

# **GODALMING TOWN COUNCIL**

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Municipal Buildings  
Bridge Street  
Godalming  
Surrey GU7 1HT

31 January 2020

I HEREBY SUMMON YOU to attend the **AUDIT COMMITTEE** Meeting to be held in the Council Chamber, Municipal Buildings, Godalming on THURSDAY, 6 FEBRUARY 2020 at 7.00 pm.

Andy Jeffery  
Town Clerk

Committee Members: Councillor Boyle  
Councillor Crooks – Vice-Chair  
Councillor Heagin – Chair  
Councillor Steel  
Councillor Welland

## **AGENDA**

1. **MINUTES**

To approve as a correct record the minutes of the meeting held on the 19 September 2019, a copy of which has been circulated previously.

2. **APOLOGIES FOR ABSENCE**

3. **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.

4. **PETITIONS/STATEMENTS/QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chair to invite members of the public to make representations, ask or answer questions and give evidence in respect of the business on the agenda or other matters not on the agenda. This forum to be conducted in accordance with Standing Order 5.

5. **QUESTIONS BY MEMBERS**

To consider any questions from Councillors in accordance with Standing Order 6.

6. **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).

7. **BANK RECONCILIATION**

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

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

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

8. INTERNAL AUDITOR'S REPORT

Members to consider the report from the Council's Internal Auditor, Mulberry & Co, on an interim internal audit conducted on 25 November 2019 for the 2019/20 financial year (report attached for the information of Members).

9. REVIEW OF RISK ASSESSMENT – ENVIRONMENT

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

10. REVIEW OF RISK ASSESSMENT – HEALTH & SAFETY

Members to consider the risk assessment on Health & Safety (to be tabled).

11. REVIEW OF RISK ASSESSMENT – LEGAL

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

12. REVIEW OF RISK ASSESSMENT – PHYSICAL & INFORMATION SECURITY

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

13. REVIEW OF RISK ASSESSMENT – REPUTATION

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

14. REVIEW OF RISK ASSESSMENT – FINANCIAL

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

15. REVIEW OF RISK ASSESSMENT – SAFEGUARDING

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

16. REVIEW OF RISK ASSESSMENT – EVENTS

Members to consider the risk assessment on Events (to be tabled).

17. REVIEW OF BUSINESS CONTINUITY PLAN

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

18. REVIEW OF INSURANCE

The main insurance policy for Godalming Town Council is held with Zurich Municipal Insurance. This policy was reviewed on 11 February 2019 for the 2019/20 financial year. The following amendments were made from this initial review:

- updated building valuations based on new insurance revaluations
- updated salary costs based on new contracts

Since this initial review, the following adjustments have been made:

- motor vehicle insurance for van (July 2019)
- two new employees (Oct 2019)
- hired-in plant insurance (Jan 2020)

In addition to our main policy, we also have separate policies for The Square (cost is recovered by head leaseholder) and The Museum (a proportion of the cost is recovered by The Museum Trust).

19. RISK MANAGEMENT STRATEGY

Members to discuss how the Audit Committee discharge their responsibility under the risk management strategy and to oversee future development in this area. The current Risk Management Strategy is attached for the information of members.

20. DATE OF NEXT MEETING

The next meeting of the Audit Committee is scheduled to be held on Thursday, 20 April 2020 at 7.00pm in the Council Chamber.

21. ANNOUNCEMENTS

Brought forward by permission of the Chair. 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 Heagin/RFO	4 July 2019	Latest Bank recs reviewed at each Meeting of Audit Committee	Chair to review and sign at each meeting of the Audit Committee	Ongoing
Internal Control – Meeting 1					
Income Controls	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – no issues identified	Annual review to be completed by July 2020	
Payment Controls	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – one invoice not found, presumed misfiled. If not located, a copy invoice to be sought and placed on file for completeness	Annual review to be completed by July 2020	
Payroll Controls	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – no issues identified	Annual review to be completed by July 2020	
Petty Cash	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – no issues identified	Annual review to be completed by July 2020	
Proper Book-keeping	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – no issues identified	Annual review to be completed by July 2020	
VAT Controls	Cllr Michael Steel	4 July 2019	Conducted 4 July 2019 – no issues identified	Annual review to be completed by July 2020	

SUBJECT	NAME OF PERSON UNDERTAKING REVIEW	PREVIOUS COMPLETION DATE	ACTIONS BROUGHT FORWARD	STATUS	ACTIONS CARRIED FORWARD
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Miscellaneous – Meeting 2					
External Auditor's Report	RFO	19 September 2019	Annual report received 19 September 2019. Onward Recommendation to Full Council on 26 September 2019	Annual review to be completed by September 2020	
Asset Control	Cllr Boyle/RFO	19 September 2019	Conducted 19 September 2019 – to be reviewed in 12 months	Annual review of Fixed Asset Policy to be completed by September 2020	Verification of existence and location of assets to be completed by 1 April 2020
Review of Ongoing Suppliers	RFO /Facilities Supervisor/TC	Ongoing	Recently reviewed: - Insurance providers reviewed March 2018 (GTC), October 2018 (Museum) & March 2019 (JBC) - Christmas Lights provider reviewed March 2019	Ongoing task	Letters to be written to two suppliers and an individual over issues raised – completed 24 September 2019
Financial Regulations	RFO	19 September 2019	Review of Financial Regulations completed by this Committee 19 September 2019. Onward Recommendation to Full Council on 26 September 2019	Annual review to be completed by September 2020	Onward recommendation to Full Council of amended Financial Regulations – completed 26 September 2019
Procedures	Cllr Welland	Ongoing	Creating an Standard Operating procedures file for each position – aimed completion March 2020	List of key tasks from job descriptions for each Officer documented  Audit of what processes and documentation currently exists for each key task performed	
Budgetary Controls	Cllr Welland	19 September 2019	Conducted 19 September 2019 – to be reviewed in 12 months	Annual review to be completed by September 2020	

