

GODALMING TOWN COUNCIL

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Municipal Buildings
Bridge Street
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18 January 2019

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 24 JANUARY 2019 at 7.00 pm.

Andy Jeffery
Town Clerk

Committee Members: Councillor Bolton – Chairman
Councillor Pinches – Vice Chairman
Councillor Noyce
Councillor Wainwright
Councillor Follows

AGENDA

1. MINUTES

To approve as a correct record the minutes of the meeting held on the 20 September 2018, a copy of which has been circulated previously.

2. APOLOGIES FOR ABSENCE

3. PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman to allow members of the public to ask questions, or make a statement or present a petition. This forum to be conducted in accordance with Standing Order 5.

4. DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

To receive from Members any declarations of interests in relation to any items included on the Agenda for this meeting required to be disclosed by the Localism Act 2011 and the Godalming Members' Code of Conduct.

5. WORK PROGRAMME

Members to consider the Committee's Work Programme and to note progress on the items therein (copy attached for the information of Members).

6. BANK RECONCILIATION

The Responsible Finance Officer to table the current Bank Reconciliation for the information of Members.

Members to agree that the Chairman should sign the bank reconciliation tabled.

Governance and Accountability for Smaller Authorities in England 2018 S5.25

Members of the Public have the right to attend all meetings of the Town Council and its Committees and are welcome.

7. INTERNAL AUDITOR'S REPORT

Members to consider the report from the Council's Internal Auditor, Mulberry & Co, on an interim internal audit conducted on 9 November 2018 for the 2018/19 financial year (report attached for the information of Members).

Governance and Accountability for Smaller Authorities in England 2018 S5.105

8. REVIEW OF RISK ASSESSMENT – ENVIRONMENT

Members to consider the risk assessment on Environment (attached for the information of Members).

Accounts and Audit Regulations 2015 S3(c)

9. REVIEW OF RISK ASSESSMENT – HEALTH & SAFETY

Members to consider the risk assessment on Health & Safety (attached for the information of Members).

Accounts and Audit Regulations 2015 S3(c)

10. REVIEW OF RISK ASSESSMENT – LEGAL

Members to consider the risk assessment on Legal (attached for the information of Members).

Accounts and Audit Regulations 2015 3S(c)

11. REVIEW OF RISK ASSESSMENT – PHYSICAL & INFORMATION SECURITY

Members to consider the risk assessment on Physical Security (attached for the information of Members).

Accounts and Audit Regulations 2015 S3(c)

12. REVIEW OF RISK ASSESSMENT – REPUTATION

Members to consider the risk assessment on Reputation (attached for the information of Members).

Accounts and Audit Regulations 2015 S3(c)

13. REVIEW OF RISK ASSESSMENT – FINANCIAL

Members to consider the risk assessment on Reputation (attached for the information of Members).

Accounts and Audit Regulations 2015 S3(c)

14. REVIEW OF BUSINESS CONTINUITY PLAN

Members to review the Business Continuity Plan (attached for the information of Members).

Members to note that on 4 January 2018, the RFO tested the back-up system by accessing the back up and ensuring all data could be accessed. Accessing the backup was easily done and no issues were identified. It should be noted that the backed up data is 1 day old (i.e. it is not live), but re-performing one day's work is considered to be reasonable.

Accounts and Audit Regulations 2015 S3(c)

15 RISK MANAGEMENT STRATEGY

Members to consider the Risk Management Strategy (attached for the information of Members) if approved, Members are requested to resolve to agree to recommend the Risk Management Strategy for adoption by the Full Council.

Accounts and Audit Regulations 2015 (SI 2015/234 Pt 2)

16. BUDGETARY CONTROLS

Members to consider the updated report on budgetary controls (attached for the information of Members).

17. COMMUNICATIONS ARISING FROM THIS MEETING

Members to identify which matters (if any), discussed at this meeting, are to be publicised.

18. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 22 April 2019 at 7.00pm in the Council Chamber.

19. ANNOUNCEMENTS

Brought forward by permission of the Chairman. Requests to be submitted prior to commencement of the meeting.

AUDIT COMMITTEE WORK PROGRAMME

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Bank Reconciliation	Cllr Andrew Bolton/RFO	26 July 2018	Latest Bank recs reviewed at each Meeting of Audit Committee	Chairman to review and sign at each meeting of the Audit Committee.	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payment Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Payroll Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – issue with Employee pension contributions identified. RFO reported actions taken to resolve.	Annual review to be completed by July 2019	
Petty Cash	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
Proper Book-keeping	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	
VAT Controls	Cllr Andrew Bolton	26 July 2018	Conducted 26 July 2018 – no issues identified	Annual review to be completed by July 2019	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
Miscellaneous – Meeting 2					
External Auditor's Report	RFO	20 September 2018	Annual report received 20 September 2018. Onward Recommendation to Full Council on 10 January 2019	Annual report to be received around Oct 2019. Onward Recommendation to Full Council	
Asset Control	Cllr Nick Pinches/RFO	20 September 2018	Conducted 20 September 2018 - to be reviewed in 12 months	Annual review to be completed by October 2019	
Review of Ongoing Suppliers	RFO /Facilities Manager/TC	Ongoing	Recently reviewed: - HR Services reviewed 2016/17 -Legal Services Reviewed 2017 -Advertising contract reviewed 2017 - Internal auditors reviewed Oct 2017 - Insurance providers reviewed March 2018	Ongoing task.	
Financial Regulations	RFO	20 September 2018	Review of Financial Regulations completed at by this Committee 20 Sept 2018 and agreed by Full Council on 15 Nov 2018	Annual review to be completed by October 2019	
Procedures	Cllr Nick Pinches	Ongoing	Financial procedures as updated agreed by this Committee on 6 October 2016 Other key processes agreed by the Committee on 16 March 2017	List of procedures completed.	
Budgetary Controls	Cllr Richard Wainwright	20 September 2018	Conducted 20 Sep 2018 - to be reviewed in 12 months	Annual review to be completed by October 2019	Amendments to be incorporated and represented to this Committee on 24 January 2018

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Risk Management – Meeting 3					
Risk Assessment - Business Continuity	Cllr Paul Follows/RFO	25 January 2018	To add a section on Loss of Key Personnel – draft to this committee in March 2018	On this agenda	To add a section on Loss of Key Personnel – on this agenda
Risk Assessment - Environmental	Cllr Paul Follows/RFO	25 January 2018	New Facilities Supervisor to review use of environmentally friendly cleaning products upon appointment	On this agenda	
Risk Assessment - Legal	Cllr Julie Noyce/RFO	25 January 2018	To be reviewed annually	On this agenda	
Risk Assessment - Physical/Security	Cllr Paul Follows/RFO	25 January 2018	New Facilities Supervisor to review all building risk assessments upon appointment	On this agenda	
Risk Assessment - Reputation	Cllr Julie Noyce/RFO	25 January 2018	To be reviewed annually	On this agenda	
Risk Assessment - Health & Safety	Cllr Paul Follows/RFO	25 January 2018	To be reviewed annually	On this agenda	
Risk Assessment - Financial	Cllr Richard Wainwright /RFO	25 January 2018	To be reviewed annually	On this agenda	
Insurance	Town Clerk/RFO	Market test of insurers completed and reported to P&M on 22 March 2018	To be reviewed annually	On going	
Risk Assessment - Data Protection	Cllr Paul Follows/RFO			On this agenda	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Year End – Meeting 4					
Internal Auditor's Reports	RFO	23 April 2018	Interim audit report received and responses given. To be onward recommended to next Full Council meeting	Annual review to be completed as part of Annual Governance and Accountability Return process	
Management of Debt (particularly Bad Debt)	RFO	23 April 2018	To be reviewed annually	Annual review completed by April 2019	
Review of Effectiveness of Internal Control	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Governance Statement	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Accounting Statements	Cllr Andrew Bolton /RFO	23 April 2018	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	



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Our Ref:

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Clerk
Godalming Town Council
Municipal Buildings
Bridge Street
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Surrey
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15 November 2018

Dear Andy

Re: Godalming Town Council
Internal Audit Year Ended 31st March 2019

Following completion of our interim internal audit on 9 November 2018 we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Recommendations for future action are shown in the table at Appendix A.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they are considering the authority's approval of the annual governance statement.

