

	<b>Risk</b>	<b>Steps taken to control or mitigate risks</b>
<b>Change of Council</b>	<b>Maintain smooth operation of accounting function</b>	Procedures in place to amend cheque signing authority with the bank.
<b>Data Protection</b>	<b>Phishing, virus attacks</b>	Virus protection in place. External data sources scanned before plugging into system.
<b>Handling Cash</b>	<b>The greatest risk, as highlighted in previous internal audits, is the handling of cash from Market Traders</b>	Whilst this is not material in an audit sense proper procedures should be in place to minimise the risks. The policy is that all regular users of the Market pay their fees monthly by BACS directly into the bank account. A list of market traders is kept and the money received checked against this. Casual traders pay cash to the Market officers, they maintain their own receipts books to record these. The money is handed to the RFO, usually the day it is received or the soonest working day. A receipt for this is then given by the RFO. This money is also recorded against a list of Market Traders, this provides a cross reference to ensure the correct money has been paid and when.
<b>Management of Assets</b>	<b>Custody, control and maintenance</b>	These are recorded under an asset register together with copies of the purchase invoices and photographs of the asset itself. Management and maintenance of assets: a full schedule of Building Maintenance is budgeted for and checked monthly to ensure inspections have been carried out. There is a "Building Maintenance - Annual Works" programme which is maintained by the RFO/Ops Manager
<b>Bank Payments</b>	<b>Unauthorised payments to 3rd parties</b>	Bank payments; all payments are authorised and cheques are signed by two Councillors. A selection of payments are checked by the internal auditor 6-monthly. The bank accounts are reconciled every month and are also checked by the Internal Auditor. Standing Orders and Direct Debits can only be set up on completion of the relevant Banking Forms and authorised by two Councillors. We have the facility to pay by BACS for items agreed by F&E in advance, the RFO inputs the data and one Councillor has to authorise payment in accordance with that presented to the F&E Committee. The Council has a debit card it for internet purchases. It is kept in the safe and is only used under the authority of the Town Clerk. It has a limit of £250

<b>Risk of Bank Failure</b>	<b>The banking system collapses</b>	We currently have all our cash with Lloyds Bank. Lloyds is a major High Street Bank with world wide operations and Capitalisation of £806.688 billion.
<b>Petty Cash</b>	<b>Theft</b>	All petty cash expenses, for the Council and Tourist Information Office, are accompanied by receipts and a selection are checked by the Internal Auditor. Petty cash is insured up to £200 (the float). The Petty Cash tin is locked in the safe over night and the key to the safe kept off site outside office hours. Petty Cash is reconciled at least twice a month. Cheques for cash for are signed by two Councillors on presentation of receipts. Cheques are cashed by the RFO.
<b>Payroll</b>	<b>Payment of wrong salaries or to phantom employees</b>	Salaries are presented to Council as part of the budgeting process. Staffing is agreed by Council along with salary scales. Payrises are according the Nationally agreed scales. Payroll settlement, tax, NI and pension contributions, is outsourced. However, the hours and extras are calculated by the RFO with reference to time sheets authorised, where applicable, by the operations manager. These are then reviewed and signed off by the Town Clerk. Payroll is also sampled by the internal auditor with reference to contracts and standard Local Government payscales.
<b>Placement of Contracts</b>	<b>Preferential treatment</b>	We are obliged to advertise all contracts worth over £25,000 on the Government's Contract Finder Website ( <a href="https://www.contractsfinder.service.gov.uk">https://www.contractsfinder.service.gov.uk</a> ). In practice all contracts of over £5,000 are placed on this site as the responses have been very good and attract nationwide interest. Other contracts for over £1,000 three quotes are obtained. All such contracts are presented to Council for approval. Specifications are written to ensure all quotes are based on the same level of work. Council ensures that all contractors have adequate public liability,PI (if required) and other insurance cover and safety certificates. Council ensures that work is of a good standard and completed prior to releasing payment.
<b>Purchase Orders</b>	<b>Unauthorised ordering of materials etc.</b>	Purchase Orders need to be authorised by the Operations Manager and/or the Town Clerk and input by the RFO. These are then automatically matched to final invoices when these are entered on the Purchase Ledger. Prior to settlement Purchase Orders appear as "Committed Expenditure" in the accounts
<b>Purchases/Payments</b>	<b>Unauthorised payments</b>	All payments are backed up by invoices that are coded to Budget codes on the Nominal Ledger and allocated to one or more of 16 Cost Centres. All payments by cheque are signed by two Councillors. Payments are reported to F&E Committee on a monthly basis and to Full Council on a quarterly basis. All ledgers and invoices are open to scrutiny by Councillors.