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 Heagin /RFO	24 January 2019	Needs a risk assessment performed and Scheme of Delegation incorporated	On this agenda	To complete a risk assessment and incorporate Scheme of Delegation
Risk Assessment – Environmental	Cllr Crooks/RFO	24 January 2019	An Environment Sustainability Policy needs to be developed	On this agenda	An Environment Sustainability Policy needs to be developed
Risk Assessment – Legal	Cllr Boyle/RFO	24 January 2019	To be reviewed annually	On this agenda	
Risk Assessment – Physical & Information Security	Cllr Welland/RFO	18 April 2019	To be reviewed annually	On this agenda	
Risk Assessment – Reputation	Cllr Heagin /RFO	24 January 2019	To be reviewed annually	On this agenda	
Risk Assessment – Health & Safety	Cllr Heagin /RFO	24 January 2019	To be reviewed annually	On this agenda	RFO to organise Workplace Assessments for full time staff – agreed this should be deferred until moved into new premises
Risk Assessment – Financial	Cllr Crooks /RFO	24 January 2019	To be reviewed annually	On this agenda	Cllr Crooks met with RFO on 20 August 2019 regarding this matter
Insurance	Town Clerk/RFO/ Cllr Heagin	Market test of insurers completed and reported to P&M on 22 March 2018	To be reviewed annually	On this agenda	
Risk Assessment – Safeguarding	Cllr Boyle			On this agenda	
Risk Assessment – Events	Cllr Heagin			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	18 April 2019	Final audit report received and responses given. To be onward recommended to next Full Council meeting	On this agenda	
Management of Debt (particularly Bad Debt)	RFO	18 April 2019	To be reviewed annually	Annual review completed by March 2020	
Review of Effectiveness of Internal Control	Cllr Heagin /RFO	18 April 2019	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Governance Statement	Cllr Heagin /RFO	18 April 2019	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	
Annual Accounting Statements	Cllr Heagin /RFO	18 April 2019	To be reviewed annually	Annual review to be completed as part of Annual Governance and Accountability Return process	



## MULBERRY & CO

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Ms R Tong  
Godalming Town Council  
Town Council Offices Municipal Buildings  
Bridge Street  
Godalming  
Surrey  
GU7 1HR

25<sup>th</sup> November 2019

Dear Rita

**Re: Godalming Town Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2020**

Following completion of our interim internal audit on the 25<sup>th</sup> November 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. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

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 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 salaries
- Review of fixed asset register

It is our opinion that the systems and internal procedures at Godalming Town Council are well established, and followed. The RFO is very experienced and ensures the council follows best practice regulations. 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 fit for purpose.

I would like to thank Rita and her team for their assistance and whilst my report may contain recommendations to change these are not indicative of any significant failings, but rather are pointers to improving upon an already well ordered system.

## **A. BOOKS OF ACCOUNT (INTERIM AUDIT)**

The Council continues to use RBS and now uses the Rialtus suite. This is an industry specific accounting package. The RBS system is used daily to report and record the financial transactions of the council.

There are a number of access users. The system is cloud based and access is required by secure log on to the local machine and a separate password for the cloud system.

- RFO -full access all areas
- Clerk – Read only all areas
- Facilities – read write to bookings
- Support services – read write to bookings.

Every month, a month end close down is performed by the RFO, various reports are printed and filed in hard copy, these include but are not limited to; income and expenditure against budget, bank reconciliations and other reports as fit.

The cashbooks are routinely printed and are retrospectively accessible. The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed.

My walk through audit testing of receipts and a payments chosen at random from month six, showed that supporting documentation could be easily located from records. I make no recommendation to change in this system.

I tested opening balances as at 1/4/19 and confirmed they could be agreed back to the audited accounts for 2018/19.

The Council is VAT registered and the last VAT return was for quarter ended 30<sup>th</sup> September 2019, which showed a refund position. The refund was received in October. This test indicates that the council is up to date with its postings on the financial package and that these can be verified to third party evidence.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change.

I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

## **B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS (INTERIM & FINAL AUDIT)**

### **Interim Audit**

*Check the publication & minuting of the prior year audited AGAR and notice of conclusion of audit.*

External auditors report was not qualified in 2018/19. This was reported to council together with the notice of conclusion in September 2019. Evidence was also noted in the minutes of the internal auditor's report being reviewed and accepted. The notice of conclusion of audit and audited AGAR have been posted to the council website.

*Confirm by sample testing that councillors sign statutory office forms*

I confirmed by sample testing that Councillors sign "Acceptance of Office" forms and register of members interests, in line with regulations.

**The councillors will need to sign acceptance to receive information by electronic means.** I have provided some sample wording below for council consideration.

*“As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time.”*

*Confirm that the Council is compliant with the relevant transparency code.*

I note that the Council is required by law to follow the 2015 Transparency Code, a review of the web site has shown that the council is routinely following this. **However, a couple of the links need to be updated.**

*Confirm that the Council is compliant with the GDPR.*

As council is aware of GDPR. It was noted the Council has common email addresses internally which gives a natural segregation so it is clear beyond doubt in what capacity a councillor is acting, gives control to the council, adds a degree of professionalism and in the event of a FOI request limits access to personal computers.

*Confirm that the Council meets regularly throughout the year*

The council has the following committees:

- Full Council; meets circa 6 times per annum
- Audit; quarterly
- Staffing; Quarterly
- Mayoralty – annual
- P&M – 6 weekly
- Environment & Planning – new
- JBC - quarterly

There are also a number of working parties and groups which meets as and when necessary to cover specific tasks, not committee have spending powers.

*Check that agendas for meetings are published giving 3 clear days' notice.*

The RFO was able to demonstrate that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance.

*Check the draft minutes of the last meeting(s) are on the council's website*

Minutes are uploaded to the council website and these agree to signed hard copies.

*Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months.*

The standing orders are based on the NALC model. These were reviewed and readopted in September 2019

*Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.*

Financial regulations are based on the NALC model. These were reviewed and readopted in September 2019. The regulations being based on the NALC model contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

*Check that the council's Financial Regulations are being routinely followed.*

Financial regulation 2.3 deals with bank reconciliations, the council is performing a monthly bank reconciliation for all accounts and this is signed & minuted in accordance with regulations.

Financial regulation 4 deals with budgetary control and authority to spend. The office has the power to spend within a budget heading and the clerk has emergency powers up to £4,500. The internal process of the council are sufficiently robust to ensure before an order is placed the budgets are checked. On occasion it is necessary to get retrospective approval from council.

Financial Regulation 5 deals with authorisation of payments. The minutes show authorisation of payments lists in accordance with regulations. The bank mandate was updated in 2019.

Financial regulation 6 deals with making payments. The council makes payments by cheque, direct debit, debit card and bacs. The system in place is routinely followed and a review of the payments file showed all summaries are signed and invoices verified.

The de-minimis limit recorded in the Financial Regulations for the competitive purchase of items and services is as listed below. These are not incorrect but maybe restrictive for a council of this size.

- £25,000 + Tender Process
- £5,000 - £25,000 3 quotations are required.
- £1,000 - £5,000 – strive to get 3 estimates
- 0 - £1,000 – power to spend

I discussed the purchasing system with the RFO vis-à-vis financial regulations 4, 5 & 6 and ascertained that the regulations are being followed at a local level as described below:

1. Regular and recurring expenditure (rent, rates, wages, light & heat, contractual spend etc.) is known and authorised in advance (budget setting or tender process). These are, in the main, paid via direct debit, standing order or on-line banking. Evidence was noted in the minutes of advance variable direct debits being properly authorised.
2. An ad hoc expenditure requirement is identified and noted to the clerk/RFO – this can be from a number of sources and depending on the financial amount will be discussed in advance with council, committee or chair. If required, this is approved in advance by council committee before the expenditure incurred. My audit testing showed via the minutes that there is where appropriate discussion of expenditure before the orders are placed.
3. The order is made via the office – councillors are not allowed or permitted to place amend or vary orders.
4. The supplier invoice, when received, is reviewed by the RFO and box stamped and passed to budget holder for authorisation and review. My audit testing showed that supplier invoices do all have a box stamp.
5. The authorised invoices are then returned to the RFO and are input into the financial reporting package.
6. On a weekly basis a payments list is prepared by the RFO and councillors are invited to sign off the payment sheet and invoice. The RFO sets the payments up on the on-line banking screens and the councillors authorise the payments. Dual access is required.
7. The payments list is taken to council for approval in accordance with regulations.

Financial regulation 7 deals with approval and authorisation of salaries, the minutes and files show evidence of authorisation of changes and of wages generally.

*Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £8.12 per elector.*

The council has no S.137 expenditure because they have GPC.

*Confirm that checks of the accounts are made by a councillor.*

The system noted above details internal review takes place and councillor, committee and council level. I am under no doubt that council properly approves expenditure.

I am of the opinion the council is following its own regulations and that any changes to financial regulations are to be considered minor and no indicative of errors in the system. I am therefore of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

### **C. RISK MANAGEMENT & INSURANCE (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

The Council undertakes a full risk assessment that covers operational and financial risks, this is taken to council on an annual basis.

Godalming TC is insured with Zurich, on a three year deal. 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 2020.

The Museum is insured with Ecclesiastical Insurance. I viewed the Council's policy document and confirmed it runs to 31.10.20. Asset and money cover appear adequate.

**In respect of motor insurance, I would recommend that council introduce a checklist of driver details to comply with insurance requirements on an annual basis.**

We discussed assertion 8 of the AGAR and whether or not this had any impact on the council.

*"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."*

I am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.", has been met

### **D. BUDGET, PRECEPT & RESERVES (INTERIM & FINAL AUDIT)**

#### **Interim Audit**

I confirmed that the 2020-21 budget and precept setting process was underway at the time of the audit, however, due to the election much of the detail is being withheld until after the 12<sup>th</sup> December.

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 2019 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 properly recorded.

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met.

## **E. INCOME (INTERIM & FINAL AUDIT)**

### **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.

The precept was agreed in full to third party evidence and bank statements.

I was pleased to note that the RFO regularly checks and chases aged debtors.

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.", has been met.

## **F. PETTY CASH (INTERIM & FINAL AUDIT)**

The council has a float of £200. This was reviewed at the audit date, it is clear this is used for small sundries and is not significant or material.

Petty cash expenditure is presented monthly to a Council meeting for approval.

I am of the opinion the control objective of "Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.", has been met.

## **G. PAYROLL (INTERIM & FINAL AUDIT)**

### **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.

The council has fulfilled its obligations in respect of auto-enrolment and uses LGPS.

I tested the tax deduction for a full time employee – there were no errors. I am of the opinion salaries are correctly calculated and paid.

The PAYE and NI liabilities are paid on time.

All Council employees are paid through the payroll for all Council work undertaken. No employees are paid separately for any other Council work undertaken. Casual labour payments are correctly recorded via the payroll. Councillors are not paid allowances.

## **H. ASSETS AND INVESTMENTS (INTERIM & FINAL AUDIT)**

### **Interim Audit**

The fixed asset register is maintained on excel, additions and disposals have been agreed to a schedule prepared by the RFO and have been correctly added at cost, or written off the asset register as obsolete.

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained.", has been met.

## **I. BANK & CASH (INTERIM & FINAL AUDIT)**

### **Interim Audit**

The Town Council has three bank accounts. The bank reconciliations for all accounts are properly prepared and presented to committee for verification and approval on a regular basis. I checked the October and November reconciliations – there were no errors.

The council has just taken out a new \$430k loan with PWLB – this was agreed to the application paperwork.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of “Periodic and year-end bank account reconciliations were properly carried out.”, has been met.

#### **J. YEAR END ACCOUNTS (FINAL AUDIT)**

TBC at the year end

#### **K. TRUSTESHIP (INTERIM AUDIT)**

No trusts.

