Newmarket TOWN COUNCIL

RISK MANAGEMENT SCHEME

Risk Management Strategy

Introduction

This document sets out the framework on which risk management processes at Newmarket Town Council are based. This framework should assist in ensuring that a consistent approach is taken across the Council for the identification, assessment and evaluation of risks, and for ensuring that actions are proportionate to identified risks, thereby efficiently and effectively utilising resources and maintaining a balance between risks and controls. Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

Risk – '*Risk is the combination of the probability of an event and its consequence. Consequences can range from positive to negative'.*

Risk Management - *'Process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of success and reducing the likelihood of failure.'* [Institute of Risk Management (IRM)]

Risk management is an essential feature of good management and applies to all aspects of the Council's business.

There is an Audit requirement under the Accounts and Audit (England) Regulations 2015 s.3 to establish and maintain a systematic strategy, framework and process for managing risk. Risks and their control will be collated in a Risk Register. A statement about the system of internal control and the management of risk will be included as part of the Annual Statement of Accounts and summarised in the Council's Business Plan.

Implementing the strategy involves identifying, analysing/prioritising, managing and monitoring risks.

Risk Types

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

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

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

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 precept 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.

Not all these risks are insurable and for some the premiums may not be cost-effective. Even where insurance is available, money may not be an adequate recompense. The emphasis should always be on eliminating or minimising risk. Risk can be connected to opportunities as well as potential threats.

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 –Identified risks 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.

Risk Prioritisation - An assessment should be undertaken of the impact and likelihood of risks occurring, with impact and likelihood being scored Low (1), Medium (2) and High (3). The scores for both impact and likelihood are scored in this manner. Risks scoring 6 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

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:

- Tolerate **-** documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.
- Treat - loss control measures are implemented to reduce the impact/ likelihood of the risk occurring;
- Transfer – the financial impact is passed to a third party or by way of insurance. This is good for mitigating financial risks or risks to assets;
- Terminate – the circumstances from which the risk arises are ceased so that the risk no longer exists.

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk Register –Details on the impact and likelihood matrix are included below. Health and Safety risks are assessed in a similar manner but are assessed, recorded and managed separately to the matrix below.

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.

Roles and Responsibilities

Councillors – risk management is seen as a key part of the councillors' stewardship role and there is an expectation that Elected Members will lead and monitor the approach adopted. This will include: approval of the Risk Management Strategy; consideration of the Risk Assessment Matrix.

Proper Officer and Responsible Financial Officer- will ensure that Risk Management is an integral part of any service review process, ensure that recommendations for risk control are detailed in service review reports and will lead in developing and monitoring Performance Indicators for Risk Management.

Project Officers and Service Managers – when developing projects or recommending service changes will ensure that risks are identified and the measures to eliminate or control risks are documented in agenda reports/briefing papers to be considered by Council and committees.

Employees – will undertake their job within risk management guidelines ensuring that the skills and knowledge passed to them are used effectively.

Role of Internal Audit – the Internal Audit Team provides an important scrutiny role carrying out audits to provide independent assurance to the Council. 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.

Training – Risk Management training will be provided to key staff. Councillors will receive appropriate briefings.

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk Assessment and Management (Financial & Business). Reviewed November 2020

1. RISKS: Financial - Income

	Low			Medium			High		
RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Precept	Not Submitted Not Paid by District Council Adequacy of Precept Adequacy of Budget provision	L L L L	H H H H	3 3 3 3	Full TC Minute & Diary to forward request to District. Check and Report if not received by end of April Calculated on need after other income taken from estimated expenditure Each committee drafts budget in October and continues to assess and evaluate need to January. Proposed budgets to F&P and Council with explanatory notes. Budgets discussed in public meetings	Diary Diary/Bank Statement Full consultation with committees, based on Strategy. Draft budget on Accountancy system. Ensure all expenditure accounted for. Ensure previous year's actual figures considered. Use RFO, & Proper Officer.	RFO	ongoing
Responsible Financial Officer	Requirement to maintain permanent, experienced RFO	L	M	2	In-house training & knowledge sharing. Option to engage temporary RFO if necessary	Produce documentation of procedural processes	RFO	June 21
Funds to repay PWLB loans	Adequate provision in Budget	L	M	2	Accounted for when drawing up the draft budget.	Ensure adequate budget provision made for future years	RFO	ongoing
Charges from Severals Pavilion	Set realistic budget income level	M	M	4	Manage charges to ensure optimum use of Pavilion	Events Manager to build strategy to increase bookings by reducing charges	EM	Dec 21
Charges Cemetery	Plot Allocation Receipt of fees	M	M	4	Outsourced to West Suffolk. Risk managed by West Suffolk.	Put monitoring in place of SLA quarterly burial income & expenditure	RFO	Quarterly
Charges Allotments	Below Budget prediction	L	L	1	From Associations, so predictable. Receive annual report on allotment take-up from the Allotment Association.	Need to monitor to ensure receipt. Invoiced in January annually	RFO	February

