

PENISTONE TOWN COUNCIL

Operational Risk Assessment Management Document 2021/22

<u>Status</u>	<u>Likelihood</u>	<u>Risk Description</u>	<u>Measures Taken</u>	<u>Recommendations/ Controls</u>
High	Medium	COVID – loss of income generation for the Community Centre and the Paramount. Fines from Health protection team. Staff illness.	Regular reviews of cash flow and management accounts. Meetings held between Town Clerk, Finance Officer and Paramount Manager. Reporting to Full Council. Covid risk assessment completed. Systems adopted for home working for Town Council staff.	Ongoing regular review of financial accounts. Regular F & H R meetings. Regular review of legislation with current government funding. Regular updates to COVID risk assessment.
High	Medium	Protection of Council properties, furniture and equipment.	Property Damage Insurance. Up-to-date Asset Register. Regular maintenance of equipment. Monthly building and site visits. Annual PAT testing of electrical small appliance, alarms, and fire extinguishers.	Annual check on insurance values. Value inflated annually. Asset Register Maintenance Log. Use of Qualified Tradesmen. Use of a Reputable Insurance Provider. Adequate insurance provision. Provision provided in budget for

				repairs due to aging properties.
Medium	Medium	Damage to third party property or individuals.	Public Liability Insurance. Annual visual check on exterior area. Ongoing maintenance to all building assets and surrounding footpaths and vegetation.	Annual review on level of cover in place. Logged system of complaints received, and action taken. Ongoing review.

Low	Low	Loss of cash through theft or dishonesty.	Fidelity Guarantee. Secure storage of cash. Financial Risk assessment. Adequate internal controls.	Annual review on level of cover in place. Thorough vetting process of job applicants and annual staff reviews. Store in a locked cash tin or safe. Financial procedures followed when banking cash.
Low	Low	Legal liability as a consequence of asset ownership.	Public Liability Insurance.	Annual review on level of cover in place.
High	Medium	Insolvency of insurance company.	Use a reputable company with a long term trading history using one of the largest companies providing specialist cover for Councils.	Free legal service and advice from NALC.

Internal Audit assurance testing may include:

- Review of internal controls in place and their documentation.
- Review of management arrangements regarding insurance cover.
- Testing of specific internal controls and reporting findings to management.

<u>Status</u>	<u>Likelihood</u>	<u>Risk Description</u>	<u>Measures Taken</u>	<u>Recommendations/ Controls</u>
High	Medium	Keeping proper records in accordance with statutory requirements.	Monthly scrutiny of financial records and approval of pending expenditure. Employment of RFO.	Annual adoption of financial regulations, Internal Audit, Annual External Audit. Staff training.
Medium	Medium	Ensuring all business activities are within legal powers applicable to local councils.	Use of budgets to allocate expenditure with monthly review from RFO. Records show legal basis of expenditure.	Monthly reports. Internal Audit. External Audit.
Medium	Medium	Complying with restrictions on borrowing.	Borrowing approval authorised by Full Council in line with current restrictions.	Reference to Local Council Admin book (CAB) for current restrictions. Reference to regular updates from NALC.
High	High	Ensuring that all requirements met under Employment Law and Inland Revenue Regulations. Unfair Dismissal Claims.	Regular returns to inland revenue: contracts of employment for all staff, systems of updating records for any changes in relevant legislation. Disciplinary policy and grievance procedure.	Membership of Employers Organisation/NALC. Legal expenses cover. Membership of ACAS.
High	High	Ensuring that all requirements are met under Customs & Excise Regulations (especially VAT).	Regular returns to Customs & Excise.	Update on Council's position needed.

