

Risk Area	Risk Identified	Mitigation	Notes
<p>To provide and maintain standards for Town Council services to the residents of Middlewich</p>	<p>The risk of legislative change which will have an impact on the Town Council's powers, duties and funding</p>	<p>Town Clerk and staff keep apprised of developments</p>	
	<p>The protection of physical assets owned by the Town Council including buildings and equipment (loss or damage)</p>	<p>All physical assets insured All assets checked regularly</p>	
	<p>The risk of damage to third party property or individuals as a consequence of the Town council providing services (public liability)</p>	<p>Public liability Insurance renewed annually</p>	
	<p>Insufficient staff or other resources to deliver the service needs</p>	<p>Staff have general awareness of other team members' essential tasks and can provide cover when required. Town Clerk to formally monitor and review staff and work levels. Any concerns regarding this to then be brought to Committee / Council</p>	
<p>To provide a safe and fulfilling working environment for staff</p>	<p>Employees contravene Health and Safety Regulations</p>	<p>Health and Safety and First Aid training, insurance, Risk Assessments regularly checked and updated</p>	
	<p>Potential legal proceedings up to corporate manslaughter</p>	<p>Employers Liability insurance Employee training and awareness</p>	

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	Staff retention issues	Staff training where appropriate	
<p>To maintain financial records that are correct and comply with all recommended accounting practice</p>	<p>Adverse audit reports, legal action and loss of confidence in Town Council</p> <p>Loss of income through error or fraud</p>	<p>Clerk keeps up to date with legislative changes, discusses latest requirements with internal and external auditors</p> <p>Fidelity Guarantee Insurance in place</p> <p>Town Clerk continually review controls and current procedures</p>	
<p>To ensure that all actions taken by the Town Council comply with all current Legislation</p>	<p>Non-compliance with legislation or practice Council being</p> <p>‘Ultra Vires’</p>	<p>Town Clerk to keep up to date with changes in legislation, seek advice from SLCC, ChALC, NALC and others as necessary</p>	
<p>Employment Contract</p>	<p>Compensation claims from employee for contractual employment defects (including statutory failure)</p>	<p>Contracts of employment in place for all staff</p> <p>Matters relating to staff discussed in confidential session</p> <p>Town Clerk to keep up to date with employment law and seek HR advice where appropriate</p> <p>Other policies are also in place</p>	

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Staff	Loss of services of employee	By distributing knowledge and roles ensure, so far as reasonably practical, that loss of any one employee does not cause unrecoverable damage to business	
	Loss of key staff trained in financial systems, process or rules	Staffing arranged so that knowledge is distributed between RFO and at least one other staff	
Financial Control	Inappropriate expenditure made	<p>Payments reported to Committee as well as Council for review and corrective action if necessary</p> <p>Payments are also reported to each Council meeting</p>	
	Financial Regulations become out of date with change in technology, regulation or business	<p>Council to review financial regulations annually</p> <p>The Clerk reacts to any changes in legislation or other areas in order to ensure the regulations are fully compliant and also provide a strong framework compatible with Council's practices</p> <p>Any amendments required are reported to Finance Committee for recommendation to Council for adoption</p>	

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	Lack of budgetary overview/overspend against budget	<p>Quarterly review of nominal ledger by Finance Committee</p> <p>Monthly review of income and expenditure by Full Council</p> <p>Budgets are regularly reviewed by Finance Committee and also at each Council meeting</p>	
	Lack of finance to meet unbudgeted, urgent commitments (with safety or other critical implications)	<p>Contingency included in budget for unforeseen expenditure</p> <p>Earmarked Reserves are created for set purposes</p> <p>General reserves equivalent to at least six months spend are kept</p>	
Financial Systems and Records	<p>Accounts</p> <p>The RBS Omega accounts system is used which is an accepted accounts package</p>	<p>A back up is carried out by RBS Omega each day which are stored on their main server</p> <p>Hard copies of the Councils reports are held on file together with bank reconciliation reports, invoices/receipts/payments and cheques issued as well as electronic copies on the Councils server</p>	

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	<p>VAT</p> <p>The RBS Omega system incorporates a VAT schedule which is an accepted package which allows differentiation between tax rates etc. which is itemised in a full report relating back to the original item within the accounts</p>	<p>VAT returns are lodged to HMRC on a quarterly basis in line with accepted procedures and documentation</p> <p>Procedures will be provided to HMRC every three/four years for comments and approval</p>	
	<p>Payroll</p>	<p>The Clerk authorises any overtime, mileage or special duty payments, on a monthly basis</p> <p>Hard copies linked to pay roll reports are held on file together with payslips, BACS payments and cheques issued to the pension fund and Inland Revenue</p> <p>Electronic backups copies are kept on the server</p> <p>Payments can only be issued for the nominated employees, which must be authorised in advance of the payment</p> <p>Annual pension and year end payroll returns are issued in a timely manner to the appropriate bodies that inspect the information</p>	

