



Preamble Updated

The Accounts and Audit regulations 2015 state that a Town Council is responsible for having adequate financial management in place and that the system of control is secure and facilitates the effective exercise of the Council's functions and includes the arrangements for the management of any risk.

West Mersea Town Council is responsible for ensuring that its business is conducted in accordance with the law and proper procedures and standards and that public money is safeguarded and properly accounted for, used economically, efficiently, and effectively.

The Council in discharging its overall responsibility, is responsible for ensuring that there is a sound system of Internal control.

West Mersea Town Council also understands the need to ensure that a suitable insurance policy is in place which encompasses every aspect of Council business. The Council's insurance policy is reviewed every year (unless a Long-Term Agreement has been agreed). When out of contract, quotes are obtained. The Town Clerk ensures the asset register is kept up to date at all times.

(* See final paragraph below).

Insurance

The only insurance cover West Mersea Town Council must have in place by law¹ is Employers Liability (EL). However, other types of cover West Mersea Town Council would be wise to consider (but not restricted to) are as follows:

Public Liability Insurance to compensate for loss or damage caused by Council property or Council activities, e.g, a tree falling on someone, the Council would be liable under the Occupiers Liability Act 1957.

Buildings & Contents Cover

This cover compensates West Mersea Town Council for loss, damage, theft to its property. Property is identified on the Council's Asset Register which is reviewed annually, not least because the value of fixed assets forms part of the Annual Governance and Accountability Return (AGAR), but also to ensure insurance cover is sufficient.

¹Employer's Liability (Compulsory Insurance) Act 1969

Fidelity Insurance

Cover to compensate in the event of loss of monies.

* Finally, insurance doesn't 'guard against' loss/damage; accurate assessment of risks does that. Therefore, an insurance company would expect to see a risk assessment in place, although not always a requirement of the insurer. Insurance compensates in the event of loss/damage etc.

			Impact			
			Minor	Major	Severe	Critical
			1	2	3	4
Risk Event Occurrence	Unlikely (less than 0.1%)	1	1	2	3	4
	Possible (between 0.1% and 1%)	2	2	4	6	8
	Quite Often (Between 1% and 10%)	3	3	6	9	12
	Very Likely (greater than 10% of time)	4	4	8	12	16

