

RISK MANAGEMENT SCHEME

ACTIVITY	RISK IDENTIFIED	RATING H/M/L	MANAGEMENT/CONTROL OF RISK	REVIEW / ASSESS / REVISE	RATING H/M/L	ACTION
Finance						
Precept	Not submitted	L	The precept amount to be requested is resolved by Council. The RFO forwards request to Unitary Authority	Existing procedure adequate	L	RFO/ Council
	Not paid by Unitary Authority	L	RFO to check and report if not received at the beginning of each period (50% April and 50% September).	Existing procedure adequate	L	RFO/ Council
	Adequacy of Precept	H	The Finance & Policy Committee review the budget in depth and review the budgetary requests from other committees. The Finance & Policy Committee make a recommendation to Council for acceptance of the budget. The precept is determined based on the budget that has been set.	Existing procedure adequate	L	RFO/ Council
	Adequacy of Budget Provision	H	Each committee starts the process in September and assess and evaluates needs to produce a draft budget for review by the Finance & Policy Committee in November. The Finance & Policy Committee make a recommendation to Council for acceptance of the budget. A monthly review of budget to actual is reported and reviewed by the Finance & Policy Committee. Details of projects that fall outside of the Councils planned expenditure are considered and approved by the appropriate committee, details of the project are then submitted to the Finance & Policy Committee to consider the potential source of funding before a recommendation is submitted to Council.	Existing procedure adequate	L	RFO/ Council
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.	Existing procedure adequate review provision and compliance annually.	L	RFO/ Chief Officer/ Council
Banking	Inadequate Checks	L	The Council has Financial Regulations which set out the requirements for banking, cheques reconciliation of accounts. All payments are supported by an invoice or receipt. Bank transactions are accurately recorded in Rialtas, which is reconciled against the bank statement and reported to the Finance & Policy Committee each month.	Existing procedure adequate Review Financial Regulations Annually	L	RFO/ Council

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			The Council carries out quarterly internal checks, with rotation of members to ensure no two same councillors' action internal check in succession. All payments are authorised by two Councillors.			
Cash	Loss through theft or dishonesty	L	Financial Regulations set out requirements and adequate cash handling procedures. The council has a float of up to £250 petty cash which is managed by the RFO. All petty cash expenditure is recorded and reported monthly to the Finance & Policy Committee. All cash receipts are recorded by 2 officers, which is securely locked away and is banked as soon as practically possible.	Existing procedure adequate	L	RFO/ Council
Election Costs	Risk of election costs	L	The risk is higher in an election year. There are no measures which can be adopted to minimise the risk of having a contested elections as this is a democratic process. An election reserve has been established to meet election costs. If this is insufficient any shortfall will be met by general reserves.	Existing procedure adequate Include in financial statement when setting the precept	L	Chief Officer/ Council
VAT	VAT Reclaim	L	The RFO produces a VAT refund analysis and makes a claim to HMRC for recovery of the amount each quarter. The refund is received via BACS transfer. The receipt of the VAT reclaim is verified as part of the Council's quarterly internal financial check and is reported to the Finance & Policy Committee.	Existing procedure adequate	L	RFO
Allotment Income	Below Budget Prediction	L	Charges are reviewed each year as part of the budget process. Any amendments to charges are advised to allotment holders a year in advance. The income received is monitored to ensure receipt from each tenant.	Existing procedure adequate	L	RFO
Cemetery Income	Below Budget Prediction	M	The income received is monitored to ensure receipt against invoices that are raised.	Existing procedure adequate	L	RFO
Investment Income	Below Budget Prediction	L	This does not currently apply to Daventry Town Council. Investment Policy is reviewed annually.	No procedure required.	L	RFO
Grants	Receipt of grant	L	Grants received come with terms and conditions that are to be satisfied as part of the award.	Procedure would be formed, if required.	L	RFO/ Chief Officer

