

APPENDIX 10

**TENBURY TOWN COUNCIL  
GOVERNANCE AND FINANCIAL RISK REGISTER**

<b>RISK</b>	<b>IMPACT</b>	<b>LIKELIHOOD</b>	<b>SEVERITY</b>	<b>INTERNAL CONTROLS</b>	<b>REVIEW FREQUENCY</b>	<b>ALTERNATIVE REVIEW TRIGGER/INTERNAL AUDIT ASSURANCE</b>
1. Lack of forward planning and budgetary control	Lack of direction & prioritisation.  Not meeting needs in Parish Plan	L	H	Quarterly budget monitoring reports Revised & annual budget setting process Feedback from surveys	On-going  Quarterly  As requested	Additional expenditure
2. Poor reporting to Committee and Council	Poor quality decision making  Council ill informed	L	H	Timely and accurate financial reporting  Clear instructions to Officers	Quarterly/Annually  Meetings	
3. Loss of Key Officer	Failure in financial controls Failure in reporting	L	H	Cover procedures in place Up to date job descriptions Appraisal system	Annually	Loss of staff member
4. Failure to respond to electors' wish of right of inspection	Loss of confidence Loss of reputation	L	L	Clear Standing Orders Procedures to deal with enquiries from public Noticed displayed appropriately	Annually	External Auditor contacted by elector
5. Poor document control	Information not passed on in a timely manner Deadlines missed Lack of achievement	L	M	Clear Standing Orders Clear Financial Regulations Clear Job Descriptions	Annually	Major incident  Complaints

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<p>6. Ensure Council complies with Law in particular Health &amp; Safety Data Protection Equalities Human Rights Disability &amp; Discrimination Employment Law</p>	<p>Fines &amp; Penalties Complaints Loss of reputation Employees action for negligence</p>	<p>L</p>	<p>H</p>	<p>Clear policies and procedures Regular review of law Appointment of consultants DPA Registration</p>	<p>Bi-annually</p>	<p>Incidents Complaints</p>
<p>7. The provision of services being carried out under agency/partnership agreements with principal authority/other organisations</p>	<p>Loss of reputation Poor public image Claims Additional costs</p>	<p>M</p>	<p>M</p>	<p>Clear statement of management responsibility for each service SLA/Agreements in place Regular scrutiny of performance and presentations to Committee/Council Budgetary Control</p>	<p>Annually</p>	<p>Review of adequacy of insurance cover Review of budget</p>
<p>8. Ensure all business activities are within legal power</p>	<p>Illegal expenditure</p>	<p>L</p>	<p>H</p>	<p>Recording in minutes the power under which expenditure is approved</p>	<p>On-going</p>	<p>Review of minutes to ensure legal powers in place, recorded &amp; correctly applied</p>
<p>9. Proper, timely &amp; accurate reporting of Council business in minutes</p>	<p>Confusion &amp; misunderstanding Actions not reflecting intentions o Council</p>	<p>M</p>	<p>H</p>	<p>Approved by Committee &amp; Full Council Minutes produced timely, accurately, numbered and signed copy kept appropriately</p>	<p>On-going</p>	<p>Check minute numbers run consecutively Checked signed copies are filed &amp; stored appropriately</p>
<p>10. Council lacks relevant skills &amp; commitment</p>	<p>Council fails to achieve its purpose Decision making by-passes Council Poor value for precept</p>	<p>M</p>	<p>H</p>	<p>Training for Councillors Close review of attendance Attendance recorded at each meeting</p>	<p>Annually or as required Every meeting</p>	<p>WCALC training reminders</p>

