

CONGLETON TOWN COUNCIL

COMMITTEE REPORTS AND UPDATES

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| COMMITTEE: | Finance and Policy Committee | | |
| MEETING DATE AND TIME | 23 rd March 2022 7.00pm | LOCATION | Congleton Town Hall |
| REPORT FROM | David McGifford (Chief Officer) and Serena Van Schepdael (Responsible Financial Officer) | | |
| AGENDA ITEM REPORT TITLE | 14 Annual Review of the Business Risk Assessment | | |
| Background | <p>Risk Management is an essential part of effective corporate governance. The Council has a statutory duty to have in place arrangements for managing risk as stated in the Accounts and Audit regulations 2015:</p> <p><i>“A relevant authority must ensure that it has a sound system of internal control which ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk”</i></p> <p>Congleton Town Council acknowledges that it has a responsibility to manage its risks effectively in order to protect its employees, assets, liabilities and community against potential losses. The Council is aware that not all risks can be eliminated fully, however through correct and careful procedures there will be a focused approach to managing any risks.</p> <p>Congleton Town Council currently adheres to the guidance given by JPAG (Joint panel on Accountability and Governance) in their publication “Governance and Accountability for Smaller Authorities in England” Section 5 for the layout of the Business Risk Assessment. Behind this sits detailed risk assessments for all Streetscape activities, Town Hall activities, Paddling Pool, and events in the town centre.</p> <p>Congleton Town Council are also audited 3 times per year, the Internal Audit checks that we have adequate provision and policies in place to support the Business Risk Assessment.</p> | | |
| Updates | The management team has updated the Business Risk Assessment in its current form for 2022-23. All updates are highlighted in Appendix 14.1. | | |
| Decision Requested | To approve the Business Risk Assessment 2022-2023 | | |

Business Risk Assessment 2022/23

Appendix 14.1

| Area | Risks Identified | Likelihood of risk (Score 1 – 3) | Potential Impact (Score 1 – 3) | Risk Rating (Low, Medium, High) | Management/Control of Risk | Review/Action required |
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| ASSETS and SERVICES | | | | | | | |
|----------------------------|----------------------------------|--|---|---|-----------|--|---|
| 1a | Security of Town Hall Building | Theft Maintenance Staff Safety Third person use | 1 | 2 | 2 Low | Building property insured and reviewed annually. Alarm systems with automatic response for Town Hall. Low crime rate in Congleton. Weekly fire alarm checks and annual servicing. Record all incident Third parties sign a contract re liabilities. CCTV installed throughout the building | Weekly checks of property and actions taken to correct maintenance. CCTV Policy written and adopted -checked annually |
| 1b | Security of Town Treasures | Theft, damage | 1 | 3 | 3-Med | Treasures locked in the safe. Keys held by CO and current Mayor. CCTV installed to view door of safe. Responsible person with treasures at all times if used for ceremonial or public viewing. <u>Town Treasures signed in and out if taken out of the building (date and name of person taking)</u> | Regular checks need by Town Hall Manager /CO |
| 1c | Maintenance of Town Hall, Museum | Not adequate budget for grade 2 building H&S – antisocial behaviour | 1 | 3 | 3-Med | Ensure budget set for maintenance through Town Hall <u>and Asset</u> Committee and Council. Town Hall Manager to inspect property on regular basis for maintenance issues | Monitor budgets |
| 1d | Town Hall Car parking area | H&S – vehicles and people | 1 | 3 | 3-Med | Lighting, CCTV -and sign added and general maintenance | Regular checks by Town Hall Manager |
| 1e | Paddling Pool | Health and Safety Risk to workers, public and users | 2 | 3 | 6 High | Staff trained and Paddling Pool supervised when open. <u>Detailed Method of Operating Procedures used by staff</u> | Check procedures annually, make sure staff training is up to date. |

