

Financial and Management Risk Assessment

**Uppingham Town Council - Risk Assessment Matrix**

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| **Rating** | **Likelihood** | **Description** |  | **Rating** | **Impact** | **Cost** | **Timescales** |
| 1 | Very Low | Highly unlikely to occur, may only occur in exceptional situations. | 1 | Very Low | No increase in budget | No change to timeline |
| 2 | Low | Most likely will not occur. Infrequent occurrence in other similar circumstances. | 2 | Low | < 5% increase in budget | < 1 week delay in timeline |
| 3 | Moderate | Possible to occur. | 3 | Moderate | 5 - 10% increase in budget | 1 - 2 weeks delay in timeline |
| 4 | High | Likely to occur. Has occurred in past similar circumstances. | 4 | High | 10 - 20% increase in budget | 2 - 4 delay in timeline |
| 5 | Very High | Highly likely to occur. Has occurred in past similar circumstances and conditions for it appear in this particular circumstance. | 5 | Very High | > 20% increase in budget | > than 4 weeks delay to timeline |

Above are the criteria to be used for undertaking risk assessments for Uppingham Town Council

**Adopted – 17th May 2023 as a living document that should be reviewed and updated when new risks and issues emerge.**

# Uppingham Town Council - Financial and Management Risk Assessment

This document has been produced to enable Uppingham Town Council to assess the financial and management risks that it faces and to satisfy itself that it has taken adequate steps to minimise them. Appendix 1 contains the Risk Assessment Rating matrix.

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| **Risk No.** | **Subject** | **Risk(s) Identified (Description)** | **Likelihood** | **Impact** | **Risk**  **Assessment** | **Mitigation / Control of Risk** | **Review / Assess / Revise** |
| UTC001 | Precept | Precept requirement inadequate | 1 | 1 | 1 | The budget is monitored on a quarterly basis by the Finance & General Purposes Committee with figures supplied by the Responsible Finance Officer (RFO). | Finance & General Purposes Committee to keep under review |
| UTC002 | Precept requirements not submitted to RCC | 1 | 1 | 1 | The Town Clerk submits the precept figure to Rutland County Council in writing. |  |
| UTC003 | Precept submitted to RCC not accurate | 1 | 2 | 2 | The precept will be for a fixed sum of money and will only be finally determined by the full Town Council when all relevant facts are known to the Council including the size of any grant from Rutland County Council and the underlying tax base. | By resolution of the Full Council |
| UTC004 | Financial Records | Records are not accurate | 2 | 2 | 4 | The Council has Financial Regulations that set out the requirements. | Existing procedure is adequate |
| UTC005 | Financial irregularities exist | 2 | 2 | 4 | The Council has Financial Regulations that set out the requirements. | Review Financial Regulations annually. |
| UTC006 | Bank & Banking | Checks on accuracy are inadequate | 2 | 1 | 2 | The Council has Financial Regulations that set out the requirements for banking, cheques and the reconciliation of accounts in a simple framework. | Existing procedures are adequate. |
| UTC007 | Bank makes errors on council transactions | 1 | 1 | 1 | If the Bank does make an error when processing cheques and cash these are found when the bank accounts are reconciled on a monthly basis, any error is immediately reported to the bank and corrected by them. | Review Financial Regulations annually and the bank signatory list when necessary, especially after the AGM and an election. |
| UTC008 | Loss through poor administration or slack control on security | 1 | 2 | 2 | Losses would result from a bank error and these would be immediately reported to the bank. Possible losses from unauthorised access to the Council bank accounts are minimal as security devices used to access the accounts to which only the | Monitor Bank Statements monthly. |
| UTC009 | Cash | Loss through theft or dishonesty | 1 | 1 | 1 | Cash and cheques are banked within 5 working days.  Uppingham Town Council does not have any Petty Cash  Insurance cover is provided for infidelity. | Existing procedures are adequate.  Review the Financial Regulations annually. |

