

Bury St Edmunds Town Council – General Risk Management Document

March 2023

The Town Council is responsible for ensuring that its financial management is effective and there is a good system of internal controls. A risk assessment aims to identify what can go wrong, what steps should be taken to avoid this and how to manage the consequences. The risk assessment must be documented, reviewed, and updated every year. A copy of this documented risk assessment and a copy of the Minute, recording the annual review may be requested as part of the internal audit.

No	Risk	BSE Town Council Controls
	Section A: Insurance cover for risk is the most common approach to certain types of inherent risks	
1	The protection of physical assets owned by the council – buildings, furniture, equipment, etc (loss or damage).	Asset register is updated annually. Assets maintained as required. Assets covered by insurance (a nationally reputable company). Sums insured are index-linked and reviewed annually. Audit assurance is provided by Cllr Financial Review Examiner and Full Council.
2	The risk of damage to third party property or individuals as a consequence of the council providing services or amenities to the public (public liability).	No specific risks identified. Covered by insurance as above. Audit assurance provided as above.
3	The risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss).	No specific risks identified. Income is mainly achieved from Precept set annually. Audit assurance provided as above.
4	Loss of cash through theft or dishonesty (fidelity guarantee).	Covered by insurance
5	Legal liability as a consequence of asset ownership (public liability).	Covered by insurance. Audit assurance provided as above.
	Section B: The limited nature of internal resources in most local councils means that councils wishing to provide services often buy them in from specialist external bodies. This Council has minimal commitments in this area.	

6	Security for vulnerable buildings, amenities or equipment.	No specific risk identified. Provided by Landlord
7	Maintenance for vulnerable buildings, amenities or equipment.	No specific risk identified. Provided by Landlord
8	The provision of services being carried out under agency/partnership agreements with principal authorities.	IT provided by West Suffolk Council. Audit assurance provided by Cllr Financial Review Examiner and Full Council.
9	Banking arrangements, including borrowing or lending.	No borrowing or lending occurs.
10	Ad hoc provision of amenities/ facilities for events to local community groups.	Not applicable
11	Markets management.	Not applicable
12	Vehicle or equipment lease or hire.	Audit assurance provided by Cllr Financial Review Examiner and Full Council.
13	Trading units (leisure centres, playing fields, burial grounds, etc).	Not applicable
14	Professional services (planning, architects, accountancy, design, etc).	Contracts for allotment maintenance reviewed annually. Audit assurance provided by Cllr Financial Review Examiner and Full Council.
	Section C: There are a number of activities that create business risks but do not fall easily into either of the above categories for a number of reasons, principally because they are either difficult to quantify or considered inefficient to have provided externally or just uninsurable.	
15	Keeping proper financial records in accordance with statutory requirements.	Financial records maintained by authorised RFO. Internal systems of control including financial control procedures covering (1) Income; (2) Accounts payable; (3) Asset control and management; (4) Budgetary control and reporting; (5) Payroll; (6) VAT; (7) IT access; (8) Year end procedures and (9) Petty cash. Collection and Debt recovery policy reviewed March 2022. Audit assurance provided by Cllr Financial Review Examiner and Full Council.

16	Ensuring all business activities are within legal powers applicable to local councils.	A legal power is identified for any new activity and for all expenditure (except where legislation expressly prohibits this). Audit assurance provided by Cllr Financial Review Examiner and Full Council.
17	Complying with restrictions on financial borrowing.	Not applicable – no borrowing has taken place.
18	Ensuring that all requirements are met under employment law and regulations.	Payroll arrangements handled by West Suffolk Council under a Service Level Agreement. Staff contracts exist. Audit assurance provided by Cllr Financial Review Examiner, Staffing & Employment committee and Full Council.
19	Ensuring all requirements are met under HM Revenue and Customs Notices and regulations (Income Tax, National Insurance and VAT).	Payroll arrangements handled by West Suffolk Council under a Service Level Agreement. Quarterly VAT refund claims submitted. Audit assurance provided by Cllr Financial Review Examiner and Full Council.
20	Ensuring the adequacy of the annual precept within sound budgeting	Budget and Precept approved by Full Council in January 2023.
21	Monitoring of performance against agreed standards under partnership agreements.	Police Community Support Officer Service Level Agreement is monitored and reviewed.
22	Proper, timely and accurate reporting of council business in the minutes.	Minutes of Full Council circulated to Councillors and via website, available to Cllrs, Public and Press. Committee Minutes available on request. Audit assurance provided by Cllr Financial Review Examiner, individual committees and Full Council.
23	Responding to electors wishing to exercise their rights of inspection.	Requests facilitated. Policy and procedure published for requests under Freedom of Information legislation and compliance maintained. Audit assurance provided by Cllr Financial Review Examiner.
24	Meeting the laid down timetables when responding to consultation invitation.	Compliance maintained as part of internal service standards and through Committee and Full Council responses
25	Meeting the requirements for Local Council Award Scheme or other accreditation.	Local Council Award Scheme Foundation award currently not applied.
26	Proper document control.	All incoming and outgoing documents managed with internal service standards (receipt, action and conclusion). Procedures for electronic distribution and for document filing system in place. Background papers for key agenda items used. Audit assurance provided by Cllr Financial Review Examiner and Full Council.
27	Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date.	Register maintained by Town Clerk and West Suffolk Council's Monitoring Officer and available on the website. All Cllrs have completed declaration of office and commitment to the Code of

