







**LOUTH TOWN COUNCIL
RISK MANAGEMENT AND INTERNAL CONTROLS**







Aim	Risk	Method	Status: <input checked="" type="checkbox"/> Risk Managed <input type="checkbox"/> Action Required	Review Date
To ensure compliance with the Acts of Parliament, Council's financial regulations and code of conduct	Lack of knowledge of regulations and codes.	Ensure that all Councillors have copies of relative Acts, Code of Conduct, Financial Regulations and Standing Orders. Highlight essential parts and provide training where possible.	<input type="checkbox"/>	Mar-18
	Absence of Standing Orders.	Ensure that Standing Orders are produced, understood by Councillors and reviewed at least once per year.	<input checked="" type="checkbox"/>	Mar-18
	Actions by the PC outside of its powers as set out by Parliament.	As above, but ensure that powers are highlighted or extracted into effective summary.	<input type="checkbox"/>	Mar-18
	Lack of commitment to regulations and procedures.	Regular reference to appropriate regulations in agenda items. Delegation of responsibilities to individual Councillors.	<input type="checkbox"/>	Mar-18
<u>Accounts:</u>				
To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	Lack of knowledge of Council regulations and procedures. Late or non-submission of annual accounts. Year end accounts not prepared, inaccurate, or not in accordance with Council requirements. Inadequate audit trail from records to final accounts.	Financial Regulations included in Standing Orders. Training seminars attended where available. Checks undertaken by Internal Auditor.	<input checked="" type="checkbox"/>	Mar-18

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	Cheque books	All cheques signed by 2 of 4 authorised signatories (all Councillors). No blank cheques signed. Keep signatories to a minimum but consistent with practicalities.		Mar-18
	Funds	Transfer requests signed by authorised signatories prior to transfer. As above.		Mar-18
	Payments made without adequate control	Ensure all payments are authorised by the Council. Record all payments made electronically on computerised accounting system, record the cheque number on the relevant hard copy invoice and invoice is also numbered and retained on file. Random checks carried out by FOG chairman. Keep cash payments to a minimum and avoid if possible.		Mar-18
	Grants	Requests for grant-aid have to be submitted on standard pro-forma together with balance sheet or supporting data. Included as agenda item at special grant consideration meeting. If approved payment made following approval. Details of minute number and cheque recorded on pro-forma and filed in grant-aid file.		Mar-18

Aim	Risk	Method	Status: <input checked="" type="checkbox"/> Risk Managed <input type="checkbox"/> Action Required	Review Date
	VAT not properly accounted for, resulting in over-claims and large demands from HMRC.	Record VAT electronically in computerised accounting system and reclaim annually. Copy of claim filed in VAT file, with payment slip. Payment recorded electronically in accounting system. Paid by Direct Credit. Ensure appropriate publications held and that Clerk has good knowledge of regulations.	<input type="checkbox"/>	Mar-18
	Receipts - Cheque or cash	Avoid cash payments and receipts if possible. Where unavoidable bank after validation. Enter in bank paying-in book. Credit entered electronically into computerised accounting system. Presented to council quarterly. Complies with Financial Regulations.	<input checked="" type="checkbox"/>	Mar-18
	Receipts - Direct Credits	Recorded electronically in computerised accounting system. Receipt raised and sent to payer, copy of receipt lodged in accounts file. Complies with Financial Regulations.	<input checked="" type="checkbox"/>	Mar-18
	Reconciliation	Monthly bank statements checked against all payments/receipts entered on accounting system and in accounts file and reconciled by Town Clerk, endorsed by FOG (financial Overview Group- Group of Councillors who report to Governance and Finance Committee.	<input checked="" type="checkbox"/>	Mar-18


