



Howden Town Council

Risk Management Scheme

1) Background

Howden Town Council is committed to improving, wherever possible, its services to the town. As part of this commitment the Council has performed an assessment of its governance procedures identifying areas where it believes improvements can be made and risks mitigated or eliminated.

2) How to use this document

This document should be used to understand the internal governance controls and the various types of identified risks together with potential for improvements of any actions identified, and to mitigate risks and/or improve internal controls.

3) All Councils must:

- Have a sound system of internal control and effective arrangements for the management of risk
- Undertake an effective internal audit
- Review the effectiveness of their system of internal control annually
- Prepare an Annual Governance and Accountability Return (AGAR) in accordance with 'proper practices' and have the AGAR approved at a Full Council meeting. The Annual Governance Statement must be approved before the Statement of Accounts is approved; the AGAR form facilitates this with Section 1 being the Annual Governance Statement and Section 2 being the Statement of Accounts. The minutes of the meeting at which these documents are approved should show clearly that the statutory order of approval has been complied with



4) Document Review Plans

This document will be reviewed and updated, if necessary, as defined below:

- (i) Annually
- (ii) Following an annual review
- (iii) Following any legislative changes which impact these controls
- (iv) Following changes in guidance made by the National Association of Local Councils (NALC) or other relevant bodies

5) Document Overview Purpose

This document is designed to ensure the Town Council meets its requirements to:

- Maintain an adequate system of internal control including measures to prevent and detect fraud and corruption
- Review its effectiveness to assure members there are no matters or actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial impact on the ability of the council to conduct its business or on its finances
- Carry out an assessment of risks facing the council and demonstrate how there are managed including appropriate internal controls and an effective system of internal audit of the council's accounting records and control systems and review their effectiveness in line with Governance and Accountability for Local Council's A Practitioner's Guide (England)



Risk Number	Area	Risk(s) Identified/Consequence	Risk Level	Potential Impact	Mitigation Actions	Review/Action Required
1	Banking	Failure of Bank No access into online banking	L	H	Arrangements with Co-Operative Bank mandate Two online bank fobs issues by bank Council's Financial Regulations are reviewed and updated regularly. Ensure Fidelity Guarantee Insurance cover is appropriate by checking against precept. Checked by RAM and FC annually	Maintain existing procedures
2	Investments	Inappropriate investment of surplus finances	L	H	Arrangements with NS&I Council's Financial Regulations are reviewed and updated regularly Annual statement to RAM and FC annually	Maintain existing procedures
3	Borrowings	PWLB not paid	L	H	Arrangements with PWLB Council's Financial Regulations are reviewed and updated regularly	Maintain existing procedures



					PWLB is paid by DD twice a year (per borrowing)	
4	Adequacy of Precept	Precept sum inadequate Demand not submitted in time	L	H	Budget and precept considered by RAM and full Council each year Clerk to report when demand has been submitted	Maintain existing procedures
5	Rental Income	Failure of tenants to settle invoices Invoices not sent out Loss of income from room hire	M	H	Regular review of debtors and chasing of outstanding invoices Send invoices out on time Adhere to the Scale of Charges with reports to RAM and FC	Maintain existing procedures
6	Financial Controls and Records	Inadequate records leading to financial irregularities	L	M	Financial Regulations reviewed annually Use Rialtas to record all financial transactions Internal and external audit 2 approved signatures on all invoices Invoices and monthly schedules seen by all members monthly	Maintain existing procedures



7	Petty Cash	Payments not accounted for Loss through theft or dishonesty	L	L	Avoid petty cash Set maximum holding limit Insurance cover Reconciled monthly All payments supported by relevant paperwork	Maintain existing procedures
8	Cash/Cheques	Loss through theft or dishonesty	L	H	Bank and reconcile at least weekly into Co-Operative Bank using paying-in slips Unbanked cash/cheques locked away Encourage BACS transfers where possible	Maintain existing procedures
9	Bank Reconciliations	Inadequate checks Entry errors into Rialtas Bank errors	L	M	Bank reconciliation completed monthly on Rialtas Bank Recs seen by Full Council and signed off by Chair	Maintain existing procedures
10	Payments	Good not supplied but invoiced Invoices unpaid	L	M	All invoices checked by the Clerk and payment slip completed Two signatures on invoices Monthly schedule sheet presented to FC	Maintain existing procedures