#### **L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS (FINAL AUDIT)**

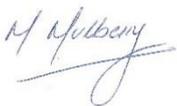
This new internal control objective is not active for 2019-20 financial year. However, I confirmed with the RFO that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

<b>Inspection - Key date</b>	<b>2018/19 Actual</b>	<b>2019-20 Proposed</b>
<b>Accounts approved at full council</b>	25 April Full Council	
<b>Date Inspection Notice Issued and how published</b>	14 June	
<b>Inspection period begins</b>	17 June	
<b>Inspection period ends</b>	26 July	
<b>Correct length</b>	Yes	yes
<b>Common period included?</b>	Yes	yes
<b>Summary of rights document on website?</b>	<b>Attached to inspection announcement</b>	<b>Attached to inspection announcement</b>

I am satisfied the requirements of this control objective were met for 2019-20, and assertion 4 on the annual governance statement can therefore be signed off by the Council.

Should you have any queries please do not hesitate to contact me, attention.

Kind regards  
Yours sincerely



**Mark Mulberry**

# Risk Assessment



Area:

**Environment**

Date of Assessment: 06/01/2020

Date of Last Assessment: 24/01/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Bob Crooks

Date of next Assessment: January 2021

Signature:

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
Lack of awareness of the environment as it is constantly changing. Especially as regards water resources and temperature, eg flooding and water shortages in heatwaves	Community and officers/staff	Tracking forecasts of environmental change eg EA website/flood alerts and predictions. Tracking weather projections.  Climate Change Action Plan developed in response to declaration of Climate Emergency for the Town and its community	4	3	12	High	<ul style="list-style-type: none"> <li>Encourage good practice and an awareness of the environment.</li> <li>Training for Officers and Councillors</li> <li>Established Environment and Planning committee to oversee provision of environmental impacts in planning apps</li> </ul>	On going  In line with plan

**High risks 12-25**

Immediate action required to either eliminate or adequately control the risk before further activity takes place.

**Medium risks 5-10**

Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.

**Low risks <5**

Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

	Severity				
Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
Rare	1	2	3	4	5
Unlikely	2	4	6	8	10
Possible	3	6	9	12	15
Likely	4	8	12	16	20
Almost certain	5	10	15	20	25

# Risk Assessment

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
Council Office waste ends up in landfill sites. Personal/official papers exposed. Waste not properly sorted prior to collection – collectors charge for contaminated loads refused by recyclers	Council officers/contractors	Contract provisions, Staff awareness of recycling provisions. Good signage	2	2	8	Medium	On-going actions to sustain staff awareness and brief staff on latest opportunities	
Incorrect disposal of Hazardous materials (including Asbestos) – risk to health and environment		<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Identification and removal of alien and hazardous flora from Council land</li> </ul>	4	2	8	Medium	Site visits. Contract penalties  Complete Pepperpot and Broadwater assessments?	

**High risks 12-25**

Immediate action required to either eliminate or adequately control the risk before further activity takes place.

**Medium risks 5-10**

Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.

**Low risks <5**

Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

	Severity				
Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
Rare	1	2	3	4	5
Unlikely	2	4	6	8	10
Possible	3	6	9	12	15
Likely	4	8	12	16	20
Almost certain	5	10	15	20	25

# Risk Assessment

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
Using goods and services that have an adverse impact on the environment	Council officers/ contractors	EIAs required in contracts prior to work commencing. Purchasing criteria include need for eco-labelling, fair trade sourcing and avoidance of single use plastics	4	2	8	Medium	Checking provenance and constitution of goods used in significant amounts. Contract management to ensure adherence for environmental/ sustainability reqs.	
Electricity, heating and fuel sourced from fossil fuels		Using electric van. Contract for electricity and heating provisions contain provenance requirements	2	3	6	Medium	Review sourcing of energy for GTC premises and transport	
Energy wasted – needless expenditure and consumption		Insulation of GTC premises Use of LED bulbs	3	3	9	Medium	Assessment of all GTC-owned buildings	
Loss of bio-diversity on Council Land		Re-wilding programme being implemented	2	4	8	Medium	Assessment of all Council-owned land (parks, kerbside spaces...)	

### **High risks 12-25**

Immediate action required to either eliminate or adequately control the risk before further activity takes place.

### **Medium risks 5-10**

Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.

### **Low risks <5**

Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

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Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
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# Risk Assessment



Area: **Legal**

Date of Assessment: 6/2/2020

Date of Last Assessment: 24/1/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Cllr Gerry Boyle

Date of Next Assessment: January 2021

Signature: \_\_\_\_\_

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
The Council fails to conduct its affairs and meetings in accordance with legislation	Residents and local businesses; Council employees; Council officers; Councillors	Maintain properly drafted Standing Orders (drafted in accordance with the law and reviewed at least annually) and follow them  (Reviewed Standing Orders 25 April 2019 Reviewed Financial Regulations 26 September 2019 )  Either use Standing Orders as drafted and amended by NALC; or use a third party to check current significant variances from NALC Standing Orders to verify compliance with the law and provide a baseline against which to track subsequent changes	3	2	6	Medium	Amend Standing Orders for known law changes whenever required	Annual Review of Standing Orders – by April 2020  Driven by notification of legal changes advised by NALC, SSALC, SLCC or any other professional body

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That the Council and/or its officers miss a change in legislation that impacts on the Council	Residents and local businesses; Council employees; Council officers; Councillors	<p>Employ competent Clerk and other officers</p> <p>Members and officers attend training and networking opportunities</p> <p>Subscribe (as an organisation or as individual employees) to relevant support organisations (NALC<sup>i</sup>, SSALC<sup>ii</sup>, &amp; SLCC<sup>iii</sup>)</p> <p>Purchase/subscribe to relevant publications (mainly journals of the above organisations) and purchase up-to-date texts as revised</p> <p>Evidence awareness of upcoming legislative changes to Audit, P&amp;M and Joint Burial Committees and report to the relevant committee when they occur.</p> <p>Maintain adequate insurance to cover risk of non-compliance</p>	4	2	8	Medium	<p>Track endeavours to stay abreast of current legislation by officers reporting relevant changes to legislation to the Audit Committee when they occur.</p> <p>Insurance is reviewed on an annual basis to ensure it covers risk of failure (last reviewed 11 February 2019).</p>	<p>As needed PLUS annual report to Audit Committee</p> <p>Annual</p>