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| | | Theft and damage to pump room and area. Storage of Chemicals | | | | COSH Sheets and written procedures in place Detailed lock up procedures Insurance and Public Liability in place. Maximum number policy added for busy periods which has been implemented during hot weather since summer 2018. A new booking system in place to ensure attendees do not go over maximum capacity. | |
| 1f | Paddling Pool | Finance: Increase in costs will have an impact in Precept or other areas of the Council | 2 | 2 | Med | Reviewing operating hours and ability to charge for entry | |
| 1f1g | Hillary Avenue Allotments –CTC owns the land | H&S of users Safety of site | 1 | 2 | 2-Low | Work closely with the Allotment Association who manage the allotments on a day to dayday-to-day basis. Regular Site inspection. CTC public liability insurance | Review contract and working arrangement |
| 1g 1h | Cenotaph Memorial Sgt Eardley statue Treo memorial and Our Elizabeth statue | Vandalism, damage, deterioration | 1 | 3 | 3-Med | Regular checks of site for vandalism and damage included on our asset register for insurance. Within range of Town CCTV. Annual waxing of statues and a maintenance plan in existence for stone. New uplighters being added 2020. | Part of Streetscape checks |
| 1h1i | Community Garden | H&S of users | 1 | 2 | 2-Low | Responsible for the site. Regular checks and any hazards made good. On Town Council insurance. Regular volunteers working on site | Part of Streetscape checks |

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| | | | | | have signed the volunteer register. Volunteer policy updated 2019. | | |
| 1 1j | Community Polytunnel | H&S of users Theft/vandal | 1 | 1 | 1 Low | Regular of inspection of site. Extra checks when used. Nothing of value kept here. CTC insurance | Part of Streetscape checks |
| 1 1k | Christmas Lights | Theft. Safety of use | 1 | 1 | 1 Low | Insured through Town Council and stored securely. Use of professional operator to check, service, install and remove lights. Anchor points checked, tested and certified on rotation as best practice | Renewal of <u>three-year contract with trained equipped and licenced contractor in place for installation, maintenance and storage. Currently in year two which includes maintenance underway for 2021–2023 inclusive.</u> |
| 1 1l | Streetscape Services - Operations | Health and Safety risk to workers, public and contractors Contract changes | 1 | 3 | 3 Med | Risk Assessments carried out for all procedures and new pieces of work. Staff trained Consideration over implications of contracts e.g. vehicles with potential contract changes | Streetscape Manager to check risk assessments and training annually. |
| 1 1m | Events <u>in the Town Hall</u> | Health and Safety risks to workers, volunteers, contractors and public. <u>Risk to Town Council and Town Hall reputation</u> | 1 | 3 | 3 Med | <u>Often organised by third parties. Commercial partner assumes responsibility for event. Organisers asked for Risk Assessment and Public Liability. in place for each event Only approved caterers used. Bar services must be through Town Hall DPS SIA door staff used when evening party event involving alcohol. Bookings are not accepted for 18th birthday parties. Public liability put in place for events</u> | <u>Maintain existing procedures, and to be reviewed during 2022-23 once future arrangements decided.</u> |

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| | | | | | | All documentation from third parties checked. Volunteer policy updated | |
| <u>1n</u> | <u>Town Council led events.</u> | <u>Health and Safety risks to workers, volunteers, contractors and public . Risk to Town Council reputation</u> | <u>1</u> | <u>3</u> | | <u>Public liability put in place for events</u> <u>All documentation from third parties checked. Volunteer policy updated</u> <u>All major events are sent to CEC Event Safety Advisory Group for clearance. All contractors RAMS checked.</u> | <u>Maintain existing procedures and ensure new staff are trained.</u> |
| <u>1om</u> | Licences | Financial penalty/liabilities for not having correct licences | 1 | 2 | <u>2-Low</u> | All licences stored on H Drive and in filing cabinets PPL and PRS reviewed annually Premises Licence held for Town Hall and Town Centre | Maintain existing procedures |
| 2 | Finance and Contracts | | | | | | |
| <u>2a</u> | Banking | Failure of Bank | 1 | 3 | <u>3-Med</u> | Funds located in 3 separate banks Policies in place in Financial regulations | RFO continual monitoring |
| <u>2b</u> | Investments | Level of investment | 1 | 1 | <u>1-Low</u> | Investment policy in place | RFO and Council to review annually or potentially sooner if negative interest rates. |
| <u>2c</u> | Precept | Precept sum inadequate Late Payment from local authority | 1 | 2 | <u>2-Low</u> | Budget and Precept considered by Finance and Policy Committee & Full Council each year. Contingencies in place through reserves. | RFO and Council to review annually |