Interim Audit – Summary Findings

At the interim visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Proper Bookkeeping – review of the use of the accounts package.
- Review of Bank Reconciliations
- Compliance with Regulations
- Salaries and Wages

It is our opinion that the systems and internal procedures at Godalming Town Council are very well established, regulated and followed. The Responsible Finance Officer (RFO) ensures the council follows best practice

regulations and has over time adapted and changed the internal procedures as regulations and technologies have changed to maintain compliance.

It is clear the council takes governance, policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are entirely fit for purpose and indeed are a model of good practice. I would like to thank Rita for her assistance and hard work.

A. Books of Account

Interim Audit

The Council continues to use RBS an industry specific accounting package. The RBS system is used daily to report and record the financial transactions of the council and a review of the cashbook shows that all data fields are being entered, the hard copy reports are easy to read and logically filed. I therefore make no recommendation to change in this system.

I confirmed that the Council has brought forward the correct balances on the general ledger by checking the opening balance sheet back to the audited 2017-18 annual return. I also confirmed that the Council has loaded the audited accounts and audit certificate to the Council website. The completion of audit certificate has been correctly published on the Council website and was published well before the 30 September deadline. I have one minor recommendation, the external audit opinion should be reported to the next available full council meeting, it has only been reported to committee at present.

The Council is up to date with VAT accounting. VAT return for the period to 30.9.18 has been submitted to HMRC -balances on the return could be agreed back to reports on the RBS system, and reconciles to the VAT control account on the ledger.

I am satisfied that the Council has met this control objective

B. Financial Regulations & Payments

Interim Audit

The NALC model financial regulations have been reviewed at audit committee, and will be discussed at the next Full Council meeting. Standing orders, largely based on the NALC model, were approved at the Council meeting of July 2018.

I confirmed by sample testing that Councillors have all signed "Acceptance of Office" forms , in line with regulations.

Council is given authority to spend via the annual budget process, payments are made so long as there is available budget. It is clear council has good robust systems, policies and regulations in place and takes seriously its responsibility in this regard. I reviewed a sample of expenditure transactions and was able to confirm the following:

- Cashbook entry could be agreed back to an invoice from the supplier
- Approval for the payment was recorded in a minute of a meeting of the JBC
- Signature of two committee members was viewed on each invoice tested and BACS payment slip / cheque stub
- Where appropriate I was able to confirm that financial regulations relating to procurement had been followed.

I therefore conclude that payments are authorised in accordance with financial regulations and a dual signatory system is in place for all payments.

I note that Godalming TC is compliant with requirements of the Transparency Code. The Financial Information section of the website lists information required by the Code, including regular uploads of payments above £500, information on grants paid and budgetary information. I sample checked transactional reporting on the website and confirmed that the Council was up to date in transparency reporting at the end of September.

The Council has an investment policy in place which has been approved by Full Council, thereby meeting new regulatory requirements that came into force from 1.4.18.

I am satisfied that the Council is meeting this control objective

C. Risk Management & Insurance

Interim Audit

The Council has a risk strategy in place and monitors and reviews risk on an ongoing basis. Council is aware of and has policies in place to mitigate financial risk. I have reminded the RFO that the risk assessment must also be taken to a meeting of Full Council before 31 March, and this review minuted. The initial risk review process is under way, to be considered in January Audit Committee, and to be taken to Full Council in March 2019. I will review the risk assessment at my final audit.

Godalming TC is insured with Zurich, on a three year deal, first year of a three year contract following a tender exercise. Asset cover seems consistent with the asset register, and the RFO confirmed asset insurance values were reconsidered as part of the insurance tender. The insurance certificate is in date, with an expiry date of 31 March 2019. I have one observation, money cover is too low at £250K, Godalming TC cash at bank is higher than this. The insurer should be contacted and money cover reviewed.

The Museum is insured with Ecclesiastical Insurance. I viewed the Council's policy document and confirmed it runs to 31.10.19. Asset and money cover appear adequate. Again, cash and money cover on the Museum insurance policy should be reviewed, there is no cover in the insurance policy at present.

The Council's computer data is backed up by an external supplier to a remote location. I was pleased to note that back-ups have been tested in the past 12 months and that this testing worked well.

D: Budget, Precept & Reserves

Interim Audit

I confirmed with the RFO that the 2019-20 budget cycle is well under way. The draft budget will be presented at the December meeting of the Policy and Management Committee, with precept and final budget approval scheduled for the January meeting of Full Council. All precepting authority deadlines will be met.

Councillors receive regular reports on budget against actuals via reports to the Policy and Management Committee. I reviewed the report for the period to end of September 2018 and was able to confirm that the budget is well managed. Overspends have been properly explained and approval for funding sought from Councillors.

The Council has well developed reserves, which are recorded on the balance sheet. I will review these in detail at year end.

E: Income

Interim Audit

The Council uses the RBS booking module to invoice and collect income for hires. I tested a sample of transactions relating to income from room hires selected at random from the booking diary. In all cases, I was able to move from the diary booking through to invoice, and was able to agree cashbook figures back to invoices. I was also able to agree rates back to approved fees and charges. I noted that fees and charges for 2018-19 room hires have been approved at a Council meeting.

I was pleased to note that the RFO regularly checks an unbilled / zero bill report available on RBS and follows up entries with budget holders. This is good practice and ensures all expected income is collected.

I will test precept and grant income at my year end visit.

F. Petty cash

Interim Audit

The Council holds one petty cash account, with a maximum balance of £200 held at any one time. I will review this at my final accounts visit. I confirmed petty cash I reconciled on a regular basis and agreed to ledger.

G. Payroll

Interim Audit

Payroll is processed using Sage 50 payroll and is processed in house by the RFO. Payroll is then reviewed by the Clerk and signed off by two councillors prior to payment to staff. I tested sample of payroll transactions selected from October 2018 payroll and in all cases I was able to confirm that:

- Rate of pay was correct
- Pay per general ledger could be agreed back to pay slip
- Payslip had been subject to signed authorisation by the Clerk, who is not involved in payroll calculations, and 2 Councillors
- Payment agreed to payslip, once deductions applied
- Basic rate of pay could be agreed to a pay award letter issued to the relevant staff member, signed off by a councillor.

I have identified no errors in my testing of payroll

H. Assets and investments

Interim Audit

The asset registers appeared up to date and properly maintained. I will test this in detail at year end as part of the process of reconciling the accounts to the fixed asset register.

I: Bank reconciliations

Interim Audit

The Town Council has two bank accounts. The bank reconciliations for both accounts are properly prepared and presented to committee for verification and approval on a regular basis. I confirmed that reconciliations are completed promptly at the end of each month. The October 2018 bank reconciliations were reformed. There were no errors. This reconciliation had not yet been reviewed by Councillors, as the relevant council meeting had not yet taken place, but I confirmed by review of the August bank reconciliations that proper councillor review of bank reconciliations is occurring and that this is noted in minutes. The system of reconciliation is working correctly.