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That the Council is badly advised as to what the law is and therefore breaches the law	Residents and local businesses; Council employees; Council officers; Councillors	<p>Employ competent Clerk and other officers</p> <p>Members and officers attend training and networking opportunities</p> <p>Subscribe (as an organisation or as individual employees) to relevant support organisations (NALC, SSALC, &amp; SLCC)</p> <p>Provide independent Member access to SSALC &amp; NALC advice by appointing a Member to SSALC and giving all Members full access to the SSALC website</p> <p>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</p>	2	2	4	Low	<p>Town Clerk to support Members and staff in identifying their general training needs</p> <p>Review Members' training to assess what training may be 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 11 February 2019)</p>	<p>Annual</p> <p>Annual</p> <p>Contained in Member's Handbook</p>

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		<p>Maintain adequate budgets for subscriptions/publications and for professional fees and significant reserves</p> <p>Include reference to relevant legislation in all reports to the Council and its Committees</p> <p>Maintain adequate insurance</p> <p>Seek independent relevant advice subject to budget</p>						

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That the Council is properly advised as to what the law is but decides not to act on that advice.	Residents and local businesses; Council employees; Council officers; Councillors	All relevant advice offered by officers and independent advisors to be properly minuted. Officers to provide a full risk assessment of non-compliance/inaction where Councillors indicate an intention to not act on advice as to how the law should be implemented.	3	2	6	Medium		

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That an individual councillor or officer purporting to act for the Councils acts illegally	Residents and local businesses; Council employees; Council officers; Councillors	<p>Ensure Councillors undertake appropriate training that includes clear guidance on limitations to delegations of powers</p> <p>Provide for and set up arrangements for enacting penalties where those powers have been exceeded</p> <p>Maintain up to date Standing Orders that are clear about delegation to officers General Power of Competence adopted by Full Council 15 May 2015 (min 15-15 refers)</p>	3	3	9	Medium	<p>Town Clerk to support Members in identifying their general training needs and powers.</p> <p>Town Clerk circulated login details for the SSALC website to all Members for competent and independent advice.</p> <p>Insurance is reviewed to ensure it covers risk of failure (last reviewed 11 February 2019).</p>	<p>Annual</p> <p>Contained in Member's Handbook</p> <p>Annual</p>

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That the Council knows that the law has changed but does not have the resources to react to that change.		<p>Risk assessment regime that covers legislative changes and assesses the risk to the Council of non-compliance</p> <p>Maintain a reasonable level of reserves to cover the costs of implementing unforeseen (&amp; therefore unbudgeted) legislative changes where non-compliance puts the Council at risk of breaking the law, and commensurate with the risk of such unexpected changes occurring</p>	3	2	6	Medium	<p>Make such risk assessment part of annual report on legislative changes – see above.</p> <p>Inform Chair of 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>	<p>Annual</p> <p>As required</p> <p>Annual</p>

<sup>i</sup> National Association of Local Councils (Council subscribes)

<sup>ii</sup> Surrey & Sussex Association of Local Councils (Council subscribes)

<sup>iii</sup> Society of Local Council Clerks (Town Clerk and RFO subscribes – funded by Council)

## **High risks 12-25**

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# Risk Assessment



Area: **Physical & Information Security**

Date of Assessment: 6/2/2020

Date of Last Assessment: 24/1/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Ross Welland

Date of Next Assessment: January 2021

Signature:

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
Break in or unauthorised entry to Town Council premises	Staff Councillors Customers Hirers	Alarm systems where appropriate  Good quality locks on all doors Good control of keys  Slave & master key system  Controlled entry system whereby visitors buzz to be let into main office  Maintain a Business Continuity Plan to minimise impact of damage to computer and paper systems	3	3	9	Medium	Alarms & CCTV cameras serviced annually to ensure in good working order  Business Continuity Plan reviewed annually to ensure reflects current needs and working practices  Insurance reviewed annually to ensure adequate for current needs  Adequate property maintenance budgets held  Test back up works adequately	Facilities Supervisor – annually  Audit Committee – annually  RFO – at least annually or more frequently if new risk identified  RFO – annually  RFO - annually

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# Risk Assessment

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
		<p>Test of back up done annually to ensure it works</p> <p>Adequate insurance</p> <p>Maintain fabric of our buildings to ensure effectiveness of security measures</p> <p>Minimise the use of personal information on physical media</p> <p>Computers &amp; information storage media are appropriately physically and logically protected.</p> <p>CCTV cameras installed as a preventative measure at WNC and PP</p>						

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<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
<p>Data loss or data / privacy breach</p> <p>Accidental release of personal data / information</p>	<p>Staff</p> <p>Councillors</p> <p>Customers</p> <p>Hirers</p>	<p>Computers and information storage media are appropriately physically and logically protected.</p> <p>Suppliers of information services are subject to procurement checks and ongoing assurance activity</p> <p>Personal email accounts are not used by staff or councillors under any circumstances</p> <p>Data protection training for all staff and councillors</p> <p>Data retention schedule for information</p>	4	3	12	High	<p>Data Protection Policy reviewed regularly</p> <p>Reviews / checks of suppliers of information services</p> <p>Staff training</p> <p>Training for Members on Data Protection / use of Council provided email accounts</p>	<p>Policy &amp; Management Committee – every two years</p> <p>RFO – ad hoc / when required</p> <p>Town Clerk – as part of the induction process for new employees and every 4 years for existing Employees</p> <p>Town Clerk – as part of the induction process</p>