RISK ASSESSMENT – FINANCIAL

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Business Continuity	Risk of Town Council not being able to continue its business due to unexpected or tragic circumstances.	There is a reserve in place and insurance to cover such an event – review periodically.	Unlikely	Severe	
Loss of RFO/Clerk	Inability to access laptop and online banking through loss of passwords and lack of knowledge.	There is a list of passwords in a sealed envelope stored securely in WMTC office. Plan provided to cover all essential activities and a guide in the event of staff absence.	Unlikely	Critical	
Financial Records	Inadequate records/irregularities.	The Town Council has Financial Regulations in place which set out the requirements and checks. These are reviewed annually.	Unlikely	Critical	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Book-keeping	Inaccurate or failure to maintain the Town Council's financial records properly could lead to overcharging by suppliers or misappropriation of Town Council funds.	An internal and external audit are carried out annually, as is a review of the Town Council's Financial Regulations. Bank Reconciliations presented Monthly.	Possible	Major	
Purchasing	Overspend on purchase.	All purchases are (except for contractual obligations) approved in advance in accordance with Financial Regulations. All invoices are processed by the RFO and payments approved by two authorised signatories before payment is made.	Possible	Major	
Precept	Adequacy of precept requirements. Requirements not submitted to Colchester City Council in time. Precept not received from Colchester City Council in time.	Regular budget review by Full Council. Precept should be considered by Council before the deadline. The Clerk informs Council when the monies are received.	Unlikely	Critical	
VAT	Non-payment/reclaiming of VAT.	VAT returns are sent to HMRC quarterly.	Unlikely	Major	
Budget	Overspend on services.	Costs are closely monitored, and a budget report is presented to Council every month, but it is understood that the economy cannot be controlled.	Possible	Major	
Bank and Banking	Inadequate Checks. Bank mistakes/charges. Loss of signatories.	The Town Council's Financial Regulations set out the requirements for banking, and reconciliation of accounts. The Town Council bank accounts have four authorised signatories at present, so in the event of loss of one, banking can still be carried out. In the case of losing one signatory, another is to be appointed immediately.	Unlikely	Severe	
Online banking system	Theft of funds, incorrect payments, unauthorised payments.	Payments are raised on the receipt of an invoice by the RFO. Payments raised via Unity Bank website using private passwords and usernames. RFO is unable to authorise payments – this must be done by 2 authorised signatories. Authorised signatories can raise payments on Unity in the absence of the RFO.	Unlikely	Critical	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Litigation	Potential risk of legal action being taken against the Town Council. Financial loss from the use of unqualified contractors.	Public Liability insurance covers general personal injury claims where the Town Council is found to be at fault, but not spurious or frivolous claims – these cannot be insured against. Credentials are checked prior to appointment / instruction including appropriate cover. Only qualified and insured contractors are appointed for electrical work. Specialists to be appointed in the early stages of development.	Possible	Major	
Data Protection	Loss of data or breach of data protection regulations.	Potential financial penalty in the event of a loss of data or breach. Risk mitigated through the Council's data protection policy, privacy notice (website) and registration with the ICO.	Possible	Major	
Insurance	Being under-insured.	An insurance policy with Zurich Insurance is in place. This is to be reviewed in June 2026. A yearly review is carried out of the Town Council's assets and needs. Employers and Employee liability insurance is also in place.	Unlikely	Severe	
Fidelity insurance	Theft of funds.	Internal controls are in place so that no one person can access the Town Council funds. Insurance coverage in place.	Unlikely	Critical	
Reporting	Information not communicated.	Budgets, and bank reconciliations are reported to Full Council.	Unlikely	Major	
Internal Audit	Review of systems and controls implemented by the Town Council.	The audit takes place annually with a written report. Any recommendations received will be acted upon.	Possible (that there is a problem)	Major	
Charges	Payments of leases are under/overpaid.	RFO is responsible for chasing payments and checking them in accordance with our invoices/agreements.	Unlikely	Minor	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Salaries	Salaries paid correctly.	Salary rates are assessed periodically by the Personnel Committee. The payroll company allocates the salaries, tax and NI payments which are submitted to the Inland Revenue. Salary is paid by BACS. Wages are audited annually.	Unlikely	Severe	
HMRC annual return	Paying and accounting NI and tax of employees' salaries.	The payroll company completes and submits the employers annual return to the Inland Revenue within the prescribed timeframe.	Unlikely	Severe	
Pension annual return	Paying and accounting for employee and employer contributions.	The RFO completes and submits the employer's pension details monthly and annual return.	Unlikely	Severe	
Assets	Loss or damage.	An annual review of the asset register is undertaken.	Unlikely	Minor	
Maintenance	Poor performance of assets.	Assets at risk are identified and approved maintenance plans are in place.	Possible	Major	
Meeting Location	Adequacy. Health & Safety.	Town Council meetings are held in the WMTC Chamber which are considered adequate for Health & Safety and comfort. Alternative meeting venue to be arranged if WMTC chambers is out of use.	Possible	Severe	
Paper/Computer files	Loss through fire.	Paper filing is held in WMTC Office. The laptop is constantly backed up in OneDrive, and the system is monitored by an IT company who provides a cloud-based service. Historic records transferred to the Essex Record Office.	Possible	Severe	
Failure to prevent a cyber attack or data hacking	Loss of or inability to access documents and records could lead to disruption of Town Council business. Potential for data breach and incompliance GDPR. Loss of services to the public.	Robust anti-virus software is applied to all Council laptops and computers. Computer and software passwords are regularly changed. Data is backed up through the Cloud, memory sticks and paper copies, where necessary.	Unlikely	Critical	
Health and safety	Accident.	An annual review of Risk Assessments is carried out.	Unlikely	Critical	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Contractors working on Town Council Premises not qualified or competent	Failure to protect the health and safety of contractors, staff and public. Failure to meet premises compliance.	Contractors provide a RAMS where necessary and qualifications or certificates to undertake works or use machinery/equipment. Contractors complete a 'Permit to Works' and 'Hot Works Permit'. References are sought for contractors employed.	Possible	Minor	