I note that the Council is currently reviewing its investment strategy, partly with the aim of reducing the risk of holding all cash assets with one financial institution. This should be progressed and I will follow up at my year end visit.

J. Year-end accounts

Year-end task

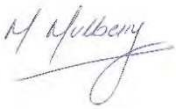
K. Trusteeship

No trusts.

Should you have any queries please do not hesitate to contact me, finally I enclose a fee note for your kind attention.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Mulberry', with a stylized flourish at the end.

Mark Mulberry

Points Forward – Action Plan

Matter Arising	Recommendation	Internal Audit Follow Up
The external audit opinion should be reported to the next available full council meeting.	It has only been reported to committee at present.	
I have one observation, money cover is too low at £250K, Godalming TC cash at bank is higher than this.	The insurer should be contacted and money cover reviewed.	
There is no money cover in the Museum insurance policy at present.	Cash and money cover on the Museum insurance policy should be reviewed	

Godalming Town Council: Audit Committee | Risk Assessments

Major Risk Area: Environment

Risk Area Summary: An environmental risk assessment assesses the likelihood of Godalming Town Council causing harm to the environment.					
Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
Lack of awareness of the Environment as it is constantly changing.	H	Environmental issues are integral to most areas of our business and therefore there may be something unforeseen that occurs.	L	<ul style="list-style-type: none"> To keep up to date with environmental changes and encourage good practice and an awareness of the environment. 	Report any occurrences that are likely to be an issue to TC, Committees or Chairman and group leaders so that everyone is aware of the problem in order that suitable/ appropriate action may be taken. (Ad hoc/As required)
Not taking account of the tasks that can be adopted E.g.: Recycling	L	Not recycling or sorting rubbish	L	<ul style="list-style-type: none"> There is a separate container for all paper waste which is emptied by the Facilities Manager on a regular basis. Glass bottles are also recycled as required. 	None.
Correct Disposal of Hazardous materials (including Asbestos)	L	Inadequate disposal of asbestos Eradication of Japanese Knotweed at Wilfrid Noyce Centre	L	<ul style="list-style-type: none"> All buildings checked for Asbestos and disposed of in an appropriate way. Recent asbestos found in Wilfrid Noyce Centre – specialists contracted for safe removal and disposal. Every building has its own Asbestos Report which details where, if any, asbestos resides. This must be reviewed every five years. Report must be given to any contractors performing works on the building. Contracted specialists to identify, eradicate and safely dispose of. 	Completed as part of refurbishment project. (Complete) WNC done in 2016 Museum done 2014 – to be reviewed in 2019 by Facilities Supervisor PP and BW – overdue Two-year eradication programme entered into. (Ends 2019)

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
Using Environmentally Friendly Goods	M	Not purchasing Fairtrade goods or articles that could be used/disposed of in an environmentally friendly way. Purchasing/using single-use plastics (plastics that are in no way recyclable or reusable).	L	<ul style="list-style-type: none"> Fairtrade Policy Agreement for tea and coffee etc for use by the organisation (adopted 17 November 2011, reviewed 12 April 2018). 	Facilities Supervisor to look into fair-trade products (Continuous/Ongoing) Facilities Supervisor to look into sourcing products that exclude and/or minimise single-use plastics. (Continuous/Ongoing) Facilities Supervisor to report to Council on a regular basis on all other actions. (Ad hoc/On request) A full sustainability policy should be drawn up to explore all environmental opportunities. (2019)
Electricity/Gas	M	Energy is being wasted.	L	<ul style="list-style-type: none"> Ensuring that in all centres there are controls/timers on the gas and electricity to ensure that buildings are heated but energy isn't being wasted. 	Facilities Manager reviews energy usage on a regular basis (Ad hoc/On request)
Electric Bulbs	L	Not using long-life bulbs.	L	<ul style="list-style-type: none"> Using energy efficient bulbs. WNC installed energy and smart lights as part of its refurbishment. The Council considered the use of solar panels as a sustainable energy source but concluded that disposal at the end of its useful life was more damaging to the environment than the potential savings gained. 	BWP lighting needs to be updated as and when budget funds become available. (When possible)

Godalming Town Council: Audit Committee | Risk Assessments

Major Risk Area: Health and Safety

Risk Area Summary:

That an accident/incident occurs that demonstrates that the Town Council has breached Health & Safety legislation or has in some other respect been negligent. (note that this analysis of risk is difference from risk assessments undertaken in fulfilment of Health & Safety legislation).

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
That the breach is so significant that a death or serious injury arises and that the Council and/or one of its officers faces prosecution (in the worst case for Corporate Manslaughter)	H	Numerous scenarios– but likely to involve fire or failure of part of premises or equipment therein. Or, trip/fall, toppled memorial, or collapsed grave in a cemetery. Or, road traffic accident on a parade. Or, assault on member of staff while lone-working	L	<ul style="list-style-type: none"> • Have and, regularly review a Health & Safety Policy Statement and supporting Policies – including lone-working policy • Risk Assessments for all events and activities and action taken as a result of risk assessments • Regular review of Risk Assessments and action taken • Consider whether there is anything that we do not have a risk assessment for that we should have • Regular and documented inspection regime (i.e. checklist of questions e.g. fire exits clear, does fire alarm, emergency lighting work etc.) • Regular and specific training for staff • Training for Members • Undertake regular condition surveys of buildings and all statutory tests • Use reputable and qualified contractors and ensure they provide relevant certification for electrical and gas work. • Obtain Contractor's safety plan for longer contracts • Maintain adequate insurance 	Review of Health & Safety Policies –to be undertaken by Staffing committee as most relate to staff. (Continuous/Regular review) Fire Safety Risk Assessments <i>(WNC Fire Risk Assessment attached)</i> (Continuous/Regular review) Review of training needs for staff via annual Appraisal scheme and - Town Clerk to assess on the commencement of new staff. (Continuous/Regular review)

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
<p>That an injury (or damage to property) occurs on our premises or at one of our events that results in a claim against the Council alleging our negligence. And, that claim cannot adequately be defended.</p>	M	<ul style="list-style-type: none"> As above 	L	<ul style="list-style-type: none"> As above 	<p>Make sure safety plan is in place for each of the properties and that they are updated regularly. (Continuous/Regular review)</p> <p>Report any obvious gaps that cannot be rectified due to resources etc to Chairmen or committee asap so that remedial action may be taken. (Ad hoc/As required)</p>
<p>That the injury referred to above is caused to a member of staff and arises over a prolonged period of time.</p>	M	<p>Injury may be physical (e.g. repetitive strain injury) or psychological (e.g. work-related stress)</p>	L/M	<ul style="list-style-type: none"> Regular workstation and work place risk assessments – with specific review each time something changes Members' Health & Safety Training 	<p>Town Clerk to arrange training sessions:</p> <ul style="list-style-type: none"> Workstation assessments Manual handling <p>(Each new financial year)</p> <p>All GTC full time staff have had fire safety training. (Ad Hoc / As Required)</p> <p>Health & Safety Training for Members to be arranged as part of the above by the Town Clerk (Ad Hoc / As Required)</p>

