



Okehampton Town Council

# Okehampton Town Council Financial Risk Assessment and Management Policy

## FINANCIAL MANAGEMENT POLICY

### Definition of Risk Management

Risk is the threat that an event or action will adversely affect an organisations ability to achieve its objectives and to successfully execute its strategies.

Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.

### Risk Policy Statement

Okehampton Town Council recognises that it has a responsibility to manage risks effectively in order to protect its members, staff, assets, liabilities and the community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise its opportunities.

### Approach to Risk Management

The council's approach to risk management is to attempt to identify and manage risks in the most cost-effective manner within overall resources available.

Identified risks are recorded in the risk assessments, and the likelihood and impact are assessed. The council is aware that some risks can never be eliminated fully but endeavours to minimise risk by putting control measures in place where possible.

Risk identification forms part of the day-to-day work of the Clerk, staff and members and is considered throughout all aspects of council business.

### Responsibility for Risk Management

The Council recognises that it is the responsibility of all members and employees to have regard for risk in carrying out their duties.

If uncontrolled, risk can result in a drain on resources that could better be directed to service provision. This policy recognises that any reduction in the risk of injury, illness, loss or damage benefits the whole .

### Review

The Policy and Risk Assessment will be reviewed and updated as and when a new risk is identified, the likelihood or impact changes, or at least annually.

## **FINANCIAL RISK ASSESSMENT**

<b>Subject</b>	<b>Risk/s Identified</b>	<b>Risk Level H/M/L</b>	<b>Potential Impact H/M/L</b>	<b>Management/Control Measurers</b>	<b>Review/Assess/Revise</b>
All personnel	Health & Safety Matters	M	M	Health & Safety policy in place, annual review. Annual risk assessments - undertaken/amended as needed Regular training and reminders	Maintain existing procedures.
Allotments	Error through inadequate record keeping or checks when managed by others Error in record keeping by Council staff	M L	H M	Possibility of claim by those affected  Software purchase to minimise potential for error Entries	Council taking responsibility for 3 allotment sites in September 2026
Annual Return	Inability of software provider to complete year end close down in time. Not submitted in time.	M	M	Book RBS time early. Book internal auditor early.	Maintain existing procedures. Ongoing Training.
Approved Contractor Scheme	Not achieving value for money. Poor workmanship	M	M	Spend without prior estimate limited to £500 per allocated job. Work checked by member of staff on completion.	New initiative commencing in 2026. Review after 12 months to establish any further risks/ controls required.
Assets	Protection of physical assets	M	H	Buildings and property insured. Fire alarm & fire equipment annual test. Weekly fire alarm test. Personal Appliances annual electrical test. Six monthly lift tests. Annual play equipment checks by RoSPA. Daily and weekly checks of play equipment by in-house RoSPA trained inspector Insurance policy reviewed annually. Weekly checks conducted for remote locations	Maintain existing procedures
Assets	Inadequate security of buildings, equipment etc	H	M	Buildings secured outside working hours. Monitored intruder alarms at Town Hall, Parks Office and Workshop. Staff vigilance. Adequate lighting Regular liaison with Police	Maintain existing procedures.
Assets	Inadequate maintenance of buildings etc	L	L	Planned maintenance programme. Property and Parks Budget. Planned checking schedule.	Maintain existing procedures

				Property and parks Committee to review budget annually. Inspection of assets by Councillors/Committees as deemed necessary	
Bank and banking	Bank errors and/or inadequate checks leading to financial irregularities	L	M	Bank reconciliation carried out each month as are audits of BACS payments by nominated Councillor Financial Regulations lay down procedures.	Check to include check of budget balance on Rialtas at the beginning of the financial year, to include any rollover of funds
Budget	Inadequate budget preparation leading to inability to fulfil obligations.	L	H	Budget considered by all Committees and Council in December. Budget process commences in August/September with budget workshops for all committees to which all Councillors can attend. Balance sheet and income and expenditure considered by P&R Virements made where necessary.	Maintain existing procedures
Buildings	Unexpected repairs - the Council has a number of physical assets.	M	H	The Council has a rolling capital fund in the budget affecting a cyclical maintenance programme.	Maintain regular inspections of buildings to minimise risk of major failings.
Business continuity	Risk of Council not being able to continue business due to unforeseen circumstances (bank failure, long-term illness of staff).	L	H	Business continuity plan. Transfer capital a/c to alternative bank Insurance cover Business Continuity Plan to be updated at least annually	
Card Payment Facility	Unable to accept money due to loss or service or other fault, risk of fraudulent or inaccurate transactions	L	M	Payment by BACS, cash or cheque accepted instead Receipt to be kept and attached to the invoice Checks to be undertaken by the Clerk	New facility approved Min Ref 570, 11/01/2021
Cash	Loss of income or unforeseen major expenditure leading to cash flow problems.	L	H	Ensure adequate Reserves, level required reviewed annually including potential risk of loss of significant self-generated income. Ensure adequate insurance cover.	Maintain existing procedures.
Cemetery	Error through inadequate record keeping or checks when managed by others Error in record keeping by Council staff	M	H	Possibility of claim by those affected	Maintain existing procedures
		L	M	Software purchase to minimise potential for error Entries	
Cheque books	Loss of cheques, fraudulent use.	L	M	Cheque books kept in safe, no blank cheques signed.	Maintain existing procedures.
Collection of Income	Loss through theft or dishonesty.	M	H	Funds received by BACS or cash/cheque posted to/ brought into the office is accepted by any member	Maintain existing procedures.