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11. Council becomes dominated by one or two individuals or cliques form	Pursuit of personal agendas Decisions made outside of Council	M	H	Clearing Standing Orders regarding conduct of meetings & interest Code of Conduct	Annually	Adverse press articles Complaints Incidents at meetings
12. Councillors benefiting from being on the Council	Affect reputation Conflicts of interest	L	M	Clear Standing Orders Declaration of Interests Open system of payment All payments signed by one officer and 2 different Councillors All payments reported to Finance and Staffing Committee All payments over £100 detailed on Council website	Annually  Finance & Staffing Committee	Adverse press articles
13. Failure to register Members' interest. Gifts etc.	Member could make inappropriate gains etc. Loss of reputation	L	M	Procedures in place for recording and monitoring interest and gifts  Declaration of Interests	On-going	Check of disclosures Complaint about Members Members reported to Monitoring Officer
14. Lack of maintenance of Council property	Unexpected high cost of repair Injury to 3 <sup>rd</sup> party leading to a claim Damage to property	L	M	Regular maintenance  Insurance Cover Groundsman Inspections Independent Inspections Regular meetings	Monthly  Annually	Unexpected incident

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<p>15. Damage or loss to Council property by 3<sup>rd</sup> party or act of God. Insufficient protection of physical assets owned by Council</p>	<p>High cost of repair or replacement Loss of assets Irreplaceable assets Disruption Loss of information Damage to public property or person</p>	<p>M L L M L L</p>	<p>L M H M H H</p>	<p>Insurance cover Security Alarms Fire Alarm Up to date register of assets Regular maintenance Remote data backup Annual review of risk &amp; adequacy of insurance cover</p>	<p>Annually</p>	<p>Police report Review of management arrangements regarding insurance cover (loss or damage)</p>
<p>16. Banking arrangement issues, including borrowing and lending  Complying with restrictions on borrowing</p>	<p>Failure of third party/bank to repay loan/deposits  Inability of Council to repay a loan  Loss of public funds</p>	<p>L</p>	<p>L</p>	<p>Include in annual budget – interest/loan repayments where applicable Clear Financial Regulations Investment Strategy</p>	<p>Annually Quarterly budget monitoring reports</p>	<p>Review of internal controls in place and documentation</p>

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<p>Inappropriate banking and cash transactions</p>	<p>Inadequate checks on bank transactions</p> <p>Poor systems</p> <p>Inadequate funds</p> <p>Theft, fraud &amp; corruption</p> <p>Illegal payments</p> <p>Poor cash handing &amp; banking</p>	<p>L</p>	<p>L</p>	<p>All payment transactions require 3 authorisations</p> <p>Bank Statements checked 3 times a week and reconciled monthly</p> <p>Bank reconciliations are checked &amp; signed off by a Member</p> <p>Cash banked as soon as possible and same day if possible</p> <p>Systems checked by Internal Auditor</p> <p>Fidelity Insurance cover</p> <p>Online banking restricted</p> <p>Monitoring of expenditure</p> <p>Deposits authorised by Finance &amp; Staffing Committee</p> <p>All transactions recorded on Finance System</p> <p>Clear Financial Regulations</p>		
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<p>17. Grants not used for intended purposes</p> <p>Ensuring the proper uses of funds granted to community bodies under powers and grant criteria</p>	<p>Lack of funds for project for which grant was awarded</p> <p>Investigation into the use of the funds awarded</p>	<p>L</p>	<p>L</p>	<p>Clear minutes detailing grant award</p> <p>Clear criteria for grants award letter, funds appropriately ring fenced</p> <p>Clear financial procedure</p> <p>Grant completion forms requested</p>	<p>On-going</p>	<p>Review of minutes</p> <p>Review of grant completion forms</p>
<p>18. Damage to third party property due to Council service/event</p>	<p>Claim against Council</p> <p>Loss of reputation</p>	<p>L</p>	<p>L</p>	<p>Public Liability Insurance</p> <p>Comprehensive event planning &amp; individual risk assessments</p> <p>Equipment checked &amp; appropriately set up</p>	<p>Annually</p> <p>As required</p>	<p>Review of adequacy of insurance cover provided</p>
<p>19. Loss of cash through fraud or dishonesty</p>	<p>Loss of reputation</p> <p>Loss of public funds</p>	<p>L</p>	<p>H</p>	<p>Clear financial procedures</p> <p>Adequate insurance cover</p> <p>Separation of duties where possible</p>	<p>Annually</p>	<p>Review of insurance cover</p> <p>Fidelity Guarantee</p>