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| 2d | Financial controls and records | New member of staff replacing experienced RFO | 2 | 2 | 4 -Med | New RFO to undergo CPD training when available. be qualified AAT or similar and to undergo training. Financial Regulations reviewed annually. Internal and External audits and regular Finance and Policy Committee Meetings | Maintain existing procedures and provide training to new RFO |
| 2e | Petty Cash | Payments not accounted for | 1 | 1 | 1 Low | All petty cash payments supported by relevant paperwork. Checked by Internal Audit. Processes in Financial Regulations. Petty cash to be verified twice yearly. | Maintain existing procedures |
| 2f | Cash | Loss through theft or dishonesty | 1 | 1 | 1 Low | Cash reconciled and banked regularly. Unbanked cash locked in office. Fidelity Guarantee Insurance in place via Zurich. | Maintain existing procedures |
| 2g | Bank Reconciliations | Inadequate Checks Bank Errors | 1 | 1 | 1 Low | Bank reconciliations completed monthly and verified by a member of Finance and Policy committee. Checked via Internal Audits and reported to every Finance and Policy Committee | Maintain existing procedures |
| 2h | Budgetary Process | Inadequate budget preparation leading to inability to fulfil obligations | 1 | 1 | 1 Low | Budget considered by Finance and Policy Committee and Full Council. Income and expenditure considered at every Finance and Policy Committee. Internal and External audits in place and follow financial regulations. | Maintain existing procedures |
| 2i | Payments | Goods not supplied but invoiced. Invoices incorrect. Invoices unpaid. | 1 | 3 | 3 Med | All invoices checked and initialled for accuracy and receipt of goods/services in line with comprehensive financial regulations. List of payments presented to Finance | Maintain existing procedures |

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| | | | | | Committee. Clear audit trail of all expenditure and checked via Internal Audit | |
| 2j | Approval of Expenditure | Unauthorised purchase Fraud | 1 | 3 | 3 Med All payment orders authorised by Council as per Financial Regulations. | Maintaining existing procedures |
| 2k | Cheque Books | Loss of Cheques Fraudulent use | 1 | 3 | 3 Med All cheque books are kept locked in the office. All cheques double signed by 2/6 of the Council signatories and only when matched to a purchase order No blank cheques signed. To be used in line with Financial Regulations and checked by Internal Audit | Maintaining existing procedures but currently due to Covid all payment made by BACs – worth continuing post Covid. |
| 2K(i) | BACs payments | Payment to wrong supplier | 1 | 1 | 1 Low Finance Officer Asst prpr produces bank schedule and emails to 2 signatories and inputs to bank. RFO authorises bank payment whilst also double checking bank details and amounts. | Maintain existing procedures |
| 2l | Credit Card | Loss of Card Fraudulent use | 1 | 1 | 1 Low Credit card kept double locked in Council office. Usage set out in the financial regulations. Current credit limit £3000 | Maintaining existing procedures |
| 2m | Salaries | Incorrect payments to staff | 1 | 2 | 2 Low Use external professional team Mitten Clarke to calculate wages monthly. BACs payments checked and signed by 2/6 signatories. Subject to internal audit. Ensuring sufficient | Maintaining existing procedures |

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| | | | | | | trained staff in place to undertake the task. RFO double checks sheet prior to processing. | |
| 2n | Annual Return | Not submitted on time Incorrectly completed | 1 | 3 | 3-Med | RFO aware of date and ensures requirements met. Outside external company identified that could perform task if required. RFO to produce an annual timetable to highlight deadline dates. | Maintaining existing procedures |
| 2o | Streetscape Contract | Reduction of revenue through Service Level Agreement. CEBC or third-party take-over | 2 | 2 | 4-Med | Keeping standards high. Examination and review of agreed contract 2021. Exploring additional external contracts. Look to align any third-party hire contracts with Service Level Agreement. Review of operating procedures | Review by Chief Officer and Streetscape Manager Record Risk of longer-term contract |
| 2p | Catering / events support for Town Hall | Previous contract expired March 1 st 2021 – Delay in appointing new provider (s) impacting on ability hold and service events | 2 | 2 | 4-Med | Following the end of the previous contract Town Council to review the future of events and catering needs in the Town Hall to provide a service that is good for customers, the Town Council and future partner(s) | Develop a new framework for a contract based on future needs of the Town Hall post COVID-19 |
| 2q | Town Hall Room Bookings | Linked to 2p – future use of the Town Hall | | | | | To be reviewed in line with outcome 2p |