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
That a death, serious injury or near miss occurs in circumstances that would not necessarily lead to a prosecution but that it is not reported properly under RIDDOR	H	Ignorance of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), leading to an omission or delay in reporting an incident. Likely to occur if an accident happens when a member of Town Council staff is not present e.g. on our premises during a hiring or at a council organised event where no staff present. Note likelihood of an incident needing a RIDDOR report is very low; likelihood of a failure to make such a report in a timely manner is higher.	L	<ul style="list-style-type: none"> • Clarity in all hire agreements about the need to report any incident arising during a hire • All hirers need to have GTC contact details so that they can report an incident. • Staff and Members' Health & Safety Training 	Training needs reviewed after staff Appraisals and when new staff are appointed - Town Clerk to review on an annual basis. (Post appraisal/As required) Health & Safety Training for Members Town Clerk to arrange. (Ad hoc/As required)
That an injury occurs on our premises (not as the result of a failure of ours) but a claim against the Council arises because of the inadequacy of the hirer's insurance.	M	That a user of our premises has inadequate public or employers' liability insurance.	L	<ul style="list-style-type: none"> • Ensure insurance certificates of all users are checked and copies kept • Ensure that all officers are advised that there is a process for accidents. That there is an accident log for all incidents regardless of how minor they may be. This should be completed and forwarded to TC to be retained in a locked drawer. 	GTC require regular users to indemnify GTC against claims made by their customers. Some do this via holding their own Public Liability insurance, but some assess the risk as low and do not. WNC & BWP regular users were reminded of requirement to indemnify in 2017. No issues have been identified. Hire Agreements (where the requirement for Indemnity resides) were reviewed for all centres and reissued as required). (Ad hoc/As required)

Major Risk Area: Legal 2019

That the Council (and/or its officers, volunteers or Members) does something it does not have the power to do – i.e. something that is “ultra vires”. Or, by action or by omission, breaches the law.

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Action Who/When
The Council fails to conduct its affairs and meetings in accordance with local government law.	M	Meetings not conducted in accordance with Standing Orders. Pressure from Members to change the way in which meetings are conducted and to draft changes to Standing Orders to effect those changes meaning that the resulting Standing Orders are not in accordance with the law	L	<ul style="list-style-type: none"> • Maintain properly drafted Standing Orders (drafted in accordance with the law and reviewed at least annually) and follow them • Either use Standing Orders as drafted by NALC; or • Use a third party to check significant variances from NALC Standing Orders to verify compliance with the law 	<p>Reviewed Standing Orders April 2017 Reviewed Financial Regulations November 2017</p> <p>Amend Standing Orders for known law changes whenever required</p>
That the Council and/or its officers miss a change in legislation that impacts on the Council.	H	The Council is a small organisation which can do only the things the law says it can – i.e. it must be “intra vires” and which must be compliant with a huge raft of legislation (including employment law, Health & Safety legislation, burial laws, freedom of information requirements and specific local government acts). A small staff group and heavy workloads mean that there is always a risk of a legislative change being missed – particularly if it is not picked up by other bodies (e.g. NALC ⁱ or SSALC ⁱⁱ) and GTC informed.	L	<ul style="list-style-type: none"> • Employ competent Clerk & other officers • Members’ & officers’ training and networking opportunities • Subscribe (as an organisation or as individual employees) to relevant support organisations (NALCⁱ, SSALCⁱⁱ, & SLCCⁱⁱⁱ) • Purchase/subscribe to relevant publications (mainly journals of the above organisations) and purchase up to date texts as revised • Evidence awareness of legislative changes to Audit Committee and P&M Committee or Joint Burial Committee and reporting to 	<p>Acknowledge that we have made endeavours to stay abreast of current legislation by reporting changes to committee when they occur.</p> <p>Insurance is reviewed on an annual basis to ensure it covers risk of failure (last reviewed 22 March 2018).</p>

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Action Who/When
		Council or officers don't know what they don't know – have to live with some risk of missing a legislative change.		<p>the relevant committee when they occur.</p> <ul style="list-style-type: none"> • Maintain adequate insurance 	
That the Council knows that the law has changed but does not have the resources to react to that change.	M	Lack of staffing capacity and/or financial resources to implement the changes required.	L	<ul style="list-style-type: none"> • Risk assessment regime that covers legislative changes and assesses the risk to the Council of non-compliance • Maintain significant reserves so that the costs of implementing unforeseen (& therefore unbudgeted) legislative changes may be met if non-compliance puts the Council at risk 	<p>Make such risk assessment part of annual report on legislative changes – see above.</p> <p>Inform Chairman or relevant committee that the law has changed and discuss the relevant action to be taken.</p> <p>All building Risk Assessments are being reviewed and updated by the new Facilities Supervisor. Other Risk Assessments are on this agenda for review.</p>
That the Council is badly advised as to what the law is and therefore breaches the law.	L	The Clerk or other officer (or independent adviser) offers inaccurate advice	L	<ul style="list-style-type: none"> • Employ competent Clerk & other officers • Members' & officers' training and networking opportunities • Subscribe (as an organisation or as individual employees) to relevant support organisations (NALC, SSALC, & SLCC) 	<p>Town Clerk to support Members in identifying their general training needs. To be reviewed annually.</p> <p>Review Members Training to assess what training may be</p>

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Action Who/When
<i>That the Council is badly advised as to what the law is and therefore breaches the law. (contd)</i>		<i>The Clerk or other officer (or adviser) offers inaccurate advice. (contd)</i>		<ul style="list-style-type: none"> • Provide independent Member access to SSALC & NALC advice by: <ol style="list-style-type: none"> 1. Appointing a Member to SSALC & 2. Giving all Members full access to the SSALC website. • Purchase/subscribe to relevant publications (mainly journals of the above organisations) and purchase up to date texts as revised • Retain access to competent legal advice and allow/require officers to seek advice as appropriate • Maintain adequate budgets for subscriptions/publications and for professional fees and significant reserves. • Include reference to relevant legislation in all reports to the Council and its Committees. • Maintain adequate insurance • Seek independent relevant advice subject to budget. 	<p>required.</p> <p>Town Clerk circulated login details for the SSALC website to all Members for competent and independent advice.</p> <p>Insurance is reviewed on an annual basis to ensure it covers risk of failure (last reviewed 22 March 2018).</p>
That the Council is properly advised as to what the law is but decides not to act on that advice.	M		L	<ul style="list-style-type: none"> • All relevant advice offered by officers and independent advisors to be properly minuted. 	All decisions of Members are properly minuted.

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Action Who/When
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That an individual councillor or officer purporting to act for the Councils acts illegally	M		M	<ul style="list-style-type: none"> • Ensure Councillors undertake appropriate training. • Maintain up to date Standing Orders that are clear about delegation to officers 	<p>General Power of Competence adopted by Full Council 15 May 2015 (min 15-15 refers)</p> <p>Town Clerk to support Members in identifying their general training needs. To be reviewed annually.</p> <p>Town Clerk circulated login details for the SSALC website to all Members for competent and independent advice.</p> <p>Insurance is reviewed on an annual basis to ensure it covers risk of failure (last reviewed 22 March 2018).</p>
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ⁱ National Association of Local Councils (Council subscribes)

ⁱⁱ Surrey & Sussex Association of Local Councils (Council subscribes)

ⁱⁱⁱ Society of Local Council Clerks (Town Clerk subscribes – funded by Council)

Godalming Town Council: Audit Committee | Risk Assessments

Major Risk Area: Physical and Information (Logical) Security

Risk Area Summary:

An environmental risk assessment assesses the likelihood of Godalming Town Council causing harm to the environment.