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Assault on member of Staff or Councillor	Staff Councillors	Maintain Lone Working Policy – 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  Encourage Chairs to receive appropriate training so know how to manage contentious meetings	3	1	3	Low	Lone Working Policy reviewed regularly	Staffing Committee – on work programme for regular review

**High risks 12-25**

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# Risk Assessment



Area: **Reputation**

Date of Assessment: 06/02/2020

Date of Last Assessment: 24/01/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Joan Heagin

Date of Next Assessment: January 2021

Signature: \_\_\_\_\_

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
Failure in some area of the Council's activity – by act of negligence or omission – that generates negative publicity	Residents and local businesses Council employees Councillors	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	3	3	9	Medium		

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<p>Inaccurate information generates the perception that the Council has failed in circumstances that generates negative publicity Eg failure by a third party (Go Godalming or the Chamber of Commerce) where public perception cannot distinguish between the third party &amp; the Town Council</p> <p>Particular risk associated with social media</p>	<p>Residents and local businesses</p> <p>Council employees</p> <p>Councillors</p>	<p>Clarify relationships and partnership working</p> <p>Good press strategy</p> <p>Good working relationship with local journalists</p> <p>Monitoring of social media &amp; IT Code of Conduct</p>	3	3	9	Medium		

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An individual Councillor presumes to act or speak for the Council in contravention of Council policy, says something controversial or contravenes the law		<p>Clarity of Members understanding of respective roles and management processes</p> <p>Induction and training of Members</p> <p>Effective press strategy and Code of Conduct</p> <p>Monitoring Officer</p> <p>2015 Guidance on the role of the Council's representatives on external bodies</p>	3	3	9	Medium		

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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		Competent staff Good recruitment processes Appraisal system Induction and training of staff Good office systems and clarity about who is responsible for what Effective press strategy Disciplinary procedures IT Code of Conduct	3	2	6	Medium		

<b>High risks 12-25</b> Immediate action required to either eliminate or adequately control the risk before further activity takes place.	<b>Medium risks 5-10</b> Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.	<b>Low risks &lt;5</b> Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.	<table border="1"> <thead> <tr> <th></th> <th colspan="5">Severity</th> </tr> <tr> <th>Likelihood</th> <th>Negligible</th> <th>Minor</th> <th>Moderate</th> <th>Major</th> <th>Catastrophic</th> </tr> </thead> <tbody> <tr> <td>Rare</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> <tr> <td>Unlikely</td> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>Possible</td> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>Likely</td> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>Almost certain</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> </tbody> </table>						Severity					Likelihood	Negligible	Minor	Moderate	Major	Catastrophic	Rare	1	2	3	4	5	Unlikely	2	4	6	8	10	Possible	3	6	9	12	15	Likely	4	8	12	16	20	Almost certain	5	10	15	20	25
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# Risk Assessment



Area: **FINANCE**

Date of Assessment: 06/02/2020

Date of Last Assessment: 24/01/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Bob Crooks

Date of Next Assessment: January 2021

Signature: \_\_\_\_\_

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
<b>Income</b> May not receive the Precept on the due date.	The community and GTC	Ensure reserves are adequate to cover 6 months or 50% of the Precept to allow the organisation to continue trading.	4	3	12	Medium		RFO – ongoing.
Rent not received on properties or no hire fees received from community centres.	The community and GTC	Have adequate Insurance cover for loss of rent and loss of gross revenue.	3	3	9	Medium		RFO/TC arranges insurance annually and reviews levels of cover to ensure adequate.
Insufficient revenue is generated to fund operations.	The community and GTC	Ensure a medium to long term budget is performed to anticipate future revenue requirements and enable strategies to be developed to address potential shortfalls.	4	2	8	Medium		RFO develops a rolling three year high level budget for Council consideration.

**High risks 12-25**  
Immediate action required to either eliminate or adequately control the risk before further activity takes place.

**Medium risks 5-10**  
Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.

**Low risks <5**  
Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.

	Severity				
Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
Rare	1	2	3	4	5
Unlikely	2	4	6	8	10
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<p><b>Money Laundering</b> Money received could be illegally acquired and therefore as a consequence the Council may suffer a financial loss.</p>	GTC	<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>	4	3	12	High	<p>RFO arranges bank mandate and liaises between bank and Members to fulfil identification requirements.</p> <p>RFO is main liaison with bank.</p>	

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<p><b>Banking Facilities Provision</b> Banks could make a loss or become insolvent.</p>		Ensure monies are placed with approved and recognised institutions. Follow CIPFA Treasury Management Guidelines.	4	2	8	Medium	RFO to monitor banking institutions' credit rating at least annually.	Annually
<p><b>Investments</b> Investments may be lost through market forces.</p> <p>Investments may be misused/ fraud/corruption.</p>		<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>	4	2	8	Medium	<p>RFO to keep abreast of CIPFA Treasury Management Guidelines and ensure adherence.</p> <p>RFO to ensure compliance with approved Investment Strategy Policy.</p> <p>Review both Investment Strategy Policy and insurance cover annually.</p>	<p>Monthly as and when these change</p> <p>As and when investments change</p> <p>Annually</p>

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<p><b>Assets</b> Assets may be damaged/ stolen.</p> <p>Inability to replace assets that are damaged, lost or stolen.</p>		<p>Ensure all assets are appropriately maintained through regular inspections.</p> <p>Ensure the Asset Register is updated regularly.</p> <p>Have adequate insurance to cover loss or damage.</p> <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>	4	3	12	High	<p>Facilities Supervisor has a scheduled maintenance programme and performs regular reviews for unplanned maintenance.</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>In line with Maintenance Programme</p> <p>As and when assets change and annual audit</p> <p>Annual</p> <p>Annual</p>