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Administration of Accounts	Inadequate records/ financial irregularities.	M	The Town Council uses Financial Regulations which set out the requirement based on the model regulations from NALC. Appointment of NCALC Internal Audit Service. Financial records are audited externally by the way of the annual AGAR. The Town Council operates a system of internal control.	Existing procedure adequate	L	RFO/ Chief Officer/ Council
Salaries	Inadequate funding for salaries & on costs	L	The Council authorises the appointment of all employees. Salary rates are reviewed annually by the Personal Panel, are fully costed as part of the budget process and given final approval by Council	Existing procedure adequate	L	RFO/ Chief Officer/ Council
	Incorrect Pay rate, hours or deductions	L	All staff have a contract and job description. Salaries are paid monthly in arrears by BACS. TAX and NI contributions are calculated by the Town Council's payroll company, checked by the RFO and authorised by the Council's Finance & Policy Committee.	Existing procedure adequate	L	RFO/ Chief Officer/ Council
Direct Costs & Overhead expenses	Goods not supplied to TC	M	The Council operates a Purchase Order System. Goods/Services are checked against orders.	Existing procedure adequate	L	RFO
	Invoice incorrectly calculated	L	RFO checks the arithmetic of all invoices received.	Existing procedure adequate	L	RFO
	Cheque payable is excessive	M	All activity and payments are resolved at council meetings are per the financial regulations. All invoices and the appropriate payments are reviewed and signed by two councillors.	Existing procedure adequate	L	RFO/ Council
Grants & support	Power to pay/authorisation for the Town Council to pay	M	All such expenditure goes through the required process of approval, which is minuted and listed; accordingly, and separately listed if made using S137 powers of expenditure. The Town Council has the General Power of Competence.	Existing procedure adequate	L	RFO/ Chief Officer
Reserves - General	Adequacy	L	It is advisable for to have reserves that do not exceed the precept but should be sufficient to allow the council to operate should the expected precept not be received. Level required is considered as part of the budget setting.	Existing procedure adequate	L	Council
Reserves - Earmarked	Adequacy	L	Consider at Budget and year end	Existing procedure adequate	L	Council
Grants and Restricted Funds	Compliance with donor-imposed restrictions.	L	Controls are in place to ensure that any restricted fund received are identified upon receipt and separately accounted for.	Existing procedure adequate	L	RFO/ Chief Officer

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			Controls are in place to ensure that funds are only used for their intended purpose. The RFO and Chief Officer ensure all the terms and conditions of funding are met.			
Assets	Loss, Damage etc.	M	Annual inspection, update insurance and asset registers. Review adequacy of Public Liability Insurance.	Existing procedure adequate	L	RFO/ Chief Officer/ Council
Asset Register	Failure to identify, value and maintain all assets and ensure that asset register is complete	M	Record and maintain a record of all assets for which the Council is responsible and include in the year end accounts. Arrange for annual review of valuations where necessary and arrange for professional valuation where appropriate.	Existing procedure adequate	L	RFO
Borrowing/ lending	Adequacy of finances to be able to repay loans	M	Financial review and cash flow forecasting monthly to ensure adequate provision. In order to borrow, authority is needed from full council and an application would be submitted.	Existing procedure adequate	L	Council
Operational						
Councillors	Failure to retain or secure the necessary number of members of the Council.	M	Chief Officer maintains an up-to-date councillor attendance Register. The Council has a policy for casual vacancies.	Existing procedure adequate	L	Chief Officer/ Council
Council Records	Loss or damage through computer breakdown or fire/water damage	L	Minutes, Agenda, policies and other council documents are managed through cloud based software, Microsoft Office 365	Existing procedure adequate	L	RFO/ Chief Officer/ Council
	Security of Data (IT systems and support)	M	All data is backed up and stored in the cloud, secured as per Microsoft Office 365 data secure policies. Confidential documents are placed in a locked bin and shredded by an external company. The Council's computers are password protected and have anti-virus software. The Council is registered with the Information Commissioner.	Existing procedure adequate	L	Chief Officer/ Council
Council Premises	Loss of Town Council Office through fire or damage	L	Fire arrangements are checked in accordance with the H&S Policy. Fire extinguishers are maintained by a contractor annually. The fire alarm is tested regularly. All equipment is inspected regularly. The premises are cleaned weekly. Use of Office 365 software enables operations to continue via home working.	Existing procedure adequate	L	Chief Officer/ Council

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Procedural and systems documentation	Lack of awareness of procedures and policies. Actions taken without proper authority		All policies and procedures are adequately documented, and circulated to members and staff, as required. Policies and procedure are reviewed and presented to the Finance & Policy Committee.	Existing procedure adequate	L	Chief Officer
Health and Safety	Risk of Staff injury Risk of injury to the public	L	Annual Health and Safety inspections are carried out by qualified inspectors who provide written reports with prioritised action plans. Any recommendations are discussed and implemented where appropriate. Risk assessment of events is undertaken prior to every event. Parks and play area equipment are inspected, on daily basis in high-risk areas, weekly medium risk, monthly low risk and undertaken as part of the environmental services contract.	Existing procedure adequate	L	Chief Officer/ Council
Assets	Loss or damage to Assets. Risk/damage to third party	H	An Asset Register is maintained for asset control. An annual review of any assets is undertaken for insurance purposes. Regular risk checks of Council property. Check of equipment in the play areas undertaken weekly as part of the Councils contract. An independent inspection is completed annually by an appointed Inspector. Any repairs undertaken by a competent person. Public liability insurance is in place.	Existing procedure adequate	L	Chief Officer
	Poor maintenance of assets or amenities	M	All assets owned by the Town Council are regularly reviewed and maintained. All repairs and relevant expenditure for any repair is actioned/authorised in accordance with the correct procedures of the Council.	Existing procedure adequate	L	Chief Officer
	Employment of Contractors	M	Ensure that all contractors hold sufficient public liability insurance and health and safety certificates. Contractors to be issued with the Council's requirements.	Existing procedure adequate	L	Chief Officer
Pandemic	Reducing the spread of disease	M	Councillors and staff to be aware of any government legislation in reducing the spread of the disease. Risk assessments are completed to identify risks and relevant control measures.	Existing procedure adequate With ongoing review	L	Chief Officer
	Business Continuity	M	Business Continuity Plan is in place.	Existing procedure adequate with ongoing review	L	Chief Officer
Compliance (law and regulation)						
Freedom of Information	Need to respond to requests	L	The Council has adopted the Model Scheme produced by the Office of the Information Commissioner.	Action any FOI requests in accordance with policy.	L	Chief Officer