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) (Inc. Who and When)
Break-in or unauthorised entry to Town Council premises	M	Criminal/malicious activity	M	<ul style="list-style-type: none"> • Alarm systems where appropriate • Good quality locks on all doors • Good control of keys • Introduced Slave and Master key system • Controlled entry system whereby visitors buzz to be let into main office • Maintain Business Continuity Plan to minimise impact of damage to computer & paper systems • Test of back up to be done to ensure it works • Adequate insurance • Maintain the fabric of our buildings to ensure the effectiveness of security measures • Minimise the use of personal information/data on physical media • Computers and information storage media are appropriately physically and logically protected 	<ul style="list-style-type: none"> • Slave and master key system so that security is maintained, and keys cannot be copied but allow officers a skeleton key for all properties. • JBC plot registers have been transferred to computer and a non-tear paper record for everyday office use. • Our IT Providers have tested our back up to ensure it works (Once Every 4yr Session) • Facilities Manager to conduct regular inspection of all premises to identify any maintenance issues and take appropriate action to rectify any deficiencies identified • CCTV cameras installed at WNC as preventative measure against malicious damage. • New gates and anti-climb paint on roof at WNC as preventative measure against malicious damage.

Risk Description (What Could Happen?)	Impact	Scenario Description (How Could it Happen?)	Likelihood	Control Measure(s)	Action(s) • (Inc. Who and When)
Assault on Member of Staff or Councillor	M	Criminal/malicious activity	L	<ul style="list-style-type: none"> • Maintain lone-working policy and ensure staff are aware of it and follow its guidance • Include Councillors within lone-working policy if on GTC business • Controlled entry system whereby visitors buzz to be let into main office 	Lone Working Policy adopted (Adopted 15 November 2018) Committee work programme for regular review. (Ad Hoc / When Required)
Data loss or data/privacy breach	H	Criminal/malicious activity Accidental release of personal data/information	M	<ul style="list-style-type: none"> • Computers and information storage media are appropriately physically and logically protected. • Suppliers of information services are subject to procurement checks and ongoing assurance activity • Personal email accounts are not used by staff or councillors under any circumstances • Data protection training for all staff and councillors • Data retention schedule for information 	Data Protection Policy (Adopted 26 April 2018) Reviews/checks of suppliers of information services. (Ad hoc/When required) Town Clerk to arrange training for staff (Immediately for current or new staff, refresher training for each 4yr term) Training for Members as required on Data Protection/use of Council provided email accounts. (Ad hoc/As required) Need to review use of Council email accounts, its password policy and its current 'single-factor' status. (2019)

Major Risk Area: Reputation 2019

The potential that negative publicity regarding Godalming Town Council’s organisational practices, whether true or not, will cause a decline in the customer base, costly litigation or revenue reductions.

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
Failure in some area of the Council’s activity – by act of negligence or omission – that generates negative publicity	H	Numerous scenarios which could include failure to dig a grave; double booking of a community building;	L	<ul style="list-style-type: none"> • Competent staff • Good recruitment processes • Appraisal system • Induction & training of staff • Good office systems and clarity about who is responsible for what • Effective press strategy • Disciplinary procedures • Good contract management 	Town Clerk & RFO – ongoing
Inaccurate information generates the perception that the Council has failed in circumstances that generates negative publicity	M	<p>Numerous scenarios which could include a failure by a third party eg Go Godalming or the Chamber of Commerce where public perception cannot distinguish between the third party & the Town Council</p> <p>Particular risk associated with social media</p>	M	<ul style="list-style-type: none"> • Clarify relationships & partnership working • Good press strategy • Good working relationship with local journalists • Monitoring of social media & IT Code of Conduct 	<p>Live with some risk as part of the nature of our loose affiliations with partner organisations</p> <p>All staff & Members to monitor social media and to adhere to the Social Media Policy. Factual inaccuracies to be corrected as and when encountered.</p>

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
An individual Councillor presumes to act or speak for the Council in contravention of Council policy, says something controversial or contravenes the law.	M	Numerous scenarios ranging from an unguarded remark by a Councillor to a malicious attempt to bring the Council into disrepute.	L	<ul style="list-style-type: none"> • Clarity of Members understanding of respective roles and management processes • Induction & training of Members • Effective press strategy • Code of Conduct • Monitoring Officer • 2015 Guidance on the role of the Council's representatives on external bodies 	<p>Town Clerk responsible for Members' training and induction</p> <p>Any individual can bring a matter of concern to the Monitoring Officer.</p>
A member of staff while acting or speaking for the Council does so in contravention of Council policy, says something controversial or contravenes the law.	M	Numerous scenarios ranging from an unguarded remark by a member of staff to a malicious attempt to bring the Council into disrepute. Use of social increases the risk	L	<ul style="list-style-type: none"> • Competent staff • Good recruitment processes • Appraisal system • Induction & training of staff • Good office systems and clarity about who is responsible for what • Effective press strategy • Disciplinary procedures • IT Code of Conduct 	Town Clerk responsible for staff training and induction.

Major Risk Area: Finance 2018

To identify areas of weakness, both internally and externally, which may, if violated, have an impact on the financial security and reputation of the Council.

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
<p>Income</p> <p>May not receive the Precept on the due date.</p> <p>Rent not received on properties or no hire fees received from community centres.</p> <p>Insufficient revenue is generated to fund operations.</p>	<p>H</p> <p>M</p> <p>M</p>	<p>WBC investments are lost due to banking crisis, therefore, insufficient funds available to pay Annual Precept to the Council.</p> <p>Damage to a property that renders it inoperable, tenant moves and not able to find replacement.</p> <p>Precept could be capped in future which could limit Council's ability to balance the books.</p>	<p>L</p> <p>L</p> <p>L</p>	<p>Ensure reserves are adequate to cover 6 months or 50% of the Precept to allow the organisation to continue trading.</p> <p>Have adequate Insurance cover for loss of rent and loss of gross revenue.</p> <p>Ensure a medium to long term budget is performed to anticipate future revenue requirements and enable strategies to be developed to address potential shortfalls.</p>	<p>RFO – ongoing.</p> <p>RFO/TC arranges insurance annually and reviews levels of cover to ensure adequate.</p> <p>RFO develops a rolling three year high level budget for Council consideration.</p>
<p>Money Laundering</p> <p>Money received could be illegally acquired and therefore as a consequence the Council may suffer a financial loss.</p>	<p>H</p>	<p>This is the process by which 'dirty money' generated by criminal activities is converted through legitimate businesses into assets that cannot be easily traced back to their illegal origins.</p>	<p>L</p>	<p>All signatories to be approved by the bank and provide the required level of identification. Two Member signatories to sign all withdrawals. Ensure as far as possible that all dealings with customers are legally binding.</p> <p>Only approved Officers and Members named on nominated bank mandate to liaise with any financial institution in relation to the finances of the organisation.</p>	<p>RFO arranges bank mandate and liaises between bank and Members to fulfil identification requirements.</p> <p>RFO is main liaison with bank.</p>

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
<p>Banking Facilities Provision Banks could make a loss or become insolvent.</p>	H	The financial institutions could overstretch themselves or make poor investments and therefore leave the financial markets in a weakened position.	M	Ensure monies are placed with approved and recognised institutions. Follow CIPFA Treasury Management Guidelines.	<p>RFO to monitor banking institutions' credit rating at least annually.</p> <p>RFO to keep abreast of CIPFA Treasury Management Guidelines and ensure adherence.</p>
<p>Investments Investments may be lost through market forces.</p> <p>Investments may be misused/ fraud/corruption.</p>	H	Large deposits invested with institutions advertising high interest rates that then become insolvent or fail to achieve advertised rates.	L	<p>Follow Council's Investment Strategy Policy.</p> <p>Insurance cover for Fidelity Guarantee (which covers the misappropriation of funds by Officers and Members) to cover total reserves.</p>	<p>RFO to ensure compliance with approved Investment Strategy Policy.</p> <p>Review both Investment Strategy Policy and insurance cover annually.</p>
<p>Assets Assets may be damaged/ stolen.</p> <p>Inability to replace assets that are damaged, lost or stolen.</p>	H	Vandalism, theft, accident.	M	Ensure all assets are appropriately maintained through regular inspections.	Facilities Supervisor has a scheduled maintenance programme and performs regular reviews for unplanned maintenance.
	H	Insufficient funds available for capital purchases or repairs.	M	<p>Ensure the Asset Register is updated regularly.</p> <p>Have adequate insurance to cover loss or damage.</p>	