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| UTC010 | Reporting & Auditing | Information and communication | 3 | 2 | 6 | A budget monitoring statement is produced for presentation to the Finance & General Purposes Committee on a quarterly basis.  The accounts are open to public examination each year as required by the Accounting and Audit Regulations. | Existing communication procedures adequate. |
| UTC011 | Compliance | 3 | 1 | 3 | The Annual Report is published on the Council’s web-site.  Auditing takes place on an annual basis. | The Council appoints an Internal Auditor each year to scrutinise the accounts. Further reassurance is provided by External Auditors. |
| UTC012 | Direct Costs.  Overhead  Expenses. Debts. | Goods not supplied but billed. | 1 | 1 | 1 | The Council has Financial Regulations that set out the requirements | Existing procedure adequate. Review the Financial Regulations annually. |
| UTC013 | Incorrect invoicing by suppliers | 2 | 1 | 2 | Prior to each meeting the invoices are checked by the Town Clerk and allocated a cost code. An Accounts Schedule is circulated to Councillors prior to the meeting and any Councillor can query an invoice with the Clerk. If satisfactory, the schedule is approved at the  Council Meeting |
| UTC014 | Cheque paid incorrectly | 2 | 1 | 2 | The Clerk or Responsible Financial Officer prepares cheques for payment and these are then checked by mandated signatories for bank account the payment is made from. 3 cheque signatories are required of which one can be the Clerk or Responsible Financial Officer. Where possible these should be signed outside of any Council Meeting |
| UTC015 | Loss of Stock. | 1 | 1 | 1 | The Council has only minimal stock, these are monitored by the Town Clerk. |
| UTC016 | Unpaid Invoices to suppliers | 2 | 1 | 2 | Unpaid invoices owed by the Council are pursued by suppliers. |
| UTC017 | Ensure third party suppliers terms of business are not inadequate | 3 | 2 | 6 | Ensure all suppliers, especially for projects in excess of £15,000 are suitably insured and are accredited undertake works in question. Where appropriate seek independent assessment via a credit reference agency such as Experian. | [Ensure Financial Regulations are refreshed to strengthen guidelines on procurement] |
| UTC018 | Grants and support – Payable. | Power to pay. Authorisation of Council to pay using approved framework. | 3 | 1 | 3 | All such expenditure goes through the required process of application and approval. Grants are minuted and listed. | Existing procedure adequate. |
| UTC019 | Grants - Receivable | Receipt of Grants/commuted sums. | 2 | 2 | 4 | The Council does not presently receive any regular grants.  One off grants or commuted sums come with terms and conditions to be satisfied. | Existing procedure adequate. |
| UTC020 | Charges / Rentals  Payable | Payments of charges, leases, rentals. | 1 | 1 | 1 | Contractual rental and lease obligations are paid on receipt of invoice. | Existing procedure adequate. |
| UTC021 | Charges / Rentals receivable | Receipt of rental income | 2 | 1 | 2 | Invoices for rents/leases are issued in advance of rental period. For services undertaken by the Town Council invoices are issued after the work has been completed | Existing procedure adequate. Review agreements and fees annually (if not a fixed sum). |