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<p>20. Inadequacy of Precept</p> <p>Ensuring the adequacy of the annual precept within sound budgeting arrangements</p>	<p>Services not provided</p> <p>Lack of confidence in Council</p> <p>Inability to carry out funds</p> <p>Insufficient funds for contingencies/Earmarked Reserves</p>	<p>M</p>	<p>H</p>	<p>Regular in-year budget monitoring reports</p> <p>Robust budget setting process to determine amount required</p> <p>Reported in detail to Finance &amp; Staffing Committee and Full Council for approval</p> <p>Submitted to Malvern Hills District Council in writing prior to deadline 1 March</p>	<p>Quarterly</p> <p>Annually</p>	<p>Unexpected event</p> <p>Unexpected increase in costs of services</p>
<p>21. Inadequate Reserves</p>	<p>Insufficient funds for contingencies</p> <p>Inability to carry out improvements</p> <p>Lack of confidence in Council</p> <p>Loss of assets</p>	<p>H</p>	<p>H</p>	<p>Regular in-year budget monitoring reports</p> <p>Robust budget setting process to determine amount required</p> <p>Reported in detail to Finance &amp; Staffing Committee and Full Council for approval</p> <p>Regular review of risks to assets and planned maintenance</p>	<p>Quarterly</p> <p>Annually</p>	<p>Unexpected event</p> <p>Unexpected increase in costs of services</p>

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<p>22. Inadequate insurance cover</p>	<p>Non compliance Inaccurate claims</p>	<p>L</p>	<p>L</p>	<p>Insured through appropriate company with extensive Local Government provision/knowledge</p> <p>Reviewed annually by officers</p> <p>Reviewed by Internal Auditor</p> <p>Employers Liability Insurance Certificate displayed</p> <p>Public Liability Certificate provided when requested</p>	<p>Annually or as required</p>	
<p>23. Procurement Best Value</p>	<p>Supplies, services or work awarded incorrectly</p>	<p>L</p>	<p>L</p>	<p>Tendering process set out in Standing Orders &amp; Financial Regulations</p> <p>Approved by Full Council where appropriate</p>	<p>Review Standing Orders and Financial Regulations annually</p>	
<p>24. Inappropriate VAT records and Claims</p>	<p>Incorrect VAT analysis Not claimed or incorrect claims</p>	<p>L</p>	<p>L</p>	<p>All transactions recorded in Omega Finance System</p> <p>Timely quarterly VAT returns submitted</p> <p>VAT information from system reconciled before VAT return is submitted</p> <p>VAT returns reviewed by Internal Auditor</p>	<p>On-going</p>	



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<p>25. Incorrect salary paid</p>	<p>Incorrect net salary paid to employee</p> <p>Incorrect deductions</p> <p>Unpaid tax, NI and pension contributions</p>	<p>L</p>	<p>L</p>	<p>Payroll completed by Full Payroll Bureau</p> <p>Advice provided</p> <p>Input provided according to timetable</p> <p>Payroll reconciled monthly</p> <p>Online submissions &amp; payments to HMRC</p> <p>Online monthly submissions to pensions provider</p> <p>Appointments approved by Finance and Staffing Committee &amp; Full Council</p> <p>Clerk's Salary in line with NJC scale</p> <p>Job evaluation carried out by an independent organisation, if required</p>		
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26. Keep proper financial records in accordance with statutory requirements	Inadequate financial controls	L	H	All transactions input on Omega Finance System & reconciled monthly  Regular scrutiny of financial records & proper arrangements for the approval of expenditure  Independent Internal Auditor checks	On-going	Review of internal controls in place & documentation
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