

EPC RISK ASSESSMENT – 2 FEBRUARY 2017

| Status | Likelihood | Risk Description | Measures Taken | Recommendations/Controls |
|---------------|-------------------|--|---|---|
| High | Medium | Protection of Council properties, furniture and equipment. | Property Damage Insurance. Up-to-date Asset Register. Regular maintenance of equipment. Annual PAT testing of electrical small appliances, alarms and fire extinguishers. Security marking. | Annual check on insurance values Asset Register Maintenance Log. Use of Qualified Tradesmen. Use of a Reputable Insurance Provider. |
| Medium | Medium | Damage to third party property or individuals. | Public Liability Insurance. Annual visual check on exterior area. Ongoing maintenance to footpaths and vegetation. | Annual check on level of cover in place. Logged system of complaints received and action taken. Ongoing review. |
| Low | Low | Loss of cash through theft or dishonesty. | Fidelity Guarantee. Secure storage of cash. | Annual Check on level of cover in place. Thorough vetting process of job applicants and annual staff reviews. Obtain safe. |
| Low | Low | Legal liability as a consequence of asset ownership. | Public Liability Insurance. | Annual check on level of cover in place. |
| High | Medium | Damage to or by vehicles or personnel using own vehicles. | Loss of no claims bonus cover. | Annual check on insurance cover in place. |
| High | Medium | Insolvency of insurance company | Use of one of the largest companies providing specialist cover for Councils. | Free legal service and advice from NALC. |

Internal Audit assurance testing may include:

- Review of internal controls in place and their documentation.
- Review of management arrangements regarding insurance cover.
- Testing of specific internal controls and reporting findings to management

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|---------------|-------------------|--|---|--|
| High | Medium | Keeping proper records in accordance with statutory requirements. | Monthly scrutiny of financial records and approval of pending expenditure Employment of RFO. | Annual adoption of financial regulations, Internal Audit, Annual External Audit, Staff training. |
| Medium | Medium | Ensuring all business activities are within legal powers applicable to local councils. | Use of committee budgets to allocate expenditure. Records show legal basis of expenditure. | Monthly reports. Internal Audit. External Audit. |
| Medium | Medium | Complying with restrictions on borrowing. | Borrowing approval authorised by Council in line with current restrictions. | Reference to Local Council Admin book (CAB) for current restrictions. |
| High | High | Ensuring that all requirements met under Employment Law and Inland Revenue Regulations. Unfair Dismissal Claims. | Regular returns to inland revenue: contracts of employment for all staff, systems of updating records for any changes in relevant legislation. Disciplinary policy and grievance procedure. | Membership of Employers Organisation/NALC. Legal expenses cover. |
| High | High | Ensuring that all requirements are met under Customs & Excise Regulations (especially VAT) | Regular returns to Customs & Excise. | Update on Council's position needed. |
| High | Low | Ensuring adequacy of annual precept and control. | Approval of budget by full Council. Regular budget monitoring statements. | Timetable for approval of budget/fix precept. |
| Medium | Low | Ensuring the proper use of funds granted to local community groups under specific powers or Under S.137. | Identification of items paid under Section 137 and reported in the annual accounts. | Quarterly internal audit. Annual external audit. |

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| Low | Low | Proper, timely and accurate reporting of council business in the minutes. | Minutes properly numbered and paginated with a signed master copy kept in safekeeping. Minutes circulated. | Minutes approved at next meeting. Internal audit check. Computer back-up. Safe needed. |
| Low | Low | Failure to respond to electors wishing to exercise their rights of inspection. | Minutes placed on notice boards for public inspection. Advising of end of year accounts and making them available for inspection to the public as required under the Finance Regulations. | Accounts and signed returns to External Auditor by due date. |
| Medium | Low | Meeting the laid down timetables when responding to Consultation invitations. | Consultation documents presented to next appropriate Committee/Council meeting. To plan procedure and deal with the response. | All consultation documents to be recorded on agendas. Members report to Committees/Council. |
| High | Medium | Procedures in place for recording and monitoring members' interests, gifts and hospitality received. | Disclosure of interest register and a register of gifts and hospitality received Disclosures of interests as item on agendas as prompt to report changes. | Internal audit check. Full annual review and separate records kept. |
| Medium | Low | Provision of amenities/Facilities for use by third parties and community groups. | Leases and agreements in place for use/hire of amenities/of facilities by third parties and community groups. | Annual review of leases and agreements. Annual letter to regular hall users to confirm current Public Liability held. See application form. |

Internal Audit assurance testing may include:

- Review of internal controls in place and their documentation
- Review of minutes to ensure legal powers in place recorded and correctly applied
- Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc. including petty cash
- Review and testing of arrangements to prevent and detect fraud and corruption
- Testing of disclosures
- Testing of specific internal controls and reporting findings to management.

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|---|-------------------|---|---|--|
| High | Medium | Failure of computer system/IT security. | Password procedures in place. Virus protection (automatically updated). | Review needed for if all system is corrupted/items stolen/back-up system. Installation of Office 365 thereby assuring an off-site copy of all files and records is kept. |
| High | Medium | Security of vulnerable buildings. | Intruders and fire alarms where necessary. Provision of fire extinguishers and staff training. Secure locks and annual review of security. Record of key holders. | Annual servicing of alarms and fire protection equipment. Annual basic fire training. Periodic fire survey |
| High | Medium | Banking arrangements. | Regular banking reconciliations, independently reviewed. Two signatures for general account, cheques and transfers. | Monthly reports to Finance Committee/member examination of transactions. Internal audit. External audit. |
| High | High | Changes to legislation and procedures. | Provide effective training for staff and councillors. | Provide adequate budget for staff and councillor training. Need an annual review/list of training needs etc. |
| <p>Internal Audit assurance testing may include:</p> <ul style="list-style-type: none"> ➤ Review of internal controls in place and their documentation ➤ Review of minutes to ensure legal powers are available, and the basis of the Powers recorded and correctly applied. ➤ Review and testing of arrangements to prevent and detect fraud and corruption ➤ Review of adequacy of insurance cover provided by suppliers ➤ Testing of specific internal controls and report findings to management. | | | | |