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		and highlight any discrepancies	
Banking Arrangements and Procedures Banking Security/Access to Finances	Bank accounts	<p>Barclays bank account used for day to day payments</p> <p>CCLA deposit account is used to reduce the risk of loss of funds in line with treasury management procedures</p>	
	Transfers	Monies may be transferred between the Councils accounts by the Clerk	
	Bank Reconciliation	<p>All accounts are reconciled using the RBS Omega system by the contract accountant</p> <p>Any discrepancies are immediately reported to the bank for investigation</p>	
	Separation of Duties	The Town Clerk is responsible for the cash security in the Town Council offices	
	Access to the main bank accounts	<p>No one person has access to monies held in the main accounts</p> <p>Along with the Town Clerk only authorised signatories can process and authorise payments and financial transactions</p>	

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	Cheques and payments	<p>All invoices are checked by the Clerk in advance of payment and if related to an order, this has passed through the ordering procedure.</p> <p>Each payment must be authorised by at least two Councillors who are named signatories on the account. At present, all Committee Chairs and the Mayor are named signatories</p> <p>A payment list is compiled and circulated to the Councillor signatories on a two weekly basis. Once approved by two signatories, payments are processed using online banking by those Officers who are also named signatories</p>	
	Access to petty cash accounts	The Financial Regulations specify maximum balances to ensure that individuals do not have access to large amounts of money	
	Payments	<p>All payments must be authorised before payments are issued</p> <p>The RFO is to keep a record that the payments have been authorised. These records are kept both</p>	

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		in hard copy format and electronically	
	Petty Cash – Cash Payments	<p>All payments made in cash must be substantiated by an invoice etc. which has been authorised by the Clerk</p> <p>All payments are reported with a full reconciliation report for sign-off</p>	
	Hire Charges	<p>Council agree the charges</p> <p>The All bookings must be paid for in advance to avoid bad debts other block bookers are invoiced or given the option of paying the sites on a weekly/monthly basis</p>	
	Cash collected from community events	<p>All cash collected at events is collected by appointed staff and a receipt is always issued (e.g. markets income, square bookings, etc.)</p> <p>When returned to the office, cash is emptied and counted manually within one working day by at least two members of staff and a record be kept of the amounts received</p>	

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	Processing and banking	<p>When the money is received it is balanced within the office against any receipts/invoices and any discrepancies are followed up</p> <p>When the monies have been balanced, it is input onto the RBS Omega system and all entry references are printed out and retained on file</p> <p>The hire charges are banked when received</p> <p>The cash element is usually below £500</p> <p>A unique pay in reference is applied to each batch of banking which is loaded onto the RBS Omega system which is then checked against the bank reconciliation</p> <p>This is a strict routine that ensures that any booked hire cannot proceed without receiving the payments and guarantees that all monies are accounted for</p>	
Financial Administration	Records non-compliant or inadequate	Advice taken from internal auditor, external auditor, accountant, SLCC and	

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		<p>NALC on changes in regulation</p> <p>The Clerk checks records periodically</p>	
	<p>Expenditure/income coded incorrectly</p>	<p>The Clerk checks nominal ledger on a regular basis</p> <p>Officers advise where income and expenditure is to be coded when invoices are received for payment</p>	
	<p>Standing Orders</p>	<p>The Clerk reacts to any changes in legislation, requests from Town Council or other areas in order to ensure the regulations are fully compliant and also provide a strong framework compatible with Council practices</p> <p>Any amendments are reported to Council for approval</p>	
	<p>Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns</p>	<p>Programme of meetings are set out in advance so that statutory deadlines are met</p>	
	<p>Invoice payment without authority</p>	<p>All payments reviewed</p> <p>Payments must be authorised by at least two Councillors before payments are made</p>	

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		All invoices and approvals to pay are stored as hard copies and electronically	
	Incoming cash and cheque misappropriation	Individual receipts to be issued for all cash payments and for cheque payments on request	
	Theft of funds	<p>Bank statements reconciled monthly, Fidelity Insurance in place against theft of funds by staff, Councillors and other persons</p> <p>Cash and cheques stored securely and banked within 5 working days of receipt</p>	
	Incorrect entries by bank	Bank statements reconciled monthly by the contract accountant and reviewed by the Clerk	
Annual Budget and Precept Calculations	The annual budget and precept calculations	The annual budget and precept calculations are initially calculated in October/November based upon the performance of the prior year and incorporating projected requirements which have been lodged by Officers and Members	

