



STONEHOUSE TOWN COUNCIL

FINACIAL RISK ASSESSMENT – April 2023

The Council is required to review risk annually. The following is a list of recommendations for approval:

Service Area	Risk	Control	Risk	Impact	Score	Comments
Insurance	Current insurance cover includes: Public Liability £10M Employers Liability 10m Officials Indemnity £500K Legal Expenses £100K Business Interruption £100K Total Buildings - £2.02M Gates and fences £47k Fixed outside equipment £3.5k War Memorials £105k Office Contents £26K	Current insurance levels as detailed. Insurance cover is through 'Came and Co' Insurance – agreement in force from the 1 st June 2022 to 31st May 2023	1	3	3	Council needs to agree new insurance policy for the period 1 st June 2023 to 31 st May 2024
Payroll	Loss of data	Outsourced to PATA. At risk if service provider business fails but data could be	1	3	3	Council has resecured PATA's services for the 2023/24 financial

	Fraud	<p>restored from the Council's Cloud based IT storage.</p> <p>Quarterly internal control checks undertaken and reported to Committee and Town Council. Annual check also made by internal auditor</p>	1	2	2	year
Staff	<p>Loss of personnel</p> <p>Covid impact</p>	<p>General reserves in case of temporary staff needs</p> <p>Improved management of and communications with staff to ensure good retention. The Council offers reasonable terms and conditions. Need to build in further resilience to staffing</p> <p>Risk assessment undertaken on existing staff arrangements. To be reviewed in line with Government Guidance. (Gov't guidance has been complied with to date) Situation remains constantly under review</p>	<p>2</p> <p>1</p>	<p>2</p> <p>3</p>	<p>4</p> <p>3</p>	<p>The Council has undergone significant staffing disruption which has culminated in the recruitment of four new staff members providing increased resilience and ability to help undertake project work – regular 1-1s and team meetings are held in addition to day to day communications</p> <p>Discussions at HR Sub Committee and Council have provided Officers a way forward that has been well received by staff.</p>
Administration	Management of Finance	<p>'Edge' finance software provides a closed system that is fully auditable. It supports improved budget controls. Adequate up to date training is provided to staff.</p> <p>Accounts audited internally each quarter</p> <p>Accounts and payment lists reported each month to both committees and full council</p>	1	3	3	

	Policies	The Policy register is up to date and reviewed in line with Council agreed frequencies by the Member led Policy Review working group	1	2	2	
Allotments	Deterioration of sheds	Now risk of Tenant Assn	1	2	2	Note the changes to the Allotment Association Agreement allowing the erection of sheds on individual plots – this will reduce reliance on the centrally located metal sheds.
Data	Security breach	Data stored off site on cloud system. Now protected by remote monitoring and updating of computer company – ‘JIREH’ – information is further backed up. Data Protection Policy has been adopted and will be regularly reviewed.	1	3	3	The council’s IT service provider is currently under review
	Legal Documents becoming lost	Safe custody for title documents/legal agreements currently in the Town Hall in fire prof cabinet - Title Nos. on Asset Register.	2	3	6	The Council is currently looking for off-site storage provision
Parks	Play Equipment becoming redundant or unfit for use	Weekly visual checks and quarterly detailed checks carried out in addition to annual review by ROSPA	1	3	3	Recently employed additional grounds staff provides increased resilience and ensures that regular checks and repairs are undertaken
	Unmanaged trees	Tree Strategy in place – full list and location of trees now in place. Regular annual	2	3	6	It is noted that although trees may be regularly inspected by qualified personnel, this does not

		inspection undertaken – first of which took place in August 2022				ensure that they will not fail
Precept	Illegal Expenditure	Council to refer to list of powers for decision on unusual expenditure. Council has its General Power of Competence, the power of first resort	1	3	3	
	Late payment or over exposure at year end	Ensure adequate general reserve for 3-6 months in addition to substantial Earmarked Reserves. Late payment is limited due to current authorisation opportunities and use of 'Edge'	1	2	2	
Accounting	Non-compliance	Ensure adequate training, Systems, audits and adequate staff levels. Resilience on 'Edge' Finance in place – system very intuitive	1	2	2	Minor inputting errors on use of Edge picked up during the year – staff familiarity with system now limits the errors
	Late returns	GAPTC advise in detail on end of year process - subscription to GAPTC maintained)	1	2	2	
	Inaccuracy	Internal control checks made of the council's accounts and payments and these are reported to Council. Processes reported on by Annual Internal Auditor	1	1	1	
Contracts	Ensure value for money	Financial Regs are regularly reviewed and applied	2	1	2	Contracts secured without advertisement can be legally challenged
	Need to advertise contracts	Contracts over £25,000 to be advertised on the council and public contract finance website	1	3	3	

Buildings	Deterioration, over – expenditure and under utilisation	<p>All buildings currently checked for general condition on a regular basis mainly by grounds staff. Issues reported to the town hall and actioned.</p> <p>The Council needs to consider ways it can increase its income through the use of its buildings.</p>	2	1	2	<p>A high percentage of the Council's 'non-Precepted' income is generated through established land and building lease agreements and has ensured the majority of income has been received</p> <p>Whilst the council has a set scale of charges in place, these need to be reviewed in terms of the variety of sole traders wishing to use the council's outdoor spaces for business use</p>
			1	2	2	
Finance	Cash deposits at risk in bank	Balances have been reduced to within £85K limits except for working balance at Lloyds (Treasury account) – remaining investments in other banks and building societies all investments need to be reviewed	1	3	3	Recent changes to the council's investment arrangements (CCLA) has almost eliminated this risk.
	Access to investments (Council's exposure with its operating account)	Officers trying to access information in relation to the council's accounts. The council's changing circumstances has made this difficult especially during the covid	1	2	2	Dealing with Banks and Building Societies has been a major problem. Consideration should be given to moving further investments in to CCLA in

		period.				addition to adding the Deputy Clerk as a limited signatory to the town council's Lloyds account
	Lack of liquid funds/cashflow	Cashflow secured by keeping treasury account topped up	1	3	3	Transfer of funds from CCLA can be undertaken same day
	External Funding – non-compliance with grant conditions	Access to top up Lloyds operating account made much easier through use of CCLA	1	3	3	
	Decisions made on inaccurate reports	Ensure criteria from grant awarding body is strictly followed	1	2	2	
	Loss of income i.e. rent and	Ensure adequate scrutiny is applied to accounts and spending	1	3	3	
	Pension Deficit	Ensure regular contact with leaseholders and bodys renting facilities – ensure involving system is in place	2	2	4	
		Pension arrangements changed in September 2019 – all staff now on 'NEST' Pension with Council offering 10% contributions	1	1	1	
		Re-declaration made by the council as required by Pensions Regulator				Redeclaration made every three years and at onset of new staff arrivals

Last Review: 15th May 2023 (TC3055)

Next Review: May 2024