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| 2r | Congleton Information Centre | Staff, customers, financial risk, | <u>1</u> | <u>3</u> | <u>3-Med</u> | Front line staff who take cash – banking procedures in place and safe on site. Doors locked before cashing up takes place. Weekend workers never in the building alone Third party ticket sales – contracts in place making clear no liabilities to CTC Financial regs for purchasing goods in advance of sales | Ensure all policies in place and understood by all staff in the CIC Ensure contracts are in place for new ticket suppliers. |
| 2sf | New Suppliers | VAT & Bank accounts/Payments fraud | <u>2</u> | <u>2</u> | <u>Med</u> | Full checks on all new suppliers taken on including VAT number check, Companies House check, and bank account check. All confirmation required on letterhead paper separate to invoice received. | New supplier form has been introduced which included checklist of online checks required. |
| 3 | Legal Liabilities | | | | | | |
| 3a | Ensuring the Council Acts within its legal powers | Ultra Vires Acts incurring financial liability | 1 | 2 | <u>2-Low</u> | Chief Officer and two three members of staff CiLCA qualified. Use of manuals, advice from NALC and SLCC. | Maintaining existing procedures |
| 3b | Insurance | Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered. Policy lapsed. | 1 | 3 | <u>3-Med</u> | Council covered by Zurich. Review of Policy with company checked annually for relevance and every three years competitively. Insurance approved by Council. Annual update of asset values and checks of contracts and policies. | Maintaining existing procedures Update Asset Register annually Review overall valuation of the Town Hall being the Town Councils key Asset |
| 3c | Compliance with Inland Revenue Requirements | Payments missed. Year-end returns inaccurate or submitted late. | 1 | 3 | <u>3-Med</u> | Sage Payroll system calculates wages, pension and NI. Liaison with Cheshire Pension Services. Subject to Internal Audit. | Maintaining existing procedures |

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| 3d | Health and Safety of Staff, Visitors and Contractors | Liability incurred if Council found to be at fault | 1 | 3 | 3-Med | Council has Health and Safety Policy for employees and protect of the public. Separate Risk Assessments in place for all property and activities carried out. £10million Public Liability Insurance. Regular contact with streetscape staff and Lone Workers. | Risk Assessments reviewed by managers at least annually. |
| 3e | Legal Liability as a consequence of Asset ownership | Injury caused through fault with asset or incorrect training in operation. | 10 | 3 | 3-Med | Buildings and other assets inspected regularly by staff for faults. PAT checks carried out annually or as needed. Appropriate training given. | Under constant review |
| 3f | Computer Records | Reliability of system. Loss of data through system error or theft. | 1 | 3 | 3-Med | Office 365 now used with replacement server within the Cloud. Contract with Prism to provide IT services within an hour (office hours) Professional anti-virus software and Firewall. Confidential files password protected | Maintaining existing procedures |
| 3g | Paper records | Storage of ancient documents Retaining documents appropriately | 1 | 1 | 1-Low | Where appropriate stored in museum or safe. Reviewing off site storage for documents that need to be kept under document retention policy but not used. | |
| 3h | Tendering Process | Procedures not followed for significant contracts. Best value not achieved. Fraud. | 1 | 3 | 3-Med | Outlined in the Financial Regulations. Tender documents opened in the presence of at least two councillors and Chief Officer | Maintaining existing procedures |

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| 3i | Register of Members Interests | Not maintained in accordance with Code of Practice | 1 | 2 | 2 Low | Up to date Code of Conduct adopted by Council. Register of Interests filed with CEBC and on CTC web site. Written declarations of interests submitted to the office by councillors. | Maintaining existing procedures |
| 3j | Proper Document Control | Documents unaccounted for. No proof of documents received. | 1 | 1 | 1 Low | Filing system established and updated. Data Protection Act and GDPR requirements in place. Document retention policy in place. Councillors' mail available for collection – currently scanned and emailed. | Maintaining existing procedures |
| 3k | GDPR | Failure to safeguard personal information. Misuse of information lead to break of regulations | 1 | 3 | 3 Med | Firewall and IT security regularly updated. Database audit checked annually. Data protection and privacy policy published. ICO registration checked and paid annually. All data collection sheets state purpose and how stored and used. | Maintain existing procedures |
| 3l | Climate Change Emergency | Failure to reduce carbon impact from services and activities and to meet mitigation measures to meet Climate Change Emergency | 2 | 2 | 4 Med | Establishment of a Green Working Group for the town council which monitors carbon footprint. | Consider Environmental impact on all services and activities. |

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