					Rialtas used and reports printed	
11	Approval of Expenditure	Unauthorised Purchase Fraud	L	M	All payments authorised as per Financial Regulations (see separate doc) No payment made without invoice	Maintain existing procedures
12	Cheque Books	Loss of cheques Fraudulent Use	L	M	No cheque books used All blank cheques cancelled No books issues	Maintain existing procedures
13	Debit Card	Loss of Card Fraudulent	L	M	Debit card held securely and in Clerk's name only Use in line with bank mandate and Financial Regulations (see separate document) Paperwork presented and seen by FC for all transactions ie invoice/receipt	Maintain existing procedures
14	Salaries	Incorrect payment to staff Non-payment of salary	L	M	Ensure payroll have correct rates of pay and hours Staff hours and rates of pay agreed in employment contract	Maintain existing procedures



					Pay by BACS last day of each month as per contract Wageslips to form part of the monthly schedule to be signed off by FC	
15	Annual Return/AGAR	No submitted on time Incorrectly completed	L	M	RFO aware of date set each year Internal Audit completed in time to complete the AGAR Rialtas used to generate the Accounting Statements The Clerk to present Section 1 of the AGAR to Full Council for approval	Maintain existing procedures
16	Security of Buildings/Property	Vandalism, fire, flood, leaks, weather, and accidental damage	M	M	Buidling and property on asset register and insured, reviewed annually Main office reinstatement value assessed every four years Fire alarm weekly checks and annual service CCTV coverage at main entrance Utility meters checked regularly	Maintain existing procedures



17	Maintenance of Buildings/Property	Inadequate maintenance of buildings, vandalism	M	M	Ensure maintenance completed in a timely manner and to a good standard Financial provision for maintenance and upkeep to be considered at each budget setting	Maintain existing procedures
18	Security of Valuables (Regalia)	Loss, theft or damage	M	H	Regalia held by Chair Entered onto asset register Insurance in place	Maintain existing procedures
19	Ensuring the Council acts within its legal powers	Acts incurring financial liabilities	L	H	Town Clerk is CiLCA qualified Use of advice from ERNLCCA, SLCC and NALC Members follow the Code of Conduct	Maintain existing procedures
20	Insurance	Inadequate cover or over insurance increasing costs Areas not covered Policy lapsed Insurance claims that increase costs	L	H	Review insurance cover with brokers annually Review and approved by RAM and/or Full Council annually Regularly monitor and report on property activities Maintain asset register	Maintain existing procedures



21	Compliance with Employment Law	Acts outside Employment Law which could lead to legal/financial liabilities	L	H	Up to date contracts of employment for all staff in line with NALC template Contracts of employment reviewed by the Clerk annually	Maintain existing procedures
22	Compliance with HMRC requirements	Employee PAYE and NIC payments not made None receipt of annual VAT return not submitted	M	H	Clerk to ensure all payments are made and are part of the Monthly Schedules seen by Full Council each month RIALTAS generates VAT Return and report is made to Full Council as part of the Monthly Schedules when return has been paid Clerk's Monthly Checklist reported to Full Council each month	Maintain existing procedures
23	Health and Safety of Staff, Councillors, Visitors and Contractors	Liability incurred if Council found to be at fault	M	H	Council maintains a H&S Policy Retain the services of a H&S advisor RA in place for all property and activities	Maintain existing procedures



