



SERVING THE COMMUNITY

Preamble

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.

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.

¹ Employer's Liability (Compulsory Insurance) Act 1969

			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	<p>Chair of Town Council holds a list of passwords in a sealed envelope to be located in a locked safe in the office.</p> <p>Procedure being created to cover all essential activities to provide a step-by-step guide in the event of staff absence.</p>	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	All purchases are (except for contractual obligations) approved in advance in accordance with Financial Regulations. All invoices are processed by the Clerk and payments approved by two authorised signatories before payment is made.	Possible	Major	
Precept	Adequacy of precept requirements Requirements not submitted to Chelmsford 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 and income stream are closely monitored, and a budget report is presented to Council every monthly, but it is understood that the national economy cannot be controlled.	Possible	Major	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Bank and Banking	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 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 cannot raise payments.	Unlikely	Critical	
Litigation	Potential risk of legal action being taken against the Town Council	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	Possible	Major	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
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	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 verbal and written report. This should be independent and in confidence. Any recommendations received will be acted upon.	Possible (that there is a problem)	Major	
Charges	Payments of leases are under / over paid	Invoices should be settled promptly upon receipt.	Unlikely	Minor	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Salaries	Salaries paid correctly	Salary rates are assessed periodically by the Personnel committee. An accountant 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 Town Clerk 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.	Possible	Severe	

Description	Risk	Action/Notes	Likelihood	Impact	Risk
Paper/Computer files	Loss through fire	Paper filing is held in WMTC Office. The laptop is constantly backed up in One Drive and the system is monitored by an IT company. Historic records transferred to the Essex Record Office	Possible	Severe	High
Health and safety	Accident	An annual review of Risk Assessments is carried out	Unlikely	Critical	Medium

RISK ASSESSMENT:OFFICE

Description	Risk	Action / Notes	Likelihood	Impact	Risk
Health & Safety	Staff falling ill or becoming incapacitated due to posture related issues.	Staff work from WMTC Office/Rushmere Close DSE Assessment carried out.	Unlikely	Severe	

RISK ASSESSMENT – OPEN SPACES/CEMETERIES

Description	Risk	Action / Notes	Likelihood	Impact	Risk
Overall Sites Grounds	General Upkeep Uneven ground due to wildlife	Weekly inspection by Grounds staff on a rota basis.	Unlikely	Major	
Driving	Accidents from moving vehicles	Only vehicles authorised by the council permitted. Contractors are responsible for their own risk assessment to protect them, their employees and members of the public.	Unlikely	Severe	
Hedges / trees & overhanging branches	Injury	Contractor will trim back as and when required. Tree inspection carried out at a minimum of three years.	Possible	Major	
Paths	Slips & trips	Town Council maintains public liability insurance. Uneven / slippery surfaces reported to clerk after routine weekly inspections.	Possible	Severe	

Karen Kuderovitch – Town Clerk