		Conduct. Procedures in place for pecuniary and non-pecuniary interests to be declared at meetings by Cllrs and staff.
28	Regular scrutiny of financial records and proper arrangements for the approval of expenditure for all staff, annually reviewed by the Council, records updated for any changes in relevant legislation.	Expenditure for staff annually reviewed by Planning Licensing and Finance Committee and Staffing & Employment Committees. Audit assurance provided by Planning Licensing & Finance Committee and Full Council.
29	Regular budget monitoring statements.	Monthly budget and monitoring statements provided to and reviewed by Planning Licensing and Finance Committee prior to adoption by Full Council. Audit assurance provided by Cllr Financial Review Examiner.
30	Developing systems of performance measurement.	Performance management is integral to budget and other relevant plans. Monthly outturn reported to Planning Licensing & Finance Committee and Full Council to provide audit assurance.
31	Procedures for dealing with and monitoring grants or loans made or received.	Record maintained of grants awarded with review dates.
32	Minutes properly numbered and page numbered with a master copy kept in safekeeping.	Minutes recorded and page numbered, resolutions consecutively numbered. Master copy maintained. Audit assurance provided by Cllr Financial Review Examiner.
33	Ensuring that all requirements are met under Pensions Auto-enrolment legislation	Specific duties are covered under the existing Service Level Agreement with West Suffolk Council.

PART II RISK MANAGEMENT AND CONTROLS

Further to identification of the Town Council Risks and Controls above, future risks and controls, appropriately graded, have been undertaken as follows:

High Level Strategic Business Objectives & Goals	Risks	Impact (1-5) (5 being highest, 1 being lowest) Probability (1-5 as above) Overall score achieved by multiplying P x I			Controls
To provide value for money services	1- the Town Council offices no longer meet business requirements;	4	2	8	Relocation of offices to 79 Whiting Street complete.
	2- unable to retain staffing levels;	4	2	8	Recruit permanent or temporary staff as required.
	3- high level of staff turnover;	4	2	8	Not foreseen at this point.
	4- failure to provide sufficient staff training to meet needs of the council;	4	1	4	SALC does updates and courses attended as and when necessary
	5- Council unable to maintain services due to unexpected/tragic occurrence affecting staff, buildings or members;	5	1	5	SALC can help source locum staff. Alternative locations available.
	6- time taken by staff to prepare and respond to Freedom of Information (FOI) requests;	4	1	4	Can only be dealt with ad hoc but unlikely, based on current records.
	7- loss of physical assets;	5	1	5	Asset register maintained and insurance cover provided.
	8- non-performance by 3rd party supplier results in additional expenditure;	3	1	3	No indispensable third party supplier used and ones used, e.g. cleaners,

					allotment grass cutting are of low value.
	9- loss of cash through theft or dishonesty;	2	1	2	Insurance cover provided (Fidelity Guarantee)
	10- West Suffolk Council withdraws from IT services;	5	1	5	Service level agreement specifies notice period giving time to seek another IT provider.
	11- loss of capital through investment with bank which enters administration;	3	1	3	Investment Strategy in place. No investments held.
	12- failure to meet financial requirements for HMRC;	2	1	2	Council has its own PAYE reference number. Staff are paid using PAYE and payroll is administered by West Suffolk Council. VAT is reclaimed quarterly.
	13- failure to keep proper financial records;	2	1	2	Planning, Licensing & Finance committee reviews bank reconciliation monthly; Cllr Financial Review Examiner carries out a quarterly review; Internal and External Audit is required annually.
	14- failure to ensure all business activities are within legal powers applicable to local councils;	2	1	2	Clerk/RFO ensure that relevant powers exist prior to any new activity being undertaken with advice being sought from SALC as necessary. The Society of Local Council Clerks (SLCC) forum provides an additional source of advice and information.