Aim	Risk	Method	Status: <input checked="" type="checkbox"/> Risk Managed <input type="checkbox"/> Action Required	Review Date
	Stamps/Petty Cash	Cash - small float kept in container in locked cabinet. Transactions entered in petty cash account on electronic accounting system. Receipts filed in petty cash file.	✓	Mar-18
<u>Salaries:</u>				
To ensure that salaries paid to employees and amounts paid to contractors are paid in line with council regulations, and are adequately monitored.	Town Clerk Secretary Cemetery Superintendent Gravedigger	Salaries set annually by NJC agreement and vote of Committee. Income tax and N.I. deducted as per HMRC real-time software. All details recorded electronically on computerised accounting system and backed up. Superannuation contributions and union dues (cemetery staff) deducted and remitted to relevant bodies monthly. Ensure employee regulations are available and understood by Clerk. Records checked by internal auditor.	✓	Mar-18
<u>Budget:</u>				
To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	Annual Budget - Lack of knowledge of budgetary process and Council regulations. Lack of commitment to budgetary process. Inadequate consideration of requirements for annual precept.	All Councillors involved in budgetary process. Budget set annually by committee on recommendation by FOG. Running total of expenditure against budget heads maintained by Town Clerk and presented to Committee quarterly. Expenditure recorded in minutes, complies with Financial Regulations and delegated authority defined as required.	✓	Mar-18

Aim	Risk	Method	Status: <input checked="" type="checkbox"/> Risk Managed <input type="checkbox"/> Action Required	Review Date
<u>Property:</u>				
To carry out adequate safety checks on all buildings, properties and equipment for which the Council is responsible.	Sessions House	Condition monitored by employees with routine daily/weekly inspection. Monthly testing of Fire Alarm system, monthly Emergency Lights. All alarms externally monitored with 3 nominated councillor keyholders. Risk assessments carried out. Fire and Rescue Inspection carried out. Limit to number of occupants adhered to. Small building maintenance issues dealt with by Town Clerk on nominated contractor basis. Periodic inspections adhered to. Contingency for business continuation short term - home working/hire of meeting places/other authorities, medium term rental of office premises/meeting places.	<input checked="" type="checkbox"/>	Mar-18
	Cemetery Lodge	No longer used or occupied. Condition monitored by Cemetery Superintendent. On his report Town Clerk/Community Resources Committee effect any necessary repairs and improvements where resolved.	<input type="checkbox"/>	Mar-18

Aim	Risk	Method	Status:  Risk Managed  Action Required	Review Date
	Cemetery Chapel - All denominations	Condition constantly monitored internally and externally by Cemetery Superintendent. On his report Community Resources Committee effect any necessary repairs and improvements where resolved.		Mar-18
	Cemetery Chapel - St. Aethelheards	Chapel used exclusively by Orthodox Christian community (5/10 year agreement) who pay rent and are charged for electricity used by Town Council. Exterior monitored constantly by both Orthodox Minister and Cemetery Superintendent on whose report the Community Resourcs Committee effect any necessary repairs and improvements where resolved. Internal condition monitored by Orthodox Minister and attended to as with external repairs and improvements subject to negotiated contribution from Orthodox Community.		Mar-18
	Town signs/seats/bins/Speed signs	Condition checked by suitably qualified contractor/handyman service. Rolling programme of repair, or replacement as necessary.		Mar-18
	Gravestone safety	Routine check by Cemetery Superintendent.		Mar-18

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	Keys	To Sessions House Accommodation Nominated Key Holders, Town Clerk, Secretary and Mayor. Cemetery Superintendent, Cemetery Assistant and Town Clerk assorted cemetery keys.	✓	May-18
<u>Asset Register:</u>				
To identify, value and maintain all assets of the Town Council and ensure that asset registers are complete, accurate and properly maintained.	Lack of knowledge of assets of Town Council. Assets lost or misappropriated. Inadequate or inaccurate valuation of the Council's assets. Asset register inadequately maintained.	Asset Register established and maintained by Town Clerk; includes all assets, values and insurance values. This is used as the basis for the insurance review process.	✓	Mar-18
<u>Policies:</u>				
To comply with appropriate Government legislation regarding disability, racial equality, safeguarding, Health and Safety etc.	Health and Safety. How is it managed, and how are staff and councillors advised on this? Responsibility for safeguarding children, young people and vulnerable adults. Information governance and management. Complying with Data Protection, FOI requests and possibly RIPA. Equal Opportunities. Communications. Lone Worker.	Produce and adopt relevant policies. Review at least annually.	○	Mar-18
	Risk Management	Maintained by Town Clerk and approved by Council. Reviewed annually.	○	Mar-18
	Grievance Procedure	To be adopted.	○	Mar-18
	Complaints Policy	Issued 1/4/14	○	Mar-18
	Media Policy	Adopted June 2011	○	Mar-18
	Protocol on Councillor/Officer Relationships	Issued 1/4/14	○	Mar-18

