

Westerham Town Council Financial Risk Assessment & Management

Introduction

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the employer to identify any and all potential risks inherent in the place or practices. Based on a recorded assessment the employer should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible. Making sure that all employees are made aware of the results of the risk assessment.

This document has been produced to enable the Town Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed.
- Identify what the risk may be.
- Evaluate the management and control of the risk and record all findings.
- Review, assess and revise if required.

Subject	Risk(s) Identified	H/M/L	Management of Risk	Review/Revise/Assess	Action By
Precept	• Adequacy of precept • Not submitted • Not paid by District Council	L L L	• The Town Council regularly receives budget update information, and projects income & expenditure for the following year, the net total of which is resolved to be the precept amount. • This figure is submitted by the Clerk in writing following agreement of the precept at full council. • The RFO informs Council should the monies not be received by the due date.	Existing procedures adequate.	
Charges – Allotments	• Review of charges • Rental invoices	L L L	• Charges reviewed annually by OSA Committee • Allotment registers/invoices numbered and reconciled to take.		
Charges – Chamber Hire GP surgery Rent Sports Clubs	• Review of charges • Loss of income • Invoices issued • Receipt when due	L L L L	• Chamber Hire charges reviewed annually by FG&GP Committee, and GP rent reviewed in accordance with terms of lease. • Sports club charges reviewed annually by OSA Committee • Risk of GP surgery not renewing lease – early re-negotiation • Invoices issued as	Existing procedures adequate. Income register kept to ensure all income is received and banked on time	

	than the amount budgeted		produced by the RFO together with a schedule of payments to the Inland Revenue (for Tax and NI). • The Tax and NI is worked out using HMRC Real Time. • All Tax and NI payments are submitted to HMRC monthly when payroll is run. • The Clerk/RFO/Deputy/Assistant/ Groundsman have a contract of employment and job description. • A payroll contingency is budgeted for each year. In addition a Payroll contingency reserve is held. • RBS provide a locum service for the accounts package (the same package is used by STC who may be able to offer assistance in the event of RFO absence) • A role of Finance Officer has been created to ensure a 2nd member of staff is trained in some of the day-to-day finance work.	Develop a calendar of RFO duties and handover notes for all job areas	DM
Annual Return	• Submit within time limits	L	• The RFO completes the Employer's Annual Return online and submits to HMRC within the prescribed time frame.	Existing procedure adequate.	
Grants Payable	• Authorization of Council to pay	L	• All such expenditure to go through the required Council process of approval and minuted.	Existing procedure adequate.	
Direct Costs/ Overhead Expenses	• Goods not supplied • Invoice incorrectly calculated • Cheque payable is excessive • Cheque payable to wrong party	L M L L	• Clerk / RFO / Finance Officer operate an order system and approve all invoices for payment. • Finance Officer checks arithmetic and authorizes payment • Members check invoice to prepared cheque/transfer prior to signing and verify details – signatory initials on stub/invoice	Existing procedure adequate and approved by internal auditor.	
Cllrs Expenses	• Cllr overpaid	L	• Claim approved by committee in advance • Claim form checked and verified by Finance Officer	Existing procedure adequate.	
Election Costs	• Risk of cost from an election • Invoice at agreed rate	L L	• When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and an uncontested election. There are no	Existing procedure adequate – election costs are reserved for annually.	

			measures which can be adopted to minimise the risk of having a contested election as this is a democratic process and should not be stifled. • RFO/Clerk check and verify, and consider budget		
VAT	• VAT analysis • Charged on sales • Claimed within time limits	L L M	• All items are listed in the cash book and verified by the RFO • Considered annually • Returns are verified and submitted quarterly by the RFO	Existing procedure adequate, as confirmed by Jan 2016 visit and review by VAT office.	
Best value Accountability	• Work awarded incorrectly • Overspend on services	L L	• The Council has Financial Regulations which set out the requirements. Normal Town Council practice is to seek alternative quotations for goods or work to be undertaken. If a problem is encountered with a contract the Clerk would investigate the situation and report to Council.	Existing procedure adequate.	
Reporting and auditing	• Information • Communication • Compliance	L L L	• A monitoring statement is produced regularly at each Council meeting which is distributed, discussed and approved. This statement includes budget update and a breakdown of receipts and payments made. • Council should regularly audit internally to comply with the Fidelity Guarantee.	Existing communication procedures adequate. Internal audit twice yearly and reported to Council	
Reserves: General & Earmarked	• Adequacy	M	• Considered at budget setting and with year-end accounts • General reserves maintained at a level of approximately 30% of precept – deemed adequate by KALC	Ongoing development of Asset Maintenance Plan to inform more accurate reserving	
Assets	• Loss, damage etc • Risk or damage to third party property or individuals	M M	• Annual inspections, update insurance and asset registers • Annual review of Public Liability Insurance and adequacy of indemnity limit.	Existing procedures adequate	
Insurance	• Adequacy • Cost • Compliance	L L L	• An annual review is undertaken (before policy renewal) of all insurance arrangements. • Employers and Public liability insurance is a necessity. • Ensure compliance measures are in place.	Existing procedure adequate. Review compliance. Reviewed/tendered in 2023: 3 year contract awarded to Zurich.	

