

## Thornaby Town Council Annual Financial Risk Assessment

### Introduction

The Council is expected to carry out an annual risk assessment of the financial risks it is exposed to and identify any actions it considers necessary to minimise those risks.

The following table attempts to identify the risks involved and recommends the necessary actions. The list is not exhaustive and Council may wish to consider other risks not identified

AREA	RISK	RECOMMENDATION TO MANAGE RISK	ACTION
<b>Insurance</b>	Public Liability (statutory) - <b>Inadequate cover</b>	Ensure that the public liability is sufficient to cover all possible risks associated with the running of the council and its services/events	Council to review insurance policy annually or as and when required
	Employers Liability (statutory) <b>Inadequate cover</b>	Continue existing cover £10,000,000	As above
	Money	Continue existing cover (£250,000)	As above
	Fidelity Guarantee <b>Inadequate Cover, Theft, Robbery</b>	Esure that adequate cover in insurance for fidelity	Council to ensure that fidelity is adequate and to ensure cash handling procedures are in place which includes banking as required. TC to ensure petty cash to be locked away securely
	Property/Assets Cover - Inadequate cover, Maintenance	Ensure that all property of the council is adequately covered in insurance. Council to ensure that sufficient funds are available to support maintenance issues	Council to review annually or as and when req'd. THRPC to review buildings cover and report to council for approval
	Legal expenses - <b>Inadequate cover</b>	Continue with existing cover	Council to review annually or as and when required
	Libel & Slander - <b>Inadequate cover</b>	Continue with existing cover (£250,000)	Council to review or as and when required
	Personal Accident - <b>Inadequate cover</b>	Cover is limited to £500,000 any one person and £2,000,000 any one accident	Council to review annually or as and when required

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<b>Staffing - Payroll</b>	Loss of Data on PC due to a system fault	Data backed up on portable hard drive	TC to back up daily
	Incorrect Salary Paid	Inform Council to verify action needed to rectify	Members to verify
Loss of key personnel	Long term sickness relating to the Clerk/RFO. Loss of services of employee	Council to nominate either the Chair or Vice-Chair to undertake the work of the RFO if absence is long term (standing order 16a). Immediately advertise vacancy if loss is permanent.	Staffing Committee to arrange cover for the Clerk and to carry out advertisement
	Fraud by Staff	Ensure Fidelity Guarantee cover is in place	Council to action/reviewed annually
<b>Administration</b>	Payment arrangements	Continue with requirement to report <b>all</b> payments to Full Council for approval. Monthly income & expenditure to be signed by Chairman of the Council. Cheques to be signed by two members of the Council. Refer to Financial Regulations with regards to all financial matters and contracts	Full Council to approve <b>all</b> income and expenditure
	Reconciliation	Continue with bank reconciliation to be carried out on the receipt of each statement by RFO	TC/RFO to complete and to do an internal audit and to liaise with bookkeeper
	Agency Advice	Continue membership of NALC	Council to approve annual membership
<b>Precept</b>	Lack of consultation when setting budgets. Precept not submitted on time.	Each committee (if any) shall submit proposals in respect of their revenue for the oncoming year. Ensure that the precept is completed and approved by Full Council by end of November for submission to SBC in January of each year	Committee(s) to review their budget(s) and submit proposals to the Full Council precept meeting held in November for approval
	Inadequate monitoring of performance	Continue to regularly consider report to actual	Full Council to review monthly report monthly by SVBye
	Repayment of loan to Public Works Loans Board - to be paid over 25 years	Continue to ensure that monies are available annually	Full Council to review and action annually

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	Illegal expenditure	Continue to ensure that all expenditure is within legal parameters with guidance from TC/RFO	Council to approve all expenditure
<b>Accounting</b>	Non-standard and/or non compliant records kept	Continue to require adequate, complete and statutory financial records and accounts to appropriate committee (if any)	RFO and SVBye Bookkeepers to produce
	Non-compliance with statutory deadlines for the completion/approval and submission of accounts and other financial returns	Continue to ensure that all accounts and returns are completed and submitted by the deadlines. SVBye Bookkeepers/Internal auditor to ensure deadlines are met	TC/RFO to advise Full Council of audit deadlines
<b>Vat</b>	Claimed within time limits	Agree returns submitted	TC/RFO to verify and to inform council accordingly
<b>Election costs</b>	Invoiced at agreed rate	RFO to check and consider budget to ensure adequate provision is made	TC/RFO to verify and to inform council accordingly
	By- Election - extra costs needed	Adequate resources to be considered in the budget in the eventuality of a by-election	Council to ensure when setting budgets that provision is made to cover any possible by-election costs based on an average of costs supplied by billing authority
<b>Reserves</b>	Inadequate reserves	Consider when setting budget. Identify any allocated reserves and surplus funds to be earmarked as general reserves. Council to identify an acceptable amount of reserves required for emergency purposes. Recommended by the Audit Commission to be between 3 and 12 months worth gross expenditure	TC/RFO to advise Full Council of allocated and unallocated reserves at year end and when setting precepts. Where/If possible build up a level of reserves to cover unforeseen costs and uninsured risks
<b>Legal Powers</b>	Illegal Activity	Inform Council as to their legal powers	TC to advise
<b>Minutes</b>	Inaccurate recording of the minutes	Reviewed at following council meeting and approved	TC to ensure minutes are concise, legible and an accurate record of the proceedings

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<b>Contracts</b>	Value for money	To adhere to standing orders and financial regulations	TC to advise accordingly and to review procedures via standing orders and financial regulations
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Reviewed and Approved by Full Council on: 18.11.2014