| Data Protection | Loss or theft of personal data GDPR | M | The Town Council is registered with the Information Commissioner. The Council has appointed a third party Data Protection Officer. A data protection audit has been carried out and all findings are being addressed. Policies for data protection, document retention, freedom of information and a privacy notice have been adopted and published. | |
| Finance | Responsible Finance Officer Banking Payroll Ensuring all requirements are met under HM Revenue and Customs Notices and regulations (Income Tax and National Insurance). | L M | RFO appointed and recorded in minutes. Investments with Barclays Bank and the Public Sector Deposit Fund. Bank transfers authorised by Town Clerk between RTC accounts only. Investment policy currently being drawn up, will be adopted and published. Salaries calculated by Assistant Town Clerk and checked/signed by Town Clerk. BACS payment monthly limit set with bank. Verification received from bank within 2 days and checked by Town Clerk. RTI for salaries in place from Nov 2012. Regular returns to HM Revenue & Customs; contracts of employment for all staff, systems of updating records for any changes in relevant legislation. | Banking reviewed annually by Councillors and reported to Finance Committee. Finance Committee to agree any changes. |

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| | Loss of cash through theft or dishonesty (fidelity guarantee) | L | All cash monies received receipted and invoices marked paid. Banked weekly. Petty cash balanced monthly. Market takings banked weekly. Insurance cover review ensures adequacy of Fidelity guarantee insurance. Cover £500,000. | Review and testing of arrangements by auditor to prevent and detect fraud and corruption. Checked by internal auditor and reviewed by Councillors annually at the Annual Audit Review. |
| | Catastrophic Bank failure | L | Banking arrangements reviewed. Reserves invested between two banks. Investment policy currently being drawn up, will be adopted and published. | |
| Finance | Financial controls and records | L | Monthly reconciliation prepared by Assistant Town Clerk and checked by TC and reported to Finance Committee. Invoices initialled when cheques are signed by Councillors. Three signatories on cheques required. Authorised cheque signatories confirmed annually and recorded in the minutes. Internal Auditor visits and checks 6 monthly. External Audit year-end accounts. Standing orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment. Reviewed annually. Annual review of contracts. Reporting on performance by suppliers/providers/contractors as required. Monthly scrutiny of financial records and proper arrangements for approval of expenditure. Adoption of and adherence to codes of practice for procurement and investment. Clear statements of management responsibility for each service. Developing systems of performance measurement to scrutinise performance against targets. Arrangements to detect and deter fraud and/or corruption. Keeping proper financial records in accordance with statutory requirements. | Review of internal controls in place and their documentation. Review undertaken by councillors and reported to Full Council. <u>Internal Auditor</u> Testing of specific internal controls and reporting findings to Full Council. Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash transactions. Payroll checked Review of adequacy of insurance cover provided by suppliers. Debtor and creditor turn checked. Review and testing of arrangements to prevent and detect fraud and corruption. |

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| | | | <p>Ensuring the proper use of funds granted to local community bodies under specific powers or under The General Power of Competence as adopted by Council on 14th May 2018, minute number 16/19.</p> <p>Instant Accounts & Payroll – password protected.</p> <p>Daily and weekly backups taken. Backups in fireproof safe. Cloud storage currently being investigated.</p> | |
| Finance | Comply with Customs and Excise Regulations | L | <p>Use help line when necessary. VAT payments and claims calculated by Assistant Town Clerk and checked by Town Clerk. Submitted via accounts package. Process quarterly.</p> <p>Training for the Responsible Officer and Assistant Town Clerk in matters of VAT and other taxation issues as necessary. VAT advice sought from an independent advisor.</p> | |
| Finance | Sound budgeting to underlie annual precept Adequacy of Reserves – General & Earmarked | M L | <p>Income and Expenditure against budget reported to Finance Committee monthly.</p> <p>Considered at review of final accounts and budget setting. Budget Working Party review draft Budget for following year.</p> <p>Finance Committee receive detailed draft budget in the late autumn. To discuss and amend.</p> <p>Annual Precept derived directly from this. Presented to Full Council Dec/Jan for approval.</p> | Budget reviewed by internal auditor. |
| | Complying with borrowing restrictions | L | Public Works Loan Board facility agreed for the purchase of the Market Place - £300,000. Repayments included in annual budget. | Loan taken out on the 24.7.14 for a period of 25 years. |
| Continuity | Response to emergency situations not covered by NHDC | L | Emergency plan/policy in place – pack circulated to Management Team. | Pack updated as required. |

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| | <p>Staff- Loss of key personnel (Clerk)</p> <p>Other employed staff</p> <p>Town Councillors</p> | <p>L</p> <p>L</p> | <p>Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate.</p> <p>Assistant Town Clerk to undertake further training and become CiLCA qualified.</p> <p>Training and supervision monitored.</p> <p>15 Councillors were elected in May 2018. Councillors attended training course in June 2018.</p> | |
| External Areas | Monitoring of performance against agreed standards under partnership agreements | L | Annex (Complex) contract with NHDC. | Changes reported to Finance Committee. |
| Councillors propriety | Registers of Interests and gifts and hospitality in place | H | <p>All Councillors signed up to New Code of Conduct in May 2018. Register of interests complete, accurate and up to-date. Procedures in place for recording and monitoring Members' interests and Gifts and Hospitality received.</p> | Testing of disclosures |
| | | Next Review date: January 2020 | | |
| | <p>Adopted by Full Council 18/03/2013 (minute no 329/13)</p> <p>Adopted by Full Council 31/03/2014 (minute number 337/14)</p> <p>Adopted by Full Council 23/03/2015 (minute no 290/15)</p> <p>Adopted by Full Council 7/03/2016 (minute no 329/16)</p> <p>Adopted by Full Council 6/3/2017 (minute no 366/17)</p> <p>Adopted by Full Council 22/01/2018 (minute no 332/18)</p> | <p>Reviewed by Internal Audit team: January 2019</p> <p>Adopted by Full Council</p> <p>Date: 25th March 2019 (minute no 384/19)</p> <p>Chairman: <i>Mr P Leggett</i></p> | | |