			Buildings are revalued every 5 years		
Maintenance	Poor performance of assets or amenities	M	Annual maintenance inspections are made of: buildings, walls, playgrounds and playing fields, trees and an annual fire risk assessment is made.	Existing procedures are adequate and resulting identified work undertaken. Council has a Health & Safety Committee. Formal maintenance schedule is currently being created to inform budgeting.	
Employees	- Loss of key personnel - Fraud by staff - Homeworking – loss of data/injury claim	M L	- As good practice, the Council should ensure Employee Guidelines are followed/reviewed. - The Clerk should have opportunity for training, reference books, access to assistance and legal advice required to undertake the role. - Fidelity Guarantee insurance guides to be adhered to with regards to Fraud and references for employees. - Homeworking policy - Insurance cover for working from home - Remote access to office computer	HR Sub Committee created - will review Purchase revised books, membership of the SLCC/ training. Monitor working conditions, safety requirements and fidelity insurance regularly.	
Borrowing/ Lending	Adequacy of finances to be able to repay loans	L	Financial review and cashflow forecasting monthly	N/A – no current borrowing	
Legal Powers	Illegal activity or payments	L	All activity and payments over £5000 within the powers of the Town Council to be resolved and minuted at Full Town Council Meetings.	Implemented alongside the Procurement Policy.	
Financial Records	- Inadequate records - Financial irregularities - Loss of records	L L L	- The Council has Financial Regulations which set out all financial requirements. - The Finance Officer/RFO updates records weekly/monthly (as appropriate) - Twice yearly internal audit	Existing procedure adequate.	
Minutes/ Agendas/ Notices Statutory Documents	- Accuracy and legality - Business conduct	L L	- Minutes and agenda are produced by the Clerk and will adhere to the legal requirements. - Minutes are approved and signed at the next Council meeting. - Minutes and agenda are displayed according to the legal requirements. - Business conducted at Council meetings	Existing procedure adequate.	

			should be managed by the Chair.		
Members' Interests	- Conflict of interest - Register of Members interests not being up-to-date	L L	- The declaring of interests by members at a meeting is a regular and identifiable process. - Register of Members Interest forms should be reviewed regularly.	Members take responsibility to check and update their Register and undertake training	
Freedom of Information Act	Policy Provision	L	- The Council has a model publication scheme in place. - The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee if the work will take more than 15 hours.	Monitor and report any requests made under the Freedom of Information Act - ongoing.	
Council records - paper	Loss through theft/fire/damage	L	- The Town Council records are stored at the Town Council Office. Records include historical correspondence, minute books and copies, deeds and leases for land or property, records such as personnel, insurance, salaries etc. - Recent materials are in a metal filing cabinet (not fire proof) and more historical records are sent off- site to the County Council for secure storage. - In year invoices are stored in the RFO's home office and electronically.	Existing storage of deeds and leases are in a fire proof safe. Most recent materials are also kept electronically and title deeds are registered at the land registry. To mitigate the risk of loss due to fire, RFO electronically archives invoices	
Council records - electronic	Loss through theft/fire/damage/ computer corruption	L	- The Town Council's electronic records are stored on the Clerk/RFO/Deputy & Assistant Clerk's computers. - Back-ups of the files are automatically taken and stored in the cloud.	Existing procedure adequate.	

REVIEWED: 14th March 2022 by Finance & General Purposes Committee, and adopted 21st March 2022 by Council

REVIEWED: 16th March 2026

NEXT REVIEW: March 2027