				of staff available, including the Finance Officer who will have raised the associated invoice Receipts are issued and matched to invoices. All cash is banked regularly. Petty cash is reconciled to receipts monthly. Internal audit twice per annum. Unbanked cash locked in safe. Checks by Clerk	
Community Governance Boundary Review	Amendment to the boundary between the Town and Hamlets in May 2027 and addition of a Councillor to the Town Council. Additional assets to be identified (bins, benches, noticeboards). Potential financial implication with regards to precepting arrangements	M	M	Communication strategy to be agreed by OTC and OHPC. Precept arrangements to be considered and impact on the budget. Potential for delay in receipt of information from other parties allowing this to be considered in a timely manner. Unknown implications	Regular consideration of progress by council
Councillor Allowances	Non-payment of tax	L	M	Mayor/Deputy Mayor only receive allowances issued only against receipts. Councillors can claim expenses for approved travel or other items, payable against receipts. Expenses Policy refers.	Maintain existing procedures
Councillor propriety	Incomplete register of interests/failure to declare interests	M	L	Regular reminder to members. Complaints Policy & Procedure	Maintain existing procedures.
Councillor/staff propriety	Breach of confidentiality	M	H	Regular reminder to members/staff Complaints Policy & Procedure	Maintain existing procedures.
Councillor propriety	Councillors acting inappropriately and bringing the Council into disrepute.	M	H	Regular reminders of Code of Conduct Complaints Policy & Procedure	Maintain existing procedures.
Councillor/Staff breach of GDPR	Breach of regulations	M	H	Councillor and Staff training and reminders of policy and procedures which are reviewed regularly	Maintain existing procedures
Debit Card (Lloyds)	Loss of card, fraudulent use	L	M	The Clerk and the Finance Officer are the only approved card holders and are the only persons who use the cards. Prior approval of the Chairman or Vice-Chairman of the Policy & Resources Committee, or the Mayor is required for purchase over £700 by the Clerk. The Finance Officers limit is £500 in the absence of the Clerk, up to £700 with the Clerks approval. Spend over this limit with the prior approval of the Chairman or Vice-Chairman of	New card and procedures as Min Ref 380.3, 14/10/19. Card for Finance Officer approved Min Ref 158.5 21/07/2025

				the Policy & Resources Committee, or the Mayor is required.	
Election Costs	Inability to meet costs. Increase in costs due to English Devolution and Local Government Reorganisation	£ M	£ M	Provision made in budget annually. Considered within the budgeting process	
Electronic Records	Loss of data through system error or theft.	L	H	SharePoint system implemented and online backups through AME Solutions 'Air-gapped weekly backups Back-up held on and off site	Maintain existing procedures
Financial controls and records	Inadequate records leading to financial irregularities.	L	M	Financial Regulations reviewed annually. Internal and External Audit presented to Full Council. Treasury & Investment Policy & Strategy reviewed annually.	Continue to review annually.
Fuel Card	Loss of card. Fraudulent use.	L	M	Card in the name of the Council or approved person. Only available for the Park Keeper and Grounds staff to use. Audited monthly by a nominated Councillor.	New facility approved minute Ref 536 6/12/2021
Grants	Mismanagement of Grant Aid powers  Risk of fraudulent applications, misuse of monies granted to households.	L	L	Formal applications only considered by P&R, Terms and Conditions in place as per Grants Policy, budget adhered to. Applications reviewed by P&R Chair, Vice-Chair and Clerk for eligibility prior to consideration by P&R. Recommendation made to Full Council if amount exceeds P&R delegated limit.	Maintain existing procedures.
Insurance	Inadequate or deficient insurance cover. Over-insurance increasing costs unnecessarily.	L	M	Annual review of insurance needs with brokers. 5 yearly revaluations of assets (buildings and identified items)	Maintain existing procedures.
Invoicing	Services provided by Council but not charged for	L	M	Online booking system commenced April 2023. Printout of bookings from which invoices are issued, a month in advance where possible, by the Finance Officer and filed. Invoice number entered thereon. List of regular invoices to be issued is maintained. Early hastening action taken if required. Clerk undertakes checks.	Maintain existing procedures
Legal	Conduct of council business is ultra vires	M	L	Clerk to verify legal position for any new proposal. Legal advice to be sought where required.	Maintain existing procedures
Local Government Review	Unbudgeted costs relating to creation of Unitary Council, disbandment of County and	M	M	Unknown timescale for the changes and potential impact on financial and staffing challenges.	Council to keep abreast of updates and potential risks as they occur