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
				<p>Ensure all assets are retained in a safe and secure environment (e.g. civic regalia is kept in alarmed strong room).</p> <p>Annual budget includes a maintenance line item for regular scheduled maintenance and unplanned maintenance. Reserves are built up over time to ensure ability to replace or repair major capital assets.</p>	<p>RFO maintains Asset Register which is reviewed by the Internal Auditor each year.</p> <p>RFO/TC review insurance cover annually.</p> <p>RFO prepares budget annually with provision for both short and long term asset maintenance.</p>
<p>Liquidity Insufficient funds available when required to make payments when due.</p> <p>Unable to recover debtors' amount.</p>	<p>M</p> <p>L</p>	<p>Too much money invested in long term deposits.</p> <p>More expenditure occurs at a particular time than anticipated.</p> <p>Debtors fail to pay their invoice.</p>	<p>L</p> <p>H</p> <p>L</p>	<p>Cash flow not a significant issue as Council receive the Precept (its main income) in two instalments in advance and hold healthy levels of cash reserves in the bank.</p> <p>Cash flow is a required element of consideration per the Councils' Investment Strategy Policy.</p> <p>Casual users of community centres are required to pay their account before the service is provided. Regular users and ad hoc debtors are subject to the Council's credit control procedures.</p>	<p>RFO monitors cash flow regularly.</p> <p>Policy to be reviewed annually</p> <p>RFO performs credit control each month.</p>

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
Long term inability to repay loans.	H	Insufficient money available to meet loan repayment as it falls due.	L	Repayments are fixed interest (not variable) and have been built into the base budget.	RFO ensures repayments are built into annual budget.
Insurance Cover is inadequate or incomplete for organisational needs.	H	Failure to insure a particular item or event. Insufficient risk assessment undertaken. Assets undervalued so not adequately covered in the event of a claim. Error in processes result in claim being denied.	M	Insurance cover reviewed with insurance agent annually to revise levels, ensure new areas of risk are included and remove no longer required areas of coverage. Fixed Asset Policy requires major assets (e.g. buildings and civic regalia) to be reviewed every 5-7 years to ensure values insured are appropriate.	RFO/TC review insurance coverage annually. RFO/Audit Committee and Internal Auditor ensure compliance with Council's policies and procedures.
Activities Outside Legal Powers Budget spent without a legal power to do so and therefore <i>ultra vires</i> .	M	Payments are made outside the powers of the Council.	M	Council has achieved General Power of Competence and currently has two CiLCA qualified Officers. Officers to advise Members where potential plans may not fall within existing powers.	TC to ensure Council does not operate <i>ultra vires</i> . TC to ensure Council continues to meet the eligibility criteria for General Power of Competence every four years.
Internal Controls The Council does not have an adequate system of internal controls to prevent and/or detect fraud and errors.	H	Controls may be observed but no 'evidence' can be produced to prove this.	M	Included on the Audit Committee programme is an annual review of key internal controls for major areas.	Chairman of Audit to ensure Member assigned to do review each year.

Risk (What could happen)	Impact	Scenario (How it could happen)	Likely	Control Measure	Status Who/When
Council fails to adhere to internal controls and opens itself up to qualified audit, fraud and damage to its reputation.	H	Members and/or Officers ignore internal controls in order to achieve a desired outcome.	M	Internal Auditor includes within its programme a review of the Council's adherence to its own Standing Orders, Financial Regulations and internal controls.	RFO to liaise with Internal Auditor to accommodate the Internal Auditor's review of internal controls.
Audit Audit not performed	H	Officers fail to arrange internal audit or to provide necessary information to external auditor.	L	External auditor is appointed by Smaller Authorities Audit Appointments for all Town and Parish Councils. External Auditor then informs Council of significant dates and follows up if information requested not provided.	RFO to liaise with both External and Internal Auditors to ensure audits are conducted and any information requested provided in a timely manner.
Audit performed and identifies areas of concern that result in a qualified audit opinion.	H	Council and/or Officers fail to adhere to legal requirements.	M	See Internal Controls, Legal Powers. Council appoints suitably qualified Officers.	Auditor recommendations are reported to the Audit Committee to determine an appropriate response. This is then forwarded to Full Council for agreement.
Auditor does not have necessary expertise to conduct audit.	M	Appropriate checks not performed on skills and qualifications of auditor.	L	Audit Committee sets appointment criteria which includes evidence of necessary skills, experience and qualifications.	
Auditor recommendations not addressed by Council.	M	Recommendations are not reported to Council.	L	Internal Auditor checks that all of their recommendations (and External Auditor's recommendations) have been considered.	

14. BUSINESS CONTINUITY PLAN

1. Objectives

The objectives of a Business Continuity Plan (BCP) are:

- to provide guidance, establish actions to be taken and develop procedures that will allow the Council to manage any incident;
- to ensure the continued operation of key services;
- to keep the organisation working effectively; and
- to inform the community and customers of the Council.

The BCP must cover all areas of the Council's business, including issues for the:

- Staff – operational issues; to ensure their ability to undertake their day-to-day duties;
- Council – statutory requirements, Councillors' business, service provider to customers (residents, visitors); to ensure they are undertaken with minimal disruption, stakeholders kept informed and details and updates are well communicated.

2. Plan for the Loss of Godalming Town Council Offices

In the first instance this plan assumes a relatively localised emergency that renders the GTC offices unusable and requires GTC to resume its normal activities from another site. In the event of a widespread emergency it is assumed that GTC will suspend normal activities for some time – with the important exception that the Godalming Joint Burial Committee must maintain a service at all times. This plan assumes that one or more GTC staff is available to execute the plan – it does not cover what would happen if both the offices and all staff were lost.

Alternative Premises

GTC has control of a number of premises within Godalming that would provide suitable temporary accommodation for Town Council staff. These premises are, the Old Town Hall (Pepperpot), the Wilfrid Noyce Centre and Broadwater Park Community Centre. In normal circumstances all these locations have a power supply, telephone line, Internet access, lavatories and kitchen facilities. The Broadwater Park Community Centre is also equipped with a fax/printer and basic supplies of stationery.

Sets of keys to all three premises are kept away from the main offices – the Facilities Supervisor has keys to Broadwater Park Community Centre and the Town Clerk carries a master key to The Pepperpot and the Wilfrid Noyce Centre. (Note that it would be appropriate if necessary, to employ a locksmith to affect access to any of the three premises though the two community centres are equipped with burglar alarms and this course of action would be inadvisable without the codes to disable the alarm(s).)

Should access to the GTC offices be unavailable the Town Clerk (or in his absence the Responsible Finance Officer) will nominate which premises will be used and inform all staff. Note that if the loss of access to the Town Council offices is short-term then the Town Clerk may propose that staff work from home for a day or two.

In the event of the long-term unavailability of the Council Chamber the Town Clerk will also identify alternative premises for Council and Committee meetings and let Councillors know as appropriate.