<b>Purchases</b>	<b>Unauthorised purchases</b>	As above all major purchases are evidenced by quotes and purchase orders. For smaller items delivery notes are retained and matched to invoices. Invoices are then agreed by a third party. The TIC carries out an annual stock take to ensure purchased goods not sold can be accounted for. For unusual items those purchasing or ordering goods should do so only after checking with the RFO that funds are available within the budget. Any unexpected requests for payment and/or invoices are queried by the RFO. Invoices include the names, or initials, of those who placed the order so that they can be asked about the order.
<b>Receipts/Sales</b>	<b>Syphoning off of Council receipts</b>	Sales ledger in operation for Bookings of Town Hall, Golden Acre, The Common, Bridge End Garden and the Bandstand. Bookings are entered into the system by the Bookings Officer. Invoices raised once a month by the RFO. Customers are encouraged to pay by BACS, this is posted at least weekly usually more frequently. Reconciled at month end. The Sales Ledger is also used to invoice major customers (eg Funeral Directors). Instructions to invoice are given by the Cemetery Officer and raised by the RFO. Regular Market traders pay by Direct Debit or Standing Order, receipts are posted once a month and reconciled against the bank. Cash receipts are banked daily. Audited by the internal Auditor
<b>Tourist Information Centre: Receipts</b>	<b>Syphoning off of Council receipts</b>	Cash and cheques are entered into the till in the TIC and are banked once a week and reconciled against the EPOS Till reports. This covers all receipts received by the TIC. 3rd Party money is held separately: Saffron Screen and Saffron Hall cash/cheques banked on their behalf into their accounts, credit card receipts are paid directly into their accounts. Reconciled with their Bookings software. Other 3rd parties (one off promoters) cash and cheques are only methods of payment and these are handed to the promoter after the event. This is reconciled against the finite number of tickets the TIC is given to sell on their behalf. This is subject to a quarterly review by the Internal Auditor
<b>Tourist Information Centre: Payments</b>	<b>Unauthorised payments</b>	Purchases are made via invoices presented to the RFO which are authorised by M Starte and are annotated with TIC's own order number system, this is matched to invoices and goods received file. TIC maintains its own Petty Cash float, payments are recorded in a book and reconciled by the RFO to invoices once a month and a cheque drawn.
<b>Stock</b>	<b>Pilfering, shoplifting</b>	The only material "stock" is held by the TIC (approx. £10,000) at any one time. A full stock take is carried out once a year in March just prior to year end. Stock is kept either on display or in the cellars under the shop with only staff access. Shoplifting is negligible. Stock review is carried out as part of the Internal Audit review. Stock take software allows reconciliation of stock at any time.
<b>Loss of data. Disaster Recovery</b>	<b>Major disaster befalls Saffron Walden</b>	All computer data is backed up on a daily basis by our IT providers (Force36). In the event of a loss the office data can be recovered and operations continue.