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		<p>The Clerk also completes a mid-year review in October for the current year to calculate possible year end surpluses which may be incorporated within the future budget. The actual precept level is then calculated from the balance sheet assuming that the remainder of the current year's budget will be utilised in order to estimate the year end bank balance</p> <p>The new budgeted income, expenditure and reserves are then set against this balance in order to calculate a budget shortfall on which the future precept is based</p> <p>The new budget is discussed and fine-tuned throughout the October, November and December Council and Committee meetings after the up to date number of band D properties has been confirmed by CEC. This supports discuss and amendments to any highlighted budget levels in order to best achieve an acceptable precept level</p>	

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		<p>Comprehensive minutes are recorded at each stage to substantiate the budget development</p> <p>The final budget is approved no later than the beginning of January and CEC is immediately advised of the precept request</p>	
Monitoring of Budgets	Comprehensive budgets	Comprehensive budgets are set for each Committee and these are loaded onto RBS Omega accounts system at the start of the new financial year	
	Monitoring	<p>Ongoing daily expenditures have already been incorporated within the budget and the Clerk monitors invoices, etc. against the budget schedule to confirm that they are within the limits</p> <p>All orders are checked against the accounts system to verify expenditure within the account code to date and the remaining budget</p> <p>Any over expenditure is highlighted and brought to the attention of the Clerk</p>	

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	Reporting	<p>A full report of expenditures against budget is lodged with council at Full Council Monthly</p> <p>This incorporates a print out of the income and expenditure against each annual budget and the cashbook extract</p> <p>Any that do not meet the budget levels are highlighted to Members if needed along with committed expenditure</p>	
Insurable Risks	Public Liability	Insurance cover	
	Employers Liability	Insurance cover	
	Theft of money by third party	Insurance cover	
	Theft of money by employee or member	Fidelity Guarantee cover	
	Property	Cover for buildings and contents All risks cover for selected items	
	Officials Indemnity	Continue with existing cover	
	Libel and Slander	Continued existing cover	
	Personal Accident	Continue with existing cover (scale benefits)	

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	Legal disputes	Cover for specified legal disputes	
	Long term sickness of employee	Liability limited by contract Sickness is monitored by the Clerk	
	Business interruption	Potential alternative premises (work from home) interruption minimised as Office 365 in place Cover in place for excess costs	
	Loss/destruction of financial records	Key financial data held electronically and backed up off site All electronic documents backed up daily offsite by the Councils IT provider	
Loss of Records	Loss of documentation	Deeds and other legal documents relating to real estate stored in the office	
Asset List	Purchased	An asset list is maintained by the Town Council Office on RBS System This is updated throughout the year from new assets which are in addition, a schedule of road furniture/bins/dog bins/bus shelters play area equipment etc.,	

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		<p>will be kept on a secondary list</p> <p>The asset list is circulated to staff on an annual basis to ensure that all items are correct</p> <p>An annual assessment is carried out by the Clerk relating to the value of items listed on the asset register</p>	
Internal Audit	Internal Audit	<p>The Internal Auditor is approved annually by Council</p> <p>The Internal Auditor carries out at least on internal audit each financial year</p> <p>The report is presented to Council for acceptance</p>	
Annual Audit	Annual Audit	<p>The annual auditor is appointed and directs the format and structure of the audit in line with current legislation and requirements</p> <p>Audit costs and levels of requirement are determined by government legislation based upon the annual income or expenditure levels</p> <p>The Clerk completes the year end accounts</p>	

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		<p>to audit trial level and prepares any additional reports required by the external auditor</p> <p>The Clerk presents the completed Annual Return, Financial Statement and other documentation required to Council in line with the timescales provided by the external auditor</p> <p>Once these have been formally adopted and signed by Council, they are lodged with external auditors</p> <p>Any queries raised by the auditors are dealt with by the Clerk in the first instance</p> <p>Final sign-off by the external auditor is presented to Council</p>	
Insurance	Fidelity Insurance	<p>Fidelity insurance levels have been set after taking into account the possibility of fraudulent activities gaining access to the bank accounts</p> <p>Procedures in place (as previously detailed) have been established incorporating separation of duties, cross referenced receipts of income</p>	

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		These provisions have ensured that no individual is able to gain access to withdraw funds without due process	
	Insurance	<p>Annual reviews are carried out to ensure sufficient cover is in place</p> <p>Annual insurance policies are approved by Council</p>	
ICT	IT Security, safety of information/risk of loss of data	Microsoft Office 365 is installed on all PCs Allows and daily back ups are carried out by the Councils IT provider offsite	

Reviews of this document and the information contained are carried out on an annual basis.

Middlewich Town Council



Adopted: November 2022