



## Elstree and Borehamwood Town Council

### FINANCIAL MANAGEMENT RISK ASSESSMENT 2017/18

In order to comply with Regulation 4(2) of the Accounts and Audit (England) Regulations 2011, the Council must minute an appropriate risk assessment having been carried out during the year. The assessment was formulated and considered with the In House Audit Sub-Committee and is presented to Full Council at its meeting on 14 March 2018 with the following recommendation:

**That the Financial Risk Assessment 2017/18 be approved and adopted, subject to any amendments agreed by Council, with the Final Version being appended to the Minutes.**

	<b>Risk</b>	<b>Control Action Internal Controls</b>	<b>Review Frequency &amp; Responsible Person</b>
1	Lack of forward planning and budgetary controls	<ul style="list-style-type: none"> <li>*Business plans in operation</li> <li>*In year budget reviews</li> </ul>	Annually by GMC in Budget setting Process  <b>ACTION: Council Budget approved on 17/01/18 after Budget Reviews by Committees.</b>
2	Poor reporting to Council	<ul style="list-style-type: none"> <li>*Timely and accurate financial reporting</li> <li>*Clear instructions to staff</li> <li>*Regular project reports</li> </ul>	<b>ACTION: RBS Omega Income/Expenditure reports submitted to all Ordinary GMC Meetings for review by Members during Year.</b>

3	Loss of key staff	<ul style="list-style-type: none"> <li>*Succession Planning</li> <li>*Clear office procedures</li> <li>* Good Record Keeping</li> <li>*Clear budgetary procedures</li> <li>*Up to date job descriptions</li> <li>*Appraisal system</li> <li>*Training for Staff to cover duties when responsible staff absent</li> </ul>	<p>Annually</p> <p><b>ACTION: All Staff Appraisals conducted in March 2018. All Staff training programmes implemented.</b></p>
4	Failure to respond to electors' wish to right of inspection	<ul style="list-style-type: none"> <li>*Clear Standing Orders and Operating Protocols</li> <li>*Documented procedures to deal with enquiries from the public</li> </ul>	<p>Annually</p> <p><b>ACTION: Council Standing Orders reviewed every year. Documented complaints procedure and Publication Scheme every 2 years. Notice of Completion of Audit displayed on all Council notice boards.</b></p>
5	Poor document control	<ul style="list-style-type: none"> <li>*Clear Standing Orders</li> <li>* Document List</li> <li>*Clear job descriptions</li> <li>*Documented Filing Procedures</li> </ul>	<p>Annually</p> <p><b>ACTION: Council Standing Orders reviewed every 1 year.</b></p>
6	<p>Ensure Council complies with law in particular:</p> <ul style="list-style-type: none"> <li>*Health and Safety</li> <li>*Equal Opportunities</li> <li>*Data Protection</li> <li>*Human Rights</li> <li>*Disability and Discrimination</li> <li>*Employment Law</li> </ul>	<ul style="list-style-type: none"> <li>*Clear Health &amp; Safety, Equal Opportunities, Data Protection, Human Rights, Disability Discrimination and Employment Policies and procedures</li> <li>*Regular review of law</li> <li>* Access to advisory bodies – NALC/HAPTC/Insurers</li> <li>* Staff Training</li> </ul>	<p>Annually</p> <p><b>ACTION: Review of Health &amp; Safety Audit undertaken together with regular Staff meetings to ensure compliance. Clerk updates to Members following any new advice from NALC and HAPTC. Meetings held with</b></p>

			<b>Health and Safety Consultants and Insurers. All Staff issued with Staff Handbook (including grievance/disciplinary procedures and conduct). ico Cover and implementation of data protection policy.</b>
7	Ensuring all business activities are within legal power	*Recording in the minutes the precise power under which expenditure is being approved * Access to advisory bodies – NALC/HAPTC/Insurers * Staff Training	Monthly  <b>ACTION: Expenditure powers recorded in Council and Committee Minutes and on Voucher Sheets.</b>
8	Proper, timely and accurate reporting of Council business in the Minutes	*Approval by committee and Council *Minutes properly numbered and paginated with a master copy kept in safekeeping	Monthly  <b>ACTION: Clerk completed CiLCA in 2012 to ensure compliance with correct procedures for Council documentation. Deputy Clerk completed CiLCA in 2014/15.</b>
9	Meeting the laid down timetables when responding to consultation invitation	*Documented procedures to deal with responses to consultation requests	Annually  <b>ACTION: All planning consultation and other consultations responded to within agreed deadlines (with consideration by Committees or</b>