Computers & Other Equipment

GTC is heavily dependent upon information technology, however, all software and data is held off-site. In the event of the loss of the GTC offices or prolonged unavailability of the office computers, new computers and other equipment would need to be purchased. GTC owns four laptop computers, two of which are linked to the remote server. It is assumed that these would be available for use in an emergency. The Council's IT support contractor securely retains all necessary passwords and is contracted (with an 8-hour response time) to respond to a request for assistance and will source and support new computers. The contractor will also facilitate access to the remote server from officers' own devices if, in the short-term, that is expedient.

Details of the GTC's normal suppliers are to be found on the Outlook contacts list, along with diaries and emails, (Outlook uses a remote server and is accessible to any GTC employee at any location or computer using the internet and with the correct login details). Financial regulations should be followed as far as possible – though, in an emergency, speed of delivery may be allowed to outweigh lowest cost. Official order pads are only kept at the office and in an emergency, orders would need to be placed without official orders; the Town Clerk holds a £500 imprest to enable the purchase of items from suppliers who will not agree to invoice the Town Council.

Information

It is assumed that in the event of a loss of Godalming Town Council offices all paper records would be lost too. Correspondence, reports, agendas and minutes generated by the office in the last 18 years are saved electronically. Most older statutory and otherwise historically significant records have been relocated at the Surrey History Centre. However, some significant and irreplaceable records are kept at the office being most of the Joint Burial Committee records; the Godalming Town Council minute books from 1974 and many deeds and leases and current arrangements in respect of preserving these records remain inadequate.

The Town Council's website is also hosted remotely, and it is assumed that the website service would be maintained if the offices were lost.

Currently most electronic data and documents held by the Town Council are held on the remote server. (Staff should not save documents etc. to individual computers.) The server is backed up every day by the server's host and is retained there.

If financial vouchers etc. were lost, financial transactions would be reconstructed by reference to the electronic record, bank accounts and other records stored electronically by the Responsible Finance Officer. The absence of the vouchers would make audits and VAT inspections a challenge, but this difficulty does not warrant making and keeping copies of such vouchers.

3. Loss of a GTC Building not the Town Council

It is assumed that in the event of a loss of one of the Council's community buildings all services from that building will be ended and that planning for the replacement of the building will take place at that time. It is not planned for here.

4. Failure of Information Technology

In normal operation GTC is dependent upon the use of Information Technology and experience demonstrates that there are multiple opportunities for failure. This plan weighs the relatively high risk of short-term (up to eight hours) loss of IT against the costs of trying to put systems in place to mitigate it.

Failure of hardware and or software is covered by an IT support contract with an eight-hour response time (in practice response times are usually significantly faster than that). It is possible to contract for a two-hour response time, but it is felt that the risks do not justify the additional cost. The only significant adverse consequence of an eight-hour IT failure would be (if it occurred on a Friday) the failure to despatch an agenda within the statutory timescale.

Power failure at GTC offices is low risk because (sharing the building with Waverley Borough Council) the council has the benefit of a generator. Loss of broadband locally is higher risk and at this time outside officers' control – and without broadband there are no telephones. It is assumed that loss of broadband will be temporary and officers with laptops have the choice of relocating to somewhere where there is broadband access and continuing to work on the remote server from that alternative location. Experience demonstrates that housekeeping of paper files etc is appropriate use of officers' time when an IT failure is short term.

A more problematic failure is failure of internet access local to the remote server because all officers at any location would lose access to all work. The host of the remote server co-located its servers in East London to improve their resilience.

Experience shows that hosting of the GTC website is an area of vulnerability. The website is backed up weekly to a storage device in the hosting centre and every three months the storage device is backed up to an off-site data centre all in the UK.

5. Communication

Communication is critical to a successful recovery of services or systems to ensure everyone is aware and to avoid duplication of effort.

The Proper Officer (or relevant delegate depending on the scenario) should ensure that:

- clear instructions are provided to all staff upon discovering an incident or receiving a malicious threat, including:
 - making a quick assessment or value judgement;
 - follow the guidelines (i.e. malicious threat – bomb warning);
 - follow any emergency service guidelines, i.e. fire (evacuate), smell gas (turn off);
 - take any emergency actions felt required – contact the emergency services;
 - contact the Town Clerk, Chairman or Vice-Chairman, who will then take control of the situation unless the emergency services are involved; and
 - under no circumstances should staff or others be put at risk.
- all staff are briefed and made aware of what actions have or will be taken, preferably at one large group meeting so that any questions or issues are discussed collectively.
- all Councillors, in particular the Chairman and political group leaders, are briefed on the issues and what actions have or will be taken and any requirement to use their support;
- adequate resources are input to assist the recovery of the service;
- appropriate reviews of the situation are undertaken, through regular updates and Officers, Councillors and customers are kept updated and informed;
- Officers are utilised effectively and efficiently, particularly in the event of providing cover, to expedite a prompt return to normal service;
- adequate checks are carried out when the services and systems are recovered, in particular when systems are restored from back-up records, so that they are fully restored and reinstated and operating correctly;
- all details, i.e. resources, additional costs etc, are recorded and where applicable photographed, and any loss claim submitted; and
- regular training sessions are undertaken for all Officers on their roles and responsibilities, on emergency procedures and use of emergency equipment.

6. Continuity of Council Functions

It is essential for the continuity of Council functions that all staff roles are subject to a formal scheme of delegation in the event of an absence or incapacitation.

In the event that a delegation is 'activated' the Chairman, Chairman of the Staffing Committee and all political group leaders are to be notified.

See separate Scheme of Delegation.

RISK MANAGEMENT STRATEGY

Adopted by Full Council DD/MM/YYYY

Next Review Date DD/MM/YYYY

1 Introduction

1.1 This document forms the Council's Risk Management Strategy. It sets out:

- What is risk management
- Why does the Council need a risk management strategy
- What is the Council's philosophy on risk management
- What is the risk management process Roles and Responsibilities
- Future monitoring

1.2 The objectives of this strategy are to:

- Further develop risk management and raise its profile across the Council
- Integrate risk management into the culture of the organisation
- Embed risk management through the ownership and management of risk as part of all decision making processes and
- Manage risk in accordance with best practice

2 What is Risk Management?

2.1 'Risk is the threat that an event or action will adversely affect an organisation's 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.'¹

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety, but applies to all aspects of the Council's work.

2.3 Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

¹ Audit Commission, Worth the Risk: Improving Risk Management in Local Government, (2001: 5)

Strategic Risk - long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, in a worst case scenario Government intervention.

Compliance Risk - failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals and the inability to enforce contracts.

Financial Risk - fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council Tax levels/impact on Council reserves.

Operating Risk - failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.

- 2.4 Not all these risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.
- 2.5 Risk is not restricted to potential threats but can be connected with missed opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

3 **Why does the Council need a Risk Management Strategy?**

- 3.1 Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.
- 3.2 The Risk Management Strategy will help to ensure that all committees/service areas have an understanding of risk and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance.
- 3.3 Strategic risk management is also an important element in demonstrating continuous service improvement.
- 3.4 There is a requirement under the Accounts and Audit Regulations 2015² to establish and maintain a systematic strategy, framework and process for managing risk.

4 **Risk Management Policy Statement**

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

The Council is aware that some risks can never be eliminated fully and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk. Risk management is an integral part of the Council's management processes.