	15- breach of employment law leads to claims against the council;	4	2	8	Clerk has knowledge of employment law and uses SALC and HR consultants and solicitors as necessary.
	16- failure to maintain appropriate records and monitor income & expenditure leads to an overspend;	2	1	2	Planning, Licensing & Finance committee reviews bank reconciliation monthly and significant variances from budget periodically; Cllr Financial Review Examiner carries out a quarterly review; Internal and External Audit is required annually.
	17- External audit are unable to sign off accounts	5	1	5	A qualified audit opinion would be given and an action plan to address the issues would be required.
To discharge statutory requirements including:-					
Allotments	1- expenditure exceeds income;	2	4	8	Careful financial management is undertaken by officers, reviewed monthly
	2- allotment holders or 3rd parties claim against the council e.g. Injury, loss etc;	4	2	8	Insured under Council's core policy, £10M cover
	3- inability to acquire further land to expand allotment sites, resulting in a long waiting list;	2	4	8	Waiting list length has reduced in recent years.
	4- risk of land contamination resulting in bad publicity for Council	4	1	4	A contamination survey will be obtained if considered appropriate.

	5- risk of flooding (E Plots Cotton Lane & Sicklesmere Road site);	2	3	6	Occasional flooding at the Sicklesmere Road. It is kept under review.
	6- rent rises cause holders to vacate plots;	2	1	2	Rent increases are in the gift of the Council, so the risk can be managed.
	7- trees falling on tenants;	5	1	5	The Allotment Officer carries out regular tree inspections and consults with the Clerk to decide if an inspection of an arboriculturalist is required. The Clerk has delegated powers for urgent work. We insure against the risk.
	8- loss of personal data of allotment holders by council	5	1	5	West Suffolk Council computer back-up of computer files, hard copies of agreements are kept secure. Personal data is not removed from the offices.
War Memorials	1- vandalism or 3rd party damage;	4	2	8	Insured risk with Council insurers
	2- natural decay/erosion of war memorials;	4	3	12	Condition survey of Memorial in the Cornhill is undertaken
	3- Theft of bronze from Boer War memorial;	5	1	5	In too conspicuous a place. Highly unlikely
	4- Angel Hill Condition Survey	3	1	3	Annual inspection and cleaning carried out, when necessary. Insured.
Grit/Salt Bins	1- Suffolk County Council withdraw from replenishing bins;	5	2	10	Statutory duty at present.

	2- 3rd party damage/vandalism leads to additional expenditure;	2	2	4	Insurance cover in place.
	3- empty bins are blown onto road/footpath causing accident;	5	2	10	Insurance cover in place.
Planning & Licensing Consultee	No risks identified to date;				
Engagement with community by Councillors & Staff	1- failure to engage with community by Councillors & Staff;	2	1	2	Contacts are on website: residents attend planning meetings and Annual Town Meeting. Publicity for all meetings sent to press and contacts lists. Noticeboard in Cornhill and offices used to inform residents.
	2- damage to 3rd party property or individuals;	3	1	3	Insured
	3- insufficient funds to support the calling of a 'Parish Poll';	5	1	5	Allowed for in Budget/Precept
To consider grant funding to local community groups	1- inability to sustain grant funding to community groups;	5	3	15	Budget/Precept set levels of funding
	2- money not spent for purpose given;	4	2	8	Clear conditions in grant documentation, receiver signs to accept those conditions and are asked to confirm the grant has been spent on the purpose for which it was given.
	3- open to fraudulent requests;	4	1	4	Tight application criteria
	4- limitations around budget spend and not having sufficient funds to support other good causes;	4	3	12	Budget/Precept set levels of funding
	5- same groups given money year after year without applying e.g. Bury in Bloom	1	1	1	Bury in Bloom is exempt Grant funding policy arrangements. All other groups must comply with policy requirements

To develop staff & Councillors via appropriate training	1- inability to train staff and retain staff;	4	2	8	Staff are given training opportunities.
	2- staff fail to develop and meet requirements to discharge Town Council business;	4	1	4	Staff work closely with Councillors, West Suffolk Council and residents.
	3- Councillors do not undertake training and become ineffective in their wards and at Council meetings.	2	1	2	All Councillors receive training and a copy of 'The Good Councillor Guide' on signing their acceptance of office form. Subsequent training is done as required. The Clerk and RFO advise on statutory changes by reporting or emailing Councillors.
To obtain and maintain powers of competence	1- inability to broaden and extend council services;	4	4	16	Services are under review at monthly Council meetings
	2- Inability to utilise powers contained within Localism Act.	4	4	16	Exercised either through General Power of Competence or relevant legislation