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Governance Policies	Accurate and legal		All policies are reviewed by the council as per the council's policy review schedule.	Existing procedure adequate	L	Chief Officer/ Council
Minutes	Accurate and legal	L	Decisions of the council/committees are recorded as resolutions/recommendations. Minutes are reviewed and approved at following meeting and signed by the Chair as a correct record. Minutes are available on the council website	Existing procedure adequate	L	Council
Agenda and Notices	Accurate and legal	L	Agendas are produced and displayed in line with the legal requirements and best practice guideline by the Chief Officer or RFO. Agendas are posted in the Town Council window and the Council website.	Existing procedure adequate	L	Council
Statutory Governance Documents	Accurate and legal	L	Standing Orders and Financial Regulations are reviewed annually.	Existing procedure adequate	L	Council
Data Protection/ GDPR	Legal compliant	L	The Council is registered with the Information Commissioner. The Chief Officer has been appointed as the Data Protection Officer. The Council reviews its GDPR processes, procedures and policies on an annual basis to confirm it is compliant with the latest regulations.	Existing procedure adequate	L	Chief Officer
Legal Power	Ensuring Council operates within its statutory duty.	L	The Council has a CILCA qualified Clerk, and all members are elected. The Council has the general power of competence until May 2025. Chief Officer to attend relevant training and conferences and keep up to date with the appropriate legislations.	Existing procedure adequate	L	Chief Officer
Annual Return	Failure to submit within time limits.	L	Financial details and relevant info included as part of Year End process and reported to Finance & Policy at meeting prior to Town Council's Annual Meeting. Internal Audit service through membership with NCALC, this is scheduled annually April/May and is a check to ensure AGAR is completed and ready for being reported to the Finance and Policy Committee to review and approve before submission to full council.	Existing procedure adequate	L	RFO
Governance						
Staff/ Volunteers	Ineffective Organisational Structure	L	Organisational charts in operation providing a clear understanding of roles and duties.	Existing procedure adequate	L	Chief Officer/ Council

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			Each member of staff has a contact of employment clearly specifying what their roles and duties are. Staff appraisals are undertaken at least annually where future aims, and objective are discussed along with any uncertainties. Weekly staff meeting are held to update staff on events happening with the organisation.			
Staff/ Volunteers	Loss of key personnel (Chief Officer)	L	Contingency arrangement and succession planning. The council has appointed a Deputy Chief Officer. For other staff, consider distribution of workload until replacement/temporary cover can be found.	Existing procedure adequate		Chief Officer/ Council
Councillor	Lack of relevant skills or commitment	L	Councillors' skills are reviewed upon election. Councillors have access to training through the councils membership with NCALC.	Existing procedure adequate	L	Chief Officer/ Council
Members Interests	Conflict of interest	M	Code of Conduct has been adopted. Completed register of interest forms are submitted to the Monitoring officer. Councillor are required to declare where they have an interest in any item of business which is recorded in the minutes.	Existing procedure adequate	L	Councillors
Statutory Governance Documents	Lack of knowledge or regulations and legislation	M	Code of Conduct, Standing Orders and Financial Regulations are in place and are reviewed annually. The Chief Officer and other members of staff should be provided with relevant training, reference books and access to assistance and legal advice required to carry out their role. Councillors should also be provided with training wherever applicable. Membership of NCALC.	Existing procedure adequate	L	Council/ Chief Officer/ Staff
Minutes	Accurate & Legal Transparency	L L	Minutes are reviewed and approved at following meeting and signed by the Chair as a correct record. Draft and approved minutes are available on the council website.	Existing procedure adequate	L	Chief Officer