

Meeting: Finance and Administration Committee

Date: 23rd April 2024

Author: Town Clerk

Item for Consideration: Risk Assessments for Finance and People

1.0 Introduction

Kingswood Town Council is required to undertake an assessment of all its risks and put in place arrangements to reduce those risks. As the council does not have any assets, and is not active in an operational manner, it is not yet necessary to have the traditional risk assessments for manual activities, such as working at height, lifting, operating machinery etc. However, the council does face other risks, that are mainly related to currently having a single member of staff who also operates on all financial matters. As the council recruits additional staff, the risks will reduce as the workload and responsibility are spread across a staffing team and thus reducing the single point of failure.

1.2 The clerk has provided the following tables at Appendix A that lists the possible risks and what can be done to reduce those risks. This is a work in progress and the list will be updated as circumstances change.

2.0 Recommendation

2.1 That the Finance and Administration Committee note this report.

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Appendix A

People Risks

Category: People

| Ref No | Name of Risk | Cause and Description | Impact | RAG Score | Control Measure | Actions |
|--------|--------------------|---|---|-----------|---|--|
| S1 | Injury or death | Accidents, trips and falls, burns and scalds, poorly planned events, terrorism | Death or injury | Medium | Training, procedures, risk assessment, Insurance | To identify all risks and ensure risk assessments are in place |
| S2 | Staff wellbeing | Failure to recruit and maintain staff morale, failure to maintain staff health, leading to unsafe or unhealthy working conditions | Loss of staff and good will | Medium | Staff appraisal, internal communications, staff training programme, staff and councillor meetings face to face | To ensure that the staff are included in decisions |
| S3 | Staff retention | Impact on projects and service delivery and the general running of the councils | Council ineffective | High | Commitment to support staff wellbeing, for staff to be involved in staffing committee, staff to receive regular feedback, staff to be supported by committee Chairs | Implement a feedback loop for staff to keep councillors updated, and engaged, |
| S4 | Loss of Key Staff | Inability to pay suppliers, to manage finances, to complete statutory duties, to hold meetings | Impact on smooth running of the council | Medium | To employ more than one member of staff. To have contacts of SLCC to find temporary cover, to ensure that procedures are written down, to distribute knowledge | To have contacts for external locum agency, external accountancy support and contacts for meetings and key suppliers |
| S5 | Claim from staff | Staff claiming compensation for employment defects | Financial and reputational | Low | Model contract of employment, Confidential matters discussed by staffing committee, committee to keep up to date with employment law | Seek quote for HR/legal employer services |
| S6 | Insufficient staff | Insufficient staff to deliver projects resulting in slow delivery and possible change in direction | Reputational, | Medium | Town Clerk to update council on projects and inform of impact of increased workload or need to recruit. | Ongoing workforce planning, and to assess staffing needs and cost on each project. |

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Appendix B

Financial Risks

| Ref No | Name of Risk | Cause and Description | Impact | Control Measure | Actions | Notes |
|--------|--|---|-------------------------------------|--|---|-------|
| F1 | Incorrect precept request or late request | Council not receiving its annual funding | Financial | Minutes record amount and checked by Chair after meeting | New staff member will reduce the risk | |
| F2 | Precept paid to wrong account | Incorrect details provided to SGC | Financial | SGC have checked it is accurate | Keep the same bank account | |
| F3 | Payroll Fictitious people added to payroll | Funds being used to pay others and not genuine staff members | Financial | Starter form to be signed off by Clerk and Chair 2 bank signatories who see all invoices or records to pay | Bank signatories to know who is being paid and challenge any unrecognized payments | |
| F4 | Payroll Incorrect payment | Too much or too little paid to staff | | Outsourced to Payroll agency and all paperwork checked by town clerk | Regular reviews that current rates are being applied | |
| F5 | Payroll Nonpayment of staff | Clerk not making payments | Loss of staff morale, financial | For new staff to be able to make payments onto back, in agreement with council | Payments onto bank to be authorized to both town clerk and Assistant Town Clerk | |
| F6 | Theft of money from bank accounts | Councillors, staff of others with access to account removing sums | Financial and reputational | Monthly bank reconciliation Signed by Chair and Clerk Bank signatories limited to 6, and 2 are needed to authorize every <u>transaction</u> For the list of invoices to be sent to bank signatories for them to match against bank payments | To be reconciled with financial package and audited <u>annually</u> For different councillors to action, not rely on the same 2 all the time | |
| F7 | Financial records not up to date | Adverse audit result, legal action, | Impact on smooth running of council | Clerk/RFO to be up to date with changes, to attend all relevant training, | For additional staff to be employed who can undertake this function | |
| F8 | Financial records that are inadequate or non-compliant | Adverse audit result, legal action, | Impact on smooth running of council | Clerk/RFO to be up to date with changes, to attend all relevant training, and implement best practice, and rely on advice of internal auditor who supplies an annual report to council | Annual internal audit actions to be implemented | |
| F9 | Payments for goods that have not been supplied | Loss of funds | Financial | PO system, use accounts software, bank reconciliation to match against invoices. | Use purchase orders, all invoices to be checked, all invoices signed by 2 councillors before payments, all invoices signed to be emailed to bank signatories before authorization | |