	District Councils and the unknown impact on the town council, including potential transfer of assets and services				
Payments	Goods not supplied but invoiced, invoices incorrect, invoices unpaid.	L	M	All invoices recorded and filed on receipt. Invoices checked for accuracy and for receipt of goods and signed by Officers. Two signatories sign cheques and initial stub or payment is made by BACS, the setup being carried out by the Clerk or Finance Officer and a Councillor being second authoriser. When urgent payment is required the Clerk or Finance Officer may second authorise a payment – any such transactions are reported to the next appropriate meeting. A monthly audit is carried out by a nominated Councillor.	Maintain existing procedures.
Petty Cash	Fraudulent use, goods purchased not for Council use. Loss of cash from petty cash tin.	L	M	Cash locked in safe at night. Purchases approved by Clerk. Receipts checked by Finance Officer before cash reimbursed. Reconciled by Finance Officer to check for any irregularities Reconciled and audited monthly by a nominated Councillor.	Increased to £100 Minute ref 466.4 15 <sup>th</sup> November 2021
Public Referendum	Unbudgeted expenditure incurred in costs to carry out a referendum.	L	M	No current requirement under legislation. Proactive engagement with electorate. Newsletters or public meetings to inform electorate of specific issues of concern Policy & Resources review annually.	Maintain existing procedures.
Precept	Overspend of operational budget and/or inaccurate setting of precept level and realising demands on Precept Government imposition of referendums on town and parish councils limiting the ability of the council to raise its precept by a large enough % to meet its projected expenditure.	L	H	Budget and precept are considered by all Committees and Full Council in December each year. The precept deadline is noted and complied by the Town Clerk. Expenditure against budget considered at all Policy and Resources Committee meetings.	Existing procedures adequate.
Reports and records	Improper and untimely reporting of meetings via the minutes	L	L	Draft minutes of all meetings to be issued to all Councillors as soon as drafted. All minutes to be approved at following committee/ council meeting. All committee minutes to be ratified at next Full Council meeting.	Maintain existing procedures.

				Minutes to be available to press and public at Town Council offices and via the Council website within 5 working days of a meeting.	
Salaries and wages	Incorrect payments to staff (rates, NI, tax). Payments not made to HMRC. Pension contributions not made to Peninsula Pensions Non-compliance with year-end obligations.	L	H	Payroll undertaken internally; primarily by the Finance Officer, or Clerk in their absence. Monthly reconciliations completed for PAYE/NIC, wages control and Pensions by Finance Officer Salary paperwork and reports kept securely Payroll authorisation form checked and signed by Clerk and Mayor Payment instructions signed by two authorised signatories All correspondence filed Staff timesheets completed Excel spreadsheets used to monitor overtime and flexible hours working Internal audit. Cloud based system subscribed to September 2025.	Maintain existing procedures. Take opportunities for any available Training.
Software	Loss to data due to software packages being held on one desktop computer	M	M	Daily backups undertaken. Annual reports run and saved electronically or more often as required for record keeping	Consider moving to cloud-based options as they arise – financial software cloud integration planned for May 2026
Staff	Compliance with Employment Law	M	M	Employer Liability insurance in place (limit of indemnity £10m) Insurance cover to be reviewed annually.	Maintain existing procedures
Tenders	Best value not achieved.	L	M	Financial regulations lay down procedures	Maintain existing procedures.
Third parties	Risks to third party, property or individuals	L	M	Public & Products liability insurance in place (limit of indemnity £10m) Insurance cover to be reviewed annually. Risk assessments of individual events.	Maintain existing procedures
VAT	Errors in calculation. Payments not made to HMRC.	L	H	Use of RBS Omega software for accounts (some human error possible). Payments made quarterly to HMRC. Quarterly reconciliations by Finance Officer Internal Audit	Maintain existing procedures.

Reviewed by Council: 27 February 2017 (Minute Ref: 516)  
Reviewed by Council May 2025

Revised by Council March 2021 (Min Ref 790)  
Revised by Council September 2025

Revised by Council May 2024  
Revised by Council March 2026