			<b>Council prior to response). Alternatively Special Meetings are held to deal with issues arising or are dealt with by email consultation.</b>
<sup>1</sup> 0	Council lacks relevant skills and commitment	*Training for Councillors * Review of attendance	<b>ACTION: Training for Councillors offered through HAPTC training courses (or others if required). Member training strategy reviewed at GMC meetings.</b>
<sup>1</sup> 1	Councillors benefiting from being on the Council	*Clear Standing Orders *Open system of payment	<b>Annually All meetings</b>
<sup>1</sup> 2	Failure to register Members' interests, gifts etc	*Procedures in place for recording and monitoring Members interests and gifts	<b>ACTION: All Members signed interest forms on election and Interests declared and recorded as appropriate in Minutes and Interests Register.</b>
<sup>1</sup> 3	Lack of maintenance of Council owned property	*Building survey *Regular routine maintenance and inspection *Insurance cover	<b>Annually  ACTION: Hall Supervisor and Warden continue to document building inspections and Insurance cover reviewed and updated. All sites</b>

			<b>inspected and secured on rolling basis. Insurance policy reviewed annually prior to renewal.</b>
<sup>1</sup> 4	Damage or loss to Council owned property by third party or act of God Insufficient protection of physical assets owned by the Council - buildings, furniture, equipment etc. Legal liability as a consequence of asset ownership	<ul style="list-style-type: none"> <li>*Insurance cover</li> <li>*Good Fire Alarm</li> <li>*Clear Staff Monitoring and auditing procedures</li> <li>*Maintain an up to date register of assets</li> <li>*Regular maintenance arrangements for physical assets</li> <li>*Annual review of risk and adequacy of insurance cover</li> <li>*Professional Contractors/Personnel</li> <li>*premises security</li> <li>*policy for keyholders</li> </ul>	<p>Annually</p> <p><b>ACTION: Hall Supervisor and Warden continue to document building inspections and Insurance cover reviewed and updated. Fire Alarm/Equipment tests regularly.</b></p>
<sup>1</sup> 5	Damage to third party property or individual due to Service or Amenity provided	<ul style="list-style-type: none"> <li>*Public Liability Insurance</li> <li>*Comprehensive event planning</li> <li>*Regular checks of facilities</li> <li>*Ensure all amenities/facilities are maintained to appropriate level</li> <li>*Risk assessments</li> </ul>	<p>As required</p> <p><b>ACTION: Hall Supervisor and Warden continue to document building inspections. Risk Assessments undertaken for requisite Council activities and stored centrally.</b></p>
<sup>1</sup> 6	Loss of cash through fraud or dishonesty	<ul style="list-style-type: none"> <li>*Clear financial procedures</li> <li>*Adequate insurance cover</li> <li>*Town Clerk not involved in operation of funds</li> </ul>	<p>Annually</p> <p><b>ACTION: Fidelity Guarantee Cover of Insurance Policy Reviewed and In House audit checks with 2 Members (x2 per Year).</b></p>

<p>1 7</p>	<p>Inadequacy of Precept</p> <p>Ensuring the adequacy of the annual precept within sound budgeting arrangements</p>	<p>Regular in-year budget progress reports</p>	<p>Every GMC meeting</p> <p><b>ACTION: Council Budget approved on 17/01/18 after Budget Reviews by Committees. Alternatively Special Meetings are held to deal with issues arising.</b></p>
<p>1 8</p>	<p>Problems due to borrowing or lending. Banking arrangements, including borrowing or lending.</p> <p>Complying with restrictions on borrowing</p>	<p>*Include in annual budget *Clear Standing Orders *Prepare, adopt and adhere to codes of practice for procurement and investment</p>	<p>Quarterly reviews</p> <p><b>ACTION: Standing Orders adopted. Investments (Savings) under review by In House Audit.</b></p>
<p>1 9</p>	<p>Failure to use grants for intended purposes</p> <p>Ensuring the proper use of funds granted to local community bodies under specific powers or under s137</p>	<p>*Clear minutes *Ensure funds properly ring fenced *Clear financial procedures *Follow up on use *Record clearly in minutes</p> <p>*Maintain a separate record for s137 expenditure</p>	<p>Annually</p> <p><b>ACTION: Grant Procedures Updates, All Grants recorded in Council Minutes with powers of expenditure and published in Council Newsletter. S.137 Expenditure Record Kept for Year End Accounts on Voucher Sheets. Grant recipients required to provide</b></p>

			<b>evidence of use together with receipts/invoices/purchase orders.</b>
2 0	Keeping proper financial records in accordance with statutory requirements	Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Annually  <b>ACTION: In House Audit Sub-Committee meets twice per Year – reports submitted to GMC/Council with recommendations. Internal and External Audit of Accounts.</b>



Huw Jones  
Town Clerk  
1 March 2018