RISK ASSESSMENT: OFFICE

Description	Risk	Action / Notes	Likelihood	Impact	Risk
Health & Safety	Staff falling ill or becoming incapacitated due to Health and safety issues in the workplace.	Staff work from WMTC Office/Rushmere Close. DSE Assessment carried out. Fire Risk assessment carried out at WMTC Office/Rushmere Close. Statutory checks completed on equipment and alarms in WMTC Office and Rushmere Close. First Aid kits checked. Visual assessments regarding trips and slips completed. Evacuation procedures in place. PAT testing completed yearly. See Risk Assessment for dangerous substances updated regularly.	Unlikely	Severe	
Theft or West Mersea Town Council or burglary at West Mersea Town Council premises	Damage to property, resulting in costs to the Town Council. Temporary loss of facilities and equipment. Loss of services to the community and the public.	Premises and facilities to have adequate security. Intruder alarms and CCTV to be serviced by a competent person(s). All staff and hirers of facilities understand how to leave premises secure. All keys, valuables and equipment are securely stored. Town Council has adequate insurance cover.	Unlikely	Severe	

RISK ASSESSMENT – OPEN SPACES/CEMETERIES

Description	Risk	Action / Notes	Likelihood	Impact	Risk
Accidents occur on West Mersea Town Council owned play areas	Failure to adequately protect people against injury from defective play equipment. Possibility of legal action being taken against the Council.	Inspection of facilities, assets and equipment are completed. Weekly Park inspections are completed by Groundstaff, quarterly inspections by Colchester City Council and an annual inspection are completed by RoSPA. Identified risks are reported to the Town Clerk immediately. Risks are promptly resolved or made safe.	Possible	Major	
Accidents occur on West Mersea Town Council owned playing fields or grounds or premises	Possibility of legal action being taken against the Council.	Inspection of assets and equipment are completed. Risks identified are reported to the Town Clerk immediately. Risks are promptly resolved or made safe. West Mersea Town Council has adequate insurance cover in place.	Possible	Major	
Vandalism or fire damage to West Mersea Town Council owned street furniture (benches, bus shelters and noticeboards).	Permanent or temporary loss of premises or facility. Danger to the health and safety of service users and the public.	Inspection of street furniture and remote assets are completed. Damage, defects and risks are reported to the Town Clerk immediately. Risks are promptly resolved or made safe. Town Council has adequate insurance cover.	Unlikely	Minor	
Cemeteries	Unstable headstones. Uneven and or slippery surfaces- slips, trips and falls. Unlawful burial or interment.	Visual inspections to be carried out by Town Clerk and contractor when visiting the cemetery. Topple tests to be completed every 5 years. Groundstaff or Cemetery Clerk to check on a regular basis and report any instances to the Town Clerk. Cemetery Clerk or Groundstaff to check name plate on coffin/casket before interment.	Unlikely	Major	
Driving	Accidents from moving vehicles.	Only vehicles authorised by the Council permitted.	Unlikely	Severe	

		Contractors are responsible for their own risk assessment to protect them, their employees and members of the public.			
Hedges/trees & overhanging branches	Injury.	Contractor will trim back as and when required. Tree inspection carried out every three to five years.	Possible	Major	
Paths	Slips & trips.	Town Council maintains public liability insurance. Uneven/slippery surfaces are reported to the Town Clerk after routine weekly inspections.	Possible	Severe	

RISK ASSESSMENT – Governance

Description	Risk	Action / Notes	Likelihood	Impact	Risk
Council business not conducted correctly or not in the best interests of the Council and parishioners.	Inappropriate or illegal decisions resulting in dissatisfied parishioners and provision of inadequate facilities and services. Council not providing value for money. Risk of legal action being taken against the Council.	Policies are regularly reviewed and agendas are published within the legal timeframe. Councillors are supplied with adequate information to make sound decisions. Proper record keeping of meetings and decisions are made and actions agreed at meetings are to be followed through.			
Inappropriate behaviour and/or non-compliance of the statutes and regulations by Councillors.	Failure to act legally or within the Code of Conduct could result in legal action or sanctions against Councillors and/or Council.	Councillors to understand the Code of Conduct, to be familiar with the Standing Orders and Council policies and procedures. Councillors are to maintain an up to-date Register of Interests.			
Key individuals unavailable for the business of the Council.	Failure to be able to convene meetings and conduct Council business. Meetings not conducted in a proper or legal manner.	The absence of the Clerk the Chair and the Councillors are to be told in advance of meetings to ensure appropriate arrangements are in place to allow business/ meeting to go ahead.			