<u>Status</u>	<u>Likelihood</u>	<u>Risk Description</u>	<u>Measures Taken</u>	<u>Recommendations/ Controls</u>
High	Low	Ensuring adequacy of annual precept and control.	Approval of budget by full Council. Regular budget monitoring and management accounts sent to Council.	Timetable for approval of budget/fix precept.
Medium	Low	Ensuring the proper use of funds granted to local community groups under specific powers or Under S.137.	Identification of items paid under Section 137 and reported in the annual accounts. List of grants in website in relation to transparency regulations with listed S137 payments.	Quarterly internal audit. Annual external audit. Identified in the minutes the relevant powers.
Low	Low	Proper, timely and accurate reporting of council business in the minutes.	Minutes properly numbered, paginated, initialled on each page and signed as a master copy kept in safekeeping. Minutes circulated. Draft minutes uploaded to website within 30 days. Approved minutes uploaded to the website after Full Council meeting.	Minutes approved at next meeting. Internal audit check. External Audit check. Computer back-up. Stored in a lockable fireproof cabinet.
Low	Low	Failure to respond to electors wishing to exercise their rights of inspection.	Advertising of end of year accounts and making them available for inspection to the public as required under the Finance Regulations.	Accounts and signed returns to External Auditor by due date. Display of inspection rights in the Town and on the website. Other information to be supplied through FOIA.
Medium	Low	Meeting the laid down timetables when responding to Consultation invitations.	Consultation documents presented to next appropriate Committee/Council meeting. To plan procedure and deal with the response.	All consultation documents to be recorded on agendas. Members report to Committees/Council. Responses are considered and forwarded by Town Clerk.

High	Medium	Procedures in place for recording and monitoring members' interests, gifts and hospitality received.	Disclosure of interest register, and a register of gifts and hospitality received kept by the Clerk. Disclosures of interests as item on agendas as prompt to report changes.	Internal audit check. Disclosure in minutes, full annual review and separate records kept.
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Medium	Low	Provision of amenities/ Facilities for use by third parties and community groups.	Leases and agreements in place for use/hire of amenities/of facilities by third parties and community groups. Annual premises risk assessments completed.	Annual review of leases and agreements. Annual letter to regular hall users to confirm current Public Liability held and own risk assessments.
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Internal Audit assurance testing may include:

- Review of internal controls in place and their documentation.
- Review of minutes to ensure legal powers in place recorded and correctly applied.
- Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash.
- Review and testing of arrangements to prevent and detect fraud and corruption.
- Testing of disclosures.
- Testing of specific internal controls and reporting findings to management.

<u>Status</u>	<u>Likelihood</u>	<u>Risk Description</u>	<u>Measures Taken</u>	<u>Recommendations/ Controls</u>
High	Medium	Failure of computer system/IT security.	Password procedures in place. Virus protection (automatically updated). All records backed up to the server. All records backed up monthly external drive.	Review needed for if all system is corrupted/items stolen/back-up system. Installation of Office 365 thereby assuring an off-site copy of all files and records is kept. Maintain regular monthly backups to external drive and also to flash drive.
High	Medium	Security of vulnerable buildings.	CCTV and Fire alarms where necessary. Provision of fire extinguishers and staff training. Secure locks and annual review of security. Record of key holders.	Annual servicing of fire protection equipment. Regular checks CCTV system and backup. Installation fire alarm. Annual basic fire training. Periodic fire survey.
High	Medium	Banking arrangements.	Regular banking reconciliations independently reviewed. Three signatures for PTC, Paramount and Mayor's charity account, internet banking, cheques, and transfers. Credit card expenditure paid by direct debit.	Monthly reports to Full Council/ with regular examination of transactions. Bank reconciliations to be reviewed and signed off at least every 6 months by a Councillor. Internal audit. External audit.

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High	High	Changes to legislation and procedures.	Provide effective training for staff and councillors. Training policy developed.	Provide adequate budget for staff and councillor training. Need an annual review/list of training needs etc.
Low	Low	Non-compliance with Data Protection Act and GDPR statutory requirements for registration as data controller.	Clerk/RFO and member's undertaken training. Council registered with ICO as a Data Controller. Data/information audit complete and reviewed regularly. Retention and disposal policy adopted. Security Incident Procedure/policy in place.	Training to be updated for Town Clerk and relevant Councillors. Privacy notices to be added to website. Clerk registered on GDPR e-learning course and to undertake.

Internal Audit assurance testing may include:

- Review of internal controls in place and their documentation.
- Review of minutes to ensure legal powers are available, and the basis of the powers recorded and correctly applied.
- Review and testing of arrangements to prevent and detect fraud and corruption.
- Review of adequacy of insurance cover provided by suppliers.
- Testing of specific internal controls and report findings to management

Adopted by Council 22nd November 2021

Review Date November 2022