² Accounts and Audit Regulations 2015 (SI 2015/234 Pt 2)

5 Implementing the Strategy

5.1 Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

Options for control include:

Elimination – the circumstances from which the risk arises are removed so that the risk no longer exists;

Reduction – loss control measures are implemented to reduce the impact/ likelihood of the risk occurring;

Transfer – the financial impact is passed to others e.g. by revising contractual terms;

Sharing – the risk is shared with another party;

Insuring – insure against some or all of the risk to mitigate financial impact; and

Acceptance – documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

5.2 Risk Monitoring

The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time. The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

5.3 Risk Management System

Risk Identification – Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed.

Risk Analysis – Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

Assessment of Risk - An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored using a matrix. This will require a numeric value to be given to both the likelihood of the risk happening and the severity of the impact if it did, based upon the following scoring:

Scoring Matrix

Likelihood (examples)	Level/Score	Impact (examples)
Has never occurred	Low 1	Dangers are low or it would have little or no effect on Council services/isolated complaints/financial impact less than £5,000
Occasional occurrence/ rare event or hazard is secure with little or no danger	Medium 2	Risks are managed within the Council/ adverse service user complaints/ service disruption/minor injuries and near misses to staff or public/ financial impact exceeds £5,000
Regular occurrence	High 3	Adverse local media attention/extensive public complaints/adverse comment by regulator or auditors/significant service disruption/failure to meet key performance indicators/injuries to public or staff/legal action against Council/ financial impact exceeds £15,000
Almost certain to occur	Extreme 4	Fatality/disabling injury to public or staff/ adverse national media attention/external intervention/total service disruption/ extensive legal action against Council/ financial impact exceeds £25,000

Priority Ranking – the ranking of an individual risk is calculated by a simple multiplication of likelihood and impact

Risk Assessment Matrix						
Likelihood of Risk	4	Extreme	4	8	12	16
	3	High	3	6	9	12
	2	Medium	2	4	6	8
	1	Low	1	2	3	4
			Low	Medium	High	Extreme
			1	2	3	4
			Impact of Risk Occurring			

Extreme Risk	Immediate action required
High Risk	Action as soon as possible
Medium Risk	To be addressed within next 3 – 6 months
Low Risk	Further Action only when viable to do so

6 Roles and Responsibilities

- 6.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. The process must be driven from the top but must also involve staff throughout the organisation.
- 6.2 **Elected Members** – risk management is seen as a key part of the elected Member's governance role and there is an expectation that elected members will lead and monitor the approach adopted, including
- a) Approval of the Risk Management Strategy;
 - b) Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed;
 - c) Consideration, and if appropriate, endorsement of the Annual Governance Statement; and
 - d) Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.
- 6.3 **Employees** – will undertake their job within risk management guidelines. All employees will maintain an awareness of the impact and costs of risks and how to feed data into the formal process. They will work to control risks or threats within their jobs, monitor progress and report on job related risks to the Town Clerk.
- 6.4 **Town Clerk** – will act as the Lead Officer on Risk Management, and be responsible for overseeing the implementation of the Risk Management Strategy. The Town Clerk will:
- a) provide advice as to the legality of policy and service delivery choices;
 - b) provide advice on the implications for service areas of the Council's corporate aims and objectives;
 - c) update the Council on the implications of new or revised legislation;
 - d) assist in handling any litigation claims;
 - e) provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work related illness or injury;
 - f) advise on any health and safety implications of the chosen or proposed arrangements for service delivery.
- 6.5 **Responsible Finance Officer** – as the Council's Section 151 will:
- a) assess and implement the Council's insurance requirements;
 - b) assess the financial implications of strategic policy options;
 - c) provide assistance and advice on budgetary planning and control;
 - d) ensure that the Financial Information System allows effective budgetary control;
 - e) maintain the Council's Risk Register;
 - f) effectively manage the Council's investment and loan portfolio.
- 6.6 **Role of Internal Audit** – Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

Internal Audit reports, and any recommendations contained within, will help to shape the Annual Governance Statement.

6.7 **Audit Committee** – Review and future development of the Risk Management Policy and Strategy will be overseen by the Audit Committee.

6.8 **Training** – Risk Management training will be provided to elected members and staff through a variety of mediums. The aim will be to ensure that both elected members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

6.9 In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals/groups are encouraged to report adverse incidents promptly and openly.

7 **Future Monitoring**

7.1 **Review of Risk Management Strategy** - This strategy will be reviewed annually.

8 **Conclusion**

The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Council is committed to continuous service improvement and effective corporate governance.

16. BUDGETARY CONTROLS

Budget Setting Process

The current process for setting the budget is:

- the Town Clerk gains visibility of potential new initiatives from Members through the Chairmen's Meeting. Officers may also raise initiatives in this forum which are usually derived from either best practice seen at other Councils, known legislative changes that need to be adhered to or technological changes that could improve efficiencies;
- RFO seeks advice from the Town Clerk on what, if any, new initiatives are likely to be undertaken in the new budget year;
- financial implications of new initiatives are developed and incorporated into base budget;
- base budget is reviewed and amended for known inflationary and other adjustments;
- draft budget is presented to the Policy & Management Committee for review and comment; and
- once agreed, budget is taken to Full Council to be approved and for the Precept to be set.

Ongoing Oversight

Once the budget has been agreed, it is loaded into Omega (the financial system operated by the Town Council) which enables budget monitoring to be performed. Budget monitoring is done at every Policy & Management Committee meeting. Members have required the budget to be profiled over the course of a year, in addition to the budget being profiled at the beginning of the financial year.

At each Policy & Management Committee actual expenditure to date (by line item and by cost centre) is compared to the profiled budget and significant variances explained. Where any potential issues are identified, they are discussed and a course of action agreed (and reflected in the minutes of the meeting).

Officers are able to spend against the approved budget, within Financial Regulations and Standing Orders. If during a financial year a spending requirement is identified that has not been budgeted for, the item is taken to the Policy and Management Committee for authorisation.

Quotes are required for any significant expenditure not covered by existing contracts.

The Internal Auditor reviews our compliance with our own Financial Regulations. The External Auditor reviews whether budget monitoring is done.

Published Data

The Council is required to publish its approved budget on its website. Godalming Town Council publishes it on the following page:

<https://godalming-tc.gov.uk/financial-information/>

The Council must also demonstrate that performance against budget is monitored at least quarterly. Godalming Town Council performs its budget monitoring within the Policy & Management Committee, whose agendas can be found online within the Town Council Agendas and Minutes section.

GODALMING TOWN COUNCIL

Disclosure by a Member¹ of a disclosable pecuniary interest or a non-pecuniary interest in a matter under consideration at a meeting (S.31 (4) Localism Act 2011 and the adopted Godalming Members' Code of Conduct).

As required by the Localism Act 2011 and the adopted Godalming Members' Code of Conduct, **I HEREBY DISCLOSE**, for the information of the authority that I have [a disclosable pecuniary interest]² [a non-pecuniary interest]³ in the following matter:-

COMMITTEE:

DATE:

NAME OF COUNCILLOR: _____

Please use the form below to state in which agenda items you have an interest.

Agenda No.	Subject	Disclosable Pecuniary Interest	Non-Pecuniary Interest	Reason

Signed _____

Dated _____

¹ "Member" includes co-opted member, member of a committee, joint committee or sub-committee

² A disclosable pecuniary interest is defined by the Relevant Authorities (Disclosable Pecuniary Interests) regulations 2012/1464 and relate to employment, office, trade, profession or vocation, sponsorship, contracts, beneficial interests in land, licences to occupy land, corporate tenancies and securities

³ A non-pecuniary interest is defined by Section 5 (4) of the Godalming Members' Code of Conduct.