Aim	Risk	Method	Status:	Review Date
			<input checked="" type="checkbox"/> Risk Managed <input type="checkbox"/> Action Required	
	Drugs and Alcohol Policy and Procedure	01/04/2014	<input type="checkbox"/>	Mar-18
	Use of Internet Policy and Procedure	Issued 1/4/14	<input type="checkbox"/>	Mar-18
	Recruitment and Selection Policy	Issued 1/4/14	<input type="checkbox"/>	Mar-18
	Sickness Absence Policy	01/04/2014	<input type="checkbox"/>	Mar-18
	Terms and Conditions of Employment	Issued 1/4/14	<input type="checkbox"/>	Mar-18
	Loneworking Policy	To be adopted.	<input type="checkbox"/>	Mar-18
	Health and Safety Policy	To be adopted.	<input type="checkbox"/>	Mar-18
	Safeguarding Policy	To be adopted.	<input type="checkbox"/>	Mar-18
<u>Staff:</u>				
	Administration Sustainability	Preparation of procedure notes to cover all tasks performed to create an LTC manual.	<input type="checkbox"/>	Mar-18
	Loss of senior staff. What are the provisions for training replacements or hiring interim staff?	Personnel Committee to review training. Deputy Town Clerk to be appointed. LALC provide interim cover and access to relief staff on request.	<input type="checkbox"/>	Mar-18
	Damage to the council's reputation via the actions or statements by councillors or officers.	See Media Policy. Training by Monitoring Officer. Adherence to Code of Conduct.	<input checked="" type="checkbox"/>	Mar-18
<u>Sundry:</u>				

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	"Over the horizon" challenges. This means things that might happen in future that LTC can't control: population growth, an ageing population, climate change, external government policy, financial changes. These are things that might be tracked through statistics to predict where they're going.	To work with East Lindsey Area Forums to receive information required.		Mar-18
	Address Flood Risk Issues	Emergency Planning Exercise to be undertaken by Town Clerk and Cllr. D. Hobson with recommendations to Council.		Mar-18
	Treasury management. Are funds invested safely and at a decent rate of return?	Reviewed annually by FOG and recommendations to Council via Governance and Finance Committee.		Mar-18
	Elections and high councillor turnover, resulting in having lots of new councillors with little experience and now at a cost to LTC.	Training and reserve funds created for election costs.		Mar-18
	Uncertainty how Brexit will impact the Town Council e.g., through devolution.	Monitor local government networks and announcements.		Mar-18
	Reduction of funding on public sector partners.	Monitor updates from ket partners e.g., Hubbard's Hills.		Mar-18
	Resilience and quality of arrangements with 3rd party suppliers e.g., HH and CCTV.	Regular reports are received, accounts of HH are scrutinised annually by FOG.		Mar-18

By Whom

Chair / Proper
Officer (PO)

Chair / PO

Chair / PO

Chair / All
Councillors / PO

Chair / PO / RFO

By Whom

PO /RFO

PO / RFO

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By Whom

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PO / RFO

By Whom

PO / RFO

PO / RFO

All Councillors / PO /
RFO

By Whom

All Councillors / PO /
Cemetery
Superintendent

Cemetery
Superintendent / PO
/ All Councillors

By Whom

Cemetery
Superintendent / PO
/ All Councillors

Cemetery
Superintendent / All
Councillors / PO

PO

Cemetery
Superintendent

By Whom

PO / All Councillors

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By Whom