<b>Mayoral Chain and regalia</b>	<b>Theft or damage</b>	The chain is kept locked in the safe except when in use during Mayoral functions. The chain is insured. The large mace and the two smaller maces are kept by the Saffron Walden Museum. These are insured under the Museum's insurance. The larger mace is also insured by the Town Council as it is used in public ceremonies twice a year. The Mayoral Chain is not permitted to be taken out of the UK without the express permission of Full Council (Min Ref FC106-16 Oct 2016). All regalia was professionally valued in 2017 and is appropriately insured.
<b>Unforeseen expenditure or significant drop in budgeted income</b>	<b>Council has exceeded budget, insufficient Precept requested.</b>	Council has built up General Reserves and has Earmarked Reserves that could be drawn upon in the event of a shortfall. This means the Council could continue to operate for a minimum of 3 months and cover its current regular outgoings. The Council carries out a lengthy and robust budgeting exercise.
<b>Insurance</b>	<b>Insufficient insurance cover. Insolvency of insurance company. Uninsured or under insured items</b>	The Council uses professional brokers (WPS) familiar with the needs and risks of Town Councils. The insurance is placed with large companies providing specialist cover. Insurance is reviewed annually. Professional valuations are acquired when needed. Brokers are informed of any new asset acquisition.
<b>Pension Fund</b>	<b>Capitalisation failure by Pension Provider, insufficient funds to pay staff pensions</b>	The pension provider (Essex Pension Funds) is monitored by Essex County Council. Annual actuarial reviews are carried out together with a triennial revaluation. All contributors to the Fund pay an amount to fund the actuarial deficit. Funds are invested in secure quoted stocks and exposure is limited to any one stock. Regular updates are provided by the ECC Pension Fund to the Council as appropriate
<b>Inflation</b>	<b>Unforeseen increase in inflation</b>	An allowance is built in to the budget and Precept Review. This is currently 1.5% and will be reviewed annually
<b>Central Government</b>	<b>Government introduces a cap to Precepts</b>	A five year budget exercise has been carried out. This is predicated on a 2% increase in the Precept. The Precept increase for 2018-19 is 1.73%. Sajid Javid MP confirmed to the House that the Government intends to defer the setting of referendum principles for town and parish councils for another 3 years. This means that there is no % restriction on the settings of Town and Parish Council Precepts for 3 years, commencing 2018/19
<b>Grant Awards</b>	<b>Overspend grants to 3rd Parties</b>	There is a budget for grants payable. This is monitored and reported on monthly as part of the budget to expenditure report

<b>Budget</b>	<b>Spending over Budget. Insufficient controls or budget monitoring</b>	Budget is approved annually by Committees and Council. Spending is made in line with Financial Regulations. Regular budget monitoring statements are presented to F&E Committee and Council.
<b>Budget</b>	<b>Expenditure on activities not within legal powers of local councils.</b>	General Power of Competence was adopted in 2017
<b>Business Continuity Plan</b>	<b>Loss of information, failure of computer system due to power failure, hardware or software failure</b>	Virus protection installed. General Reserves for emergency replacement of equipment. Rolling budget to replace equipment, contractor support, regular updates, regular back ups (kept off site). Surge protectors in place for computers
<b>Pandemic</b>	<b>Controls on movement loss of staff</b>	Arrangements for home working
<b>Staff sickness</b>	<b>Loss of staff due to long term sick.</b>	Provision within budget for temporary cover
<b>Fire, flood</b>	<b>See Business Continuity</b>	
<b>Council Vehicles</b>	<b>Damage, loss of vehicles</b>	Vehicles regularly serviced. Staff trained and competent to drive. Checked, annually, on DVLC for valid licences. Maintenance and replacement budgeted for
<b>Employee Fidelity</b>	<b>Dishonesty, fraud, theft</b>	References taken. Dishonesty clause in insurance cover. Cheques signed by 2 Councillors. Lockable Cash tin locked in safe overnight with limited access. Cash limited to £200. Cash transactions reviewed by signatories and internal auditor. Payments reported to Council

<b>Legal exposure</b>	<b>Prosecution for not meeting statutory requirements in keeping proper financial records, fees payable, damage to reputation</b>	Records kept in accordance with Accounts and Audit regulations. Training available to Staff and Councillors. Appointment of responsible officers. Operation of approved HMRC systems and providers. Contracts of employment in place. Staff handbook in place and reviewed. Members of EALC/NALC for advice. The Clerk is a member of SLCC and a member of the Local Council Public Advisory Service
<b>Claims</b>		Procedures are in place to address claims and paid professional help from Stallard Kane for H&S and employment issues is available