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| UTC022 | Best Value /  Accountability | Work awarded incorrectly outside of  Financial Regulations | 2 | 2 | 4 | The Council has financial regulations that set out the requirements for the awarding of contracts. All contract awards are made at the relevant Committee meeting. | Existing procedure adequate. |
| UTC023 | Overspend on services results in impact on reserves | 3 | 2 | 6 | The Council has financial regulations that set out the requirements for the awarding of contracts. All contract awards are made at the relevant Committee meeting. | Existing procedure adequate. |
| UTC024 | Salaries and  Associated Costs | Salary paid incorrectly | 1 | 1 | 1 | The Council authorises the appointment of all employees. Salary rates are based on the National Joint Council (NJC) for Local Government Services Pay Scales. | Existing appointment system adequate but could be improved |
| UTC025 | Wrong hours paid | 1 | 1 | 1 |
| UTC026 | Wrong rate paid | 1 | 1 | 1 |
| UTC027 | False employee | 1 | 1 | 1 | Salary analysis and pay slips are produced by Rutland County Council. Records to be checked by Chair of F&GP Committee and Internal Auditor |  |
| UTC028 | Wrong deduction of NI and Tax | 1 | 2 | 2 |
| UTC029 | Unpaid Tax & NI contributions by the payroll administrators | 1 | 4 | 4 |
| UTC030 | Employees | Loss of key personnel. | 3 | 4 | 12 | The Council would need to take steps to ensure continuity should the Clerk or Responsible Financial Officer leave office. Options could be through the future recruitment of a Deputy Clerk or by securing locum support through LRALC. | To be evaluated and progressed. |
| UTC031 | Fraud by staff. | 2 | 4 | 8 | Financial risks are low as only minimal amounts of petty cash are held. | Existing procedure adequate |
| UTC032 | Actions undertaken by staff are unsatisfactory | 3 | 4 | 12 | Town Council staff are provided with relevant training, reference books, access to assistance and legal advice required to undertake | Existing procedure adequate but further work is needed and a plan to support an agreed approach. |
| UTC033 | Health and safety for employees inadequate | 3 | 4 | 12 | All employees are provided with adequate direction and safety equipment needed to undertake the roles, i.e. protective clothing and training.  Professional consultants are retained to advise the Town Clerk on Health and Safety matters and to act as the Council’s ‘competent person’. They also provide due diligence on documentation, compliance and undertake risk assessments. | Health and Safety policy and guidelines will be reviewed annually.  Appropriate training will be given where necessary. |
| UTC034 | Pension provision for auto-enrolment legislation - April 2017 | 3 | 4 | 12 | All employees have to be taken through an enrolment process by the staging date otherwise Council can face fines of up £400/day. | Council seek third party advice to ensure it complies with legislation. |
| UTC035 | Councillor Allowances | Councillors paid more than due | 1 | 1 | 1 | The Chairman receives a small annual allowance to defray any expenses incurred with his Mayoral duties. | Existing procedure adequate |
| UTC036 | Election Costs | Risk to budget from an unforeseen election cost. | 1 | 2 | 2 | The risk is higher in an election year. The Town Clerk obtains an estimate of costs from the District Council for a full election and an uncontested election.  There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process. | F&GP Committee to ensure that sufficient budget allocation to cover by-election costs. |
| UTC037 | VAT. | Reclaiming / charging | 1 | 2 | 2 | VAT is reclaimed on a quarterly basis from HMRC. | Existing procedure adequate |
| UTC038 | Annual Returns | Submit within time limits | 3 | 2 | 6 | The Financial Annual Return is completed by the Internal Auditor and the Town Clerk, approved by the Council and submitted to the External Auditor within the prescribed time limit. | Existing procedure adequate |
| UTC039 | Legal Powers | Illegal activity or payments. | 2 | 2 | 4 | All activity and payments within the powers of the Council are resolved and minuted at meetings.  Guidance and advice is provided to the meeting by the RFO.  The Town Council meets the eligibility criteria for and has adopted the General Power of Competence. | Existing procedure adequate |
| UTC040 | Agendas / Minutes /  Notices / Statutory  Documents | Accuracy and legality of Agendas/ Minutes /Notices/Statutory Documents. | 3 | 2 | 6 | Agendas and minutes are produced in the prescribed method by the Town Clerk and adhere to the legal requirements.  Agendas are displayed and minutes are available in accordance with the legal requirements.  Minutes are approved and signed at the following Council meeting. | Existing procedure adequate - guidance / training given to Chairman where required. |
| UTC041 | Business Conduct | 2 | 1 | 2 | Business conducted at Council meetings is managed by the Chairman. | Members adhere to the Council Code of Conduct contained within the Standing Orders. |
| UTC042 | Members Interests | Conflict of Interest | 3 | 2 | 6 | Members declare pecuniary interests at the meeting when the item “Declarations” is reached and when an item is discussed, and it becomes apparent they have an interest. | Existing procedure adequate. |
| UTC043 | Register of Member Interests | 2 | 2 | 4 | The Register of Members Interest is updated by Councillors when their circumstances change and is reviewed annually. All Registers are published on the Town Council website. | Councillors to take responsibility to update their entry in the Register. |
| UTC044 | Insurance | Adequacy - policy cover council requirements | 2 | 2 | 4 | An annual review is undertaken prior to the renewal date of all insurance arrangements in place.  A three year agreement for public liability insurance is normally agreed to ensure best value for money. | Existing procedure adequate.  Review insurance provision annually. |
| UTC045 | Cost - value for money via tender | 2 | 2 | 4 |
| UTC046 | Compliance | 2 | 2 | 4 |
| UTC047 | Fidelity Guarantee | 2 | 2 | 4 |
| UTC048 | Data Protection | Policy Provision | 3 | 2 | 6 | The Town Council is registered with the Information Commissioner.  [More work to be done around records policy] | Existing procedure adequate.  Ensure annual renewal of registration. |
| UTC049 | Freedom of  Information Act | Policy Provision | 1 | 1 | 1 | The Town Council conforms with the Freedom of Information Act and responds to individual requests in accordance with it.  The Town Council has adopted the model publication scheme and this is posted on the Town Council web-site and is available free of charge to all members of the public. | Existing procedure adequate. |
| UTC050 | Assets | Loss or damage  Risk/damage to third party(parties)/property | 2 | 3 | 6 | An annual review of assets is undertaken for insurance purposes. The Town Council Office and Chamber are alarmed for fire and presence detection. Smoke alarms are in place. | Existing procedure adequate. |
| UTC051 |  | Poor performance of assets or amenities. | 3 | 3 | 9 | All assets owned by the Town Council are regularly reviewed and maintained. | Existing procedure adequate. |