					<p>Lone Working minimised and managed (Lone Working Policy)</p> <p>Identified training needs for staff and Councillors logged</p> <p>Staff/Councillor Training and Development Policy approved</p> <p>Event management plans completed for each event organised by the Town Council</p>	
24	Legal Liability as consequence of Asset Ownership	Injury caused through fault with asset or incorrect training in operation	L	H	<p>Buildings and assets inspected monthly by Councillors and received/actioned by the Clerk</p> <p>PAT tests carried out</p> <p>Public Liability Insurance in place</p>	Maintain existing procedures
25	Computer Records and IT	<p>Reliability of System</p> <p>Loss of data through system error or theft</p> <p>Corruption of data from virus or hacking</p>	L	H	<p>All Council work on Microsoft 365 and automatically backed up</p> <p>RIALTAS on the Cloud and automatically backed up</p>	Maintain existing procedures



					SLA with external IT company Password protected computers Anti Virus software	
26	Data Protection	Non-compliance with GDPR	L	H	Register and comply with the Data Protection Act 2018 Registered with ICO Data Protection and Privacy Notice approved by Full Council and reviewed annually	Maintain existing procedures
27	Tendering Process	Procedures not followed for significant contracts Fraud	L	M	Ensure Standing Orders and Financial Regulations are followed correctly Contracts reviewed annually	Maintain existing procedures
28	Register of Members' Interests	Not maintained in accordance with the Code of Conduct	L	L	Up to date Code of Conduct adopted by Council Clerk ensures all DOI are filed with ERYC	Maintain existing procedures
29	Proper Document Control	Documents unaccounted for No proof of documents received	L	L	Filing system established and maintained	Maintain existing procedures



30	Internal Financial Controls and Internal Audit	Proper financial controls not maintained True financial position not known	L	M	Financial Regulations in place and updated as required Budget Monitoring to RAM each meeting Full Bank Reconciliation to Full Council each month Continual use of RIALTAS finance package	Maintain existing procedures
31	General Reserves	Not having enough funds in General Reserves	L	M	Ensure that in accordance with the JPAG, General Reserves should be kept at approximately three months' worth of the annual precept Reserves presented to RAM and/or Full Council at Year End and three months into the new financial year	Maintain existing procedures
32	Reports and Records	Improper and untimely reporting of meetings via the minutes Decisions not being properly recorded, therefore not legal	L	L	Council approves the minutes each month and approve Committee minutes held in the interim Draft minutes and then approved minutes are published on the Council's website	Maintain existing procedures



					Minutes and reports are produced in line with an agreed in-house style	
33	Failure to attract sufficient candidates for vacancies or elections	Reduced representation Lack of member resource Meetings becoming inquorate	L	M	Continue to actively publicise Council activities to raise the profile Ensure all vacancies are suitably advertised	Maintain existing procedures
34	Failure to achieve quorum at meetings	Business not transacted Decisions not made Delays in recommendations to Council	L	H	Annual meetings calendar issued at the start of the Council year Agendas issued in accordance with the LGA 1972 Record of attendance in place Review Committee membership at least annually and with each new member	Maintain existing procedures
35	Failure to respond to electors wishing to exercise right of inspection	Complaints received Not transparent Non-compliance	L	M	Ensure the dates are advertised in accordance with the AGAR stipulations	Maintain existing procedures
36	Members acting alone	Non-compliance Indemnities invalid Personal Risk	M	H	All Councillors offered Good Councillor Training and records kept	Maintain existing procedures



					Code of Conduct adopted Regular reminders that all decisions are made by a democratic vote and not one voice The Clerk to only act on the demands of the Council as a whole	
37	Loss of services of Town Clerk	Interruption to effective service	L	H	Council aware of locum assistance via SLCC Monthly Checklist agreed by Council	Maintain existing procedures
38	Lack of professional advice	Poor decisions Non-compliance	L	H	Maintain membership of ERNLCCA and NALC Clerk member of SLCC Clerk CiLCA qualified Ensure there is a budget for professional fees	Maintain existing procedures
39	Lack of Public Participation at meetings	Public voice not heard Lack of transparency	L	L	Ensure meetings are fully publicised Ensure there is public participation on each Full Council agenda Ensure seating area for MOP	Maintain existing procedures