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<p><b>Liquidity</b> Insufficient funds available when required to make payments when due.</p> <p>Unable to recover debtors' amount.</p> <p>Long term inability to repay loans.</p>		<p>Cash flow not a significant issue as Council receives the Precept (its main income) in two instalments in advance and holds 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>Repayments are fixed interest (not variable) and have been built into the base budget.</p>	3	3	9	Medium		<p>RFO monitors cash flow regularly.</p> <p>Policy to be reviewed annually</p> <p>RFO performs credit control each month.</p>
			4	2	8	Medium	RFO ensures repayments are built into annual budget.	Annual provision

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<b>Insurance</b> Cover is inadequate or incomplete for organisational needs.		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.	4	2	8	Medium	RFO/TC review insurance coverage annually.  RFO/Audit Committee and Internal Auditor ensure compliance with Council's policies and procedures.	Annual  As and when risks change

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<p><b>Activities Outside Legal Powers</b> Budget spent without a legal power to do so and therefore <i>ultra vires</i>.</p>		<p>Council has achieved General Power of Competence and currently has two CiLCA qualified Officers.</p> <p>Officers to advise Members where potential plans may not fall within existing powers.</p>	3	3	9	Medium	<p>TC to ensure Council does not operate <i>ultra vires</i>.</p> <p>TC to ensure Council continues to meet the eligibility criteria for General Power of Competence every four years.</p>	<p>On going</p> <p>Every 4 years</p>
<p><b>Internal Controls</b> The Council does not have an adequate system of internal controls to prevent and/or detect fraud and errors.</p> <p>Council fails to adhere to internal controls and opens itself up to qualified audit, fraud and damage to its reputation.</p>		<p>Included on the Audit Committee programme is an annual review of key internal controls for major areas.</p> <p>Internal Auditor includes within its programme a review of the Council's adherence to its own Standing Orders, Financial Regulations and internal controls.</p>	4	3	12	High	<p>Chairman of Audit to ensure Member assigned to do review each year.</p>	<p>Annual</p>
			4	3	12	High	<p>RFO to liaise with Internal Auditor to accommodate the Internal Auditor's review of internal controls.</p>	<p>Every 6 months or annually? Randomly timed inspections?</p>

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Immediate action required to either eliminate or adequately control the risk before further activity takes place.

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<p><b>Audit</b> Audit not performed</p>		<p>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.</p>	4	2	8	Medium	RFO to liaise with both External and Internal Auditors to ensure audits are conducted and any information requested provided in a timely manner.	Annual
<p>Audit performed and identifies areas of concern that result in a qualified audit opinion.</p> <p>Auditor does not have necessary expertise to conduct audit.</p>		<p>See Internal Controls, Legal Powers. Council appoints suitably qualified Officers.</p> <p>Audit Committee sets appointment criteria which includes evidence of necessary skills, experience and qualifications.</p>	2	2	4	Low		

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Auditor recommendations not addressed by Council.		Internal Auditor checks that all of their recommendations (and External Auditor's recommendations) have been considered.	4	2	8	Medium	Auditor's recommendations are reported to the Audit Committee to determine an appropriate response. This is then forwarded to Full Council for agreement.	

<p><b>High risks 12-25</b> Immediate action required to either eliminate or adequately control the risk before further activity takes place.</p>	<p><b>Medium risks 5-10</b> Review existing control measures to determine effectiveness. Where necessary implement further risk reducing measures.</p>	<p><b>Low risks &lt;5</b> Adequately controlled. No actions required but keep assessment under review. Additional controls will further reduce risk.</p>					

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# Risk Assessment



Area: **Safeguarding**

Date of Assessment: 06/02/2020

Date of Last Assessment: 24/01/2019

Responsible Persons Name: Town Clerk – Andy Jeffery

Name of Assessor: Gerry Boyle

Date of Next Assessment: January 2021

Signature: \_\_\_\_\_

<u>Hazards</u>	<u>Persons at Risk</u>	<u>Existing Precautions</u>	<u>Severity</u>	<u>Likelihood</u>	<u>Numerical Risk</u>	<u>Risk Rating</u>	<u>Additional Controls</u>	<u>Task Frequency</u>
An inadequate safeguarding structure contributes to harm to children and/or vulnerable adults	Children, vulnerable adults	Safeguarding policy adopted by the Council in July 2017 and reviewed in September 2019. Safeguarding regime for events held by the Council and/or on Council premises Safeguarding training for Council staff [Councillors?]	5	3	15	HIGH	[Report any concerns??]	Review policy annually
An inadequate safeguarding structure leads to public concern and loss of credibility of the Council (even if no harm occurs)	Council employees; Council officers; Councillors	Safeguarding policy adopted by the Council in July 2017 and reviewed in September 2019. Safeguarding regime for events held by the Council and/or on Council premises Safeguarding training for Council staff [Councillors?]	4	3	12	HIGH		Review policy annually

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Terms and conditions for hirers organising activities do not include adequate requirements for hirers to have a safeguarding policy	Children, vulnerable adults	Council Safeguarding Policy Council Terms and Conditions for hirers [Have these been changed to reflect the safeguarding requirements?]	4	2	8	Medium	Terms and Conditions to be reviewed by independent professionals with experience in safeguarding issues [Is this planned to happen?]	Annual review of Terms and Conditions
The Council does not appoint a named Safeguarding Officer or appoints a Safeguarding Officer who lacks time, expertise or commitment	Children, vulnerable adults [There are risks to the Council and its Officers and Members in terms of reputation and credibility but these seem entirely secondary to the risk to children and vulnerable adults]	Nomination of a Safeguarding Officer [Has this been done?] Training of Safeguarding Officer Performance Monitoring of Safeguarding Officer [This must be quite difficult to monitor] Quarterly reporting to Members [Is this planned?]	4	2	8	Medium	Annual Review of Safeguarding process [?]	Appointment of Safeguarding Officer as required Annual performance appraisal of Safeguarding Officer Quarterly reporting to Members

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One or more incidents or concerns related to safeguarding which are reported to the GTC Safeguarding Officer are not treated seriously and / or are not managed in accordance with Surrey County Council MASH safeguarding policies.	Children, vulnerable adults [There are risks to the Council and its Officers and Members in terms of reputation and credibility but these seem entirely secondary to the risk to children and vulnerable adults]	Safeguarding policy adopted by the Council (date?) Safeguarding regime for events held by the Council and/or on Council premises Safeguarding training for Council staff [Councillors?] Performance Monitoring of Safeguarding Officer [This must be quite difficult to monitor] Quarterly reporting to Members [Is this planned?]	4	2	8	Medium	Annual Review of Safeguarding process [?]	Annual performance appraisal of Safeguarding Officer Quarterly reporting to Members

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17. REVIEW OF BUSINESS CONTINUITY PLAN

**Major Risk Area: Business Continuity**

**Overview:**

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;
- 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, and stakeholders kept informed and details and updates are well communicated.