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| UTC052 | Maintenance | Loss of income or performance. Risk to third parties. | 3 | 3 | 9 | All repairs and relevant expenditure are actioned/authorised in accordance with the correct procedures of the Council.  All assets are insured and reviewed annually.  All public amenity land and play grounds are inspected regularly. | Existing procedure adequate. |
| UTC053 | Street Furniture | Risk/damage/injury to third parties. | 2 | 3 | 6 | The Town Council owns lamp posts, seats and benches, gates, waste and dog waste bins. All are covered by the Town Council’s insurance policy.  Regular visual inspections take place by Town Council’s in-house team. Faults are reported to the Town Clerk. | Existing procedure adequate. |
| UTC054 | Play Equipment | Risk/damage/injury to third parties. | 3 | 3 | 9 | Regular inspections take place which are documented.  A thorough ROSPA approved or equivalent annual inspection is obtained annually | Existing procedures are adequate.  Remedial work and repairs undertaken as necessary. |
| UTC055 | Town Council Records paper | Loss through fire, theft or damage. | 2 | 3 | 6 | The Town Council has adopted a records management policy which sets out retention and destruction periods for all Town Council records.  Paper records are stored in the Town Council office which has fire and intruder alarms. All recent records are stored in locked filing cabinets and keys are locked in a key cabinet.  Records include historical correspondence, minutes, copies of leases, personnel records, salary details etc  Original copies of deeds will be stored in secure safe affording a high degree of fire protection.  Historic minutes are lodged with the Leicestershire County Records Office. | Existing procedure adequate except items in [x] |
| UTC056 | Town Council Records electronic | Loss through fire, theft, damage, computer failure, hacking, virus infiltration. | 2 | 3 | 6 | A large amount of data including accounts and cemetery records are stored on the office computer system.  A back up regime is in place: a back-up server has been installed and data is also stored off site in a cloud.  Anti-virus software is installed and the system has firewall | Existing procedure adequate. |
| UTC057 | Town Hall | Damage, theft, fire, flood. | 2 | 3 | 6 | The building has burglar, intruder and fire alarms.  There is fire-fighting equipment in place which is regularly maintained. Fire drills are held every six months. | Existing procedure adequate, except for [x] |
| UTC058 | Cemetry - London  Road and Leicester  Road | Memorial Safety.  Employees, contractors and visitors | 2 | 4 | 8 | The Town Council has adopted a memorial testing policy.  Risk assessments are undertaken. A memorial testing regime has been put into place and remedial work undertaken where | Existing procedure adequate, except for [x] |

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| UTC059 | Public Open Spaces | Trees, paths, brooks, litter etc. | 4 | 2 | 8 | The Town Council has adopted a tree maintenance policy and all trees on the Council’s estate are inspected every three years on a rolling programme.Any necessary remedial work is undertaken as necessary.  Main public areas are litter picked on a regular basis. Any antisocial behaviour is reported promptly to the police.  Bye-laws are in place for all Town Council owned and managed land. A copy is available from the Town Council office. | Existing procedure adequate, except for [x] |
| UTC060 | Grounds maintenance equipment. | Damage, theft, injury to employees and others. | 2 | 2 | 4 | A maintenance regime is in place to ensure that all of the equipment is in good working order.  All equipment is insured and all staff are trained to use it. Personal protective equipment is provided to all employees. | Existing procedure adequate, except for [x] |
| UTC061 | Events Management | Injury to the public, employees. Damage to assets. | 3 | 2 | 6 | An events management plan is produced which identifies risks and mitigation.  Insurance is provided through the Town Council’s policy or the organiser of the event is required to produce insurance certificates, risk assessments and an event management plan. Where a civic event is organised involving a military presence the Town Clerk is to engage the current Council insurer | Existing procedure adequate. |

**Appendix 1**

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| 5 | 10 | 15 | 20 | 25 |
| 4 | 8 | 12 | 16 | 20 |
| 3 | 6 | 9 | 12 | 15 |
| 2 | 4 | 6 | 8 | 10 |
| 1 | 2 | 3 | 4 | 5 |

**Uppingham Town Council - Risk Assessment Rating Scale**

**Likelihood**

**Impact**

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| **Major** |
| **Moderate** |
| **Minor** |