Responsibility for implementing the BCP rests with the Proper Officer (PO), or, in his absence, the RFO. They must ensure that they have access to the BCP, including appendices, that is not dependent upon access to the office, and that the appendices themselves are updated as soon as any aspect changes.

There are many scenarios that may result in the need to implement aspects of the BCP, but this document focuses on loss of:

- main office location;
- any of the main community buildings; WNC, Broadwater or Pepperpot;
- IT capabilities from internal or external causes;
- Town Clerk or RFO.

In each scenario there will be a series of immediate actions to be considered and undertaken where relevant. There will then be additional considerations specific to each. It is recognised that those listed here are not exhaustive, as there is a balance to be struck between the benefits of preparedness and the investment of effort in planning for an event that might never happen.

The appendices to the BCP contain emergency contact details and other key information where immediate access may be required. For GDPR and other security reasons the actual details will only be included in restricted access versions of the BCP.

**Immediate Steps – all scenarios**

1. Follow any relevant guidelines, such as
  - fire – evacuate and contact emergency services;
  - smell gas – turn off and phone 0800 111 999;
  - malicious threat – bomb warning.
2. Under no circumstances should staff or others be put at risk.

3. Contact the PO and RFO, who will then take control of the situation unless the emergency services are involved.
4. Make a quick assessment or value judgement of the seriousness of the situation and issues likely to be involved.
5. Notify key stakeholders, using details in Appendices
  - staff;
  - Leader, Mayor and political group leaders, who should be requested to notify the remainder of their group;
  - insurers, if the incident is likely to give rise to a claim.
6. In conjunction with the Leader, decide roles and responsibilities for staff and other elected members, as appropriate.
7. Arrange more detailed briefings for staff and councillors, preferably at separate group meetings, so that any questions or issues are discussed collectively.
8. Decide the nature and extent of more extensive communication with residents and other relevant stakeholders.

#### **Subsequent Steps – all scenarios**

1. Ensure adequate resources are input to assist the recovery of the service, including those available from insurers.
2. Appropriate reviews of the situation are undertaken, through regular updates and Officers, Councillors and customers are kept updated and informed.
3. Officers are utilised effectively and efficiently, particularly in the event of providing cover, to expedite a prompt return to normal service.
4. 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.
5. All details, i.e. resources, additional costs etc., are recorded and where applicable photographed.
6. If an insurance claim is to be made
  - ideally retain all damaged property until insurers have the opportunity to inspect;
  - set up a separate cost centre so that all aspects are included. Any aspect not paid by insurers can be reassigned to normal cost centres subsequently.

#### **Additional Considerations – loss of GTC offices**

1. Are alternative premises needed or can staff work from home for the expected duration of the interruption? If it is not currently feasible for them to do so for up to a week, are there sensible steps that can be taken now to ensure that they can do so for a few days, at least?
2. Options for alternative premises include:
  - early occupation of xxx High St, depending on the date of emergency. Increased costs of doing so should be met by insurers.

- adaptation of all or part of a community building for office use. It is recommended that consideration be given to likely requirements for this scenario and an outline plan developed as to how they might be met.

### **Additional Considerations – loss of Community Buildings**

1. Repair or reinstatement should be arranged as expeditiously as possible, in conjunction with insurers where appropriate.
2. All customers with bookings in the affected building should be included in the list of stakeholders for immediate contact, even if the booking is beyond the expected period of interruption.
3. Assistance should be offered to affected customers to secure alternative facilities in Council buildings or elsewhere.

### **Additional Considerations – loss of IT Capability**

### **Additional Considerations – loss of Key Personnel**

1. The PO or RFO should discuss the situation with the Leader as soon as possible to devise an action plan, including the possible need for additional temporary staff.
2. It is recommended that key aspects of each key role should be reviewed in advance to identify which aspects can be assigned to other staff, and the adjustments that might be necessary to allow for this. These might include:
  - delegation of aspects of their normal role to others;
  - additional training to enable this to happen, especially where this might be an aide to career development;
  - identify aspects of activity that could be suspended altogether or scaled back for the duration.

### **Appendices**

The secure master copy of the BCP should contain appendices with the details listed below. PO and RFO must ensure that they have remote access to these details. Who else?

- staff phone numbers and private emails addresses;
- elected member phone numbers and private emails addresses, albeit that the initial communication requirement envisages that political group leaders will be responsible for cascading information to their peers;
- entry access codes and alarm codes for all buildings;
- 24/7 contact details for insurers – for use in the event of a major loss;
- office contact details for insurance broker and insurers;
- contact details for all IT service providers, and details of their emergency support commitments;
- details of any pre-planning as outlined in the BCP, including contact details for any potential service providers identified.

## **RISK MANAGEMENT STRATEGY**

### **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.'<sup>1</sup>

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:

**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.

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

**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 2015<sup>2</sup> 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.

### 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

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

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
			<b>Impact of Risk Occurring</b>			

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.

## GODALMING TOWN COUNCIL

Disclosure by a Member<sup>1</sup> 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]<sup>2</sup> [a non-pecuniary interest]<sup>3</sup> 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** \_\_\_\_\_

<sup>1</sup> "Member" includes co-opted member, member of a committee, joint committee or sub-committee

<sup>2</sup> 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

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