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

RISKS: Financial – Income (continued)					RISK LEVEL	Low 1 2 3	Medium 4 5 6	High 7 8 9
Activity	**Risk Identified**	**L**	**I**	**RISK**	**Management of Risk**	**Action**	**By Who**	**By When**
Investment Income	Adequacy to meet Budget prediction	L	M	2	Reviewed annually at year end. Low return at present, but realistic prediction.	Keep under review	RFO	June 21
Grant for Public Toilets	Below budget prediction	L	L	1	Regular contribution from District Council received of £3,300	Need to monitor to ensure receipt. Invoiced annually in April	RFO	June
Income from Memorial Hall	Sufficient income to cover costs.	M	L	2	Manage charges to ensure optimum use of Memorial Hall, Chamber & EC Room. Set realistic budget of expenditure.	Retain Events Manager and ensure that income is reviewed monthly at Community & Leisure Services Committee	EM / RFO	Monthly
VAT Claim	Lack of VAT reclaim	L	M	2	In accordance with Financial Regulations. Claim paid directly in to Council's bank account and noted as receipt in cashbook. Reclaims on quarterly basis.	Finance & Policy Committee to scrutinise to ensure receipt	RFO	Quarterly
Administration of Accounts	Receipt arrangements. Invoices may not be sent out in timely manner or not at all.	M	H	6	Internal controls in accordance with Financial Regulations. Receipts currently entered weekly by RFO. Invoices prepared in accordance with procedures. Event Manager prepares booking invoices monthly.	Finance & Policy committee to review aged debtors report and balance sheet monthly.	EM / RFO	Monthly
Handling cash from events / petty cash	Misappropriation of funds (events)	L	H	3	Cash should be handled by 2 people, recorded in paying-in book and relevant Cashbook and banked asap. Adequate fidelity insurance in place.	Review operating procedure.	RFO	Annually
	Petty Cash	L	M	2	Allowed to sum of £150, renewed as required. Each cheque signed by 2 signatories. All petty cash expenditure is recorded in Petty Cash monthly spreadsheet and CB2. Balanced monthly.	Review operating procedure.	RFO	

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

2. Risks: Financial - Expenditure

	Low			Medium			High		
RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Salaries	Inadequate funding for salaries & costs Wrong pay rate, hours or deductions.	L L	M L	2 1	Posts fully costed. Budget accurately set. Check PAYE calculations Systems in place for recording rates of pay, hours and calculation of deductions. Undertake manual checks when inputting data	Review all salaries and conditions of service. Maintain realistic HR EMR Operating Procedure in place, with TC undertaking check of monthly payroll figures and signing to indicate completed.	TC / RFO	Monthly
Direct Costs and Overhead expenses	Goods not supplied Invoice incorrectly calculated Payment to wrong party	L L	M M	2 2	Purchase order system in place. Goods/services checked against orders Check arithmetic and against purchase order Invoice initialled by signatories.	Review operating systems as necessary	RFO / Admin	Ongoing
Grants	Power to Pay Agreement of Council to pay Cheque / Bank Transfer Value for Money Work not done	L L L M M	M L L M M	2 1 1 4 4	NTC holds General Power of Competence (GPC) Approval at council/committee meeting Signatory / online authorisation by 2 signatories Review merits before approval Require feedback from organising body	Maintain GPC. Ensure qualified member of staff & confirmation by FTC. Resolution shown in the minutes Consider creating EMR for Grants Prioritise in accordance with Strategic Objectives. Pay on completion, on invoice/receipt Consider creating a Grants Policy by 2022	TC / RFO	Ongoing
Election Costs	Invoiced at agreed rate. Maintain EMR for 4-year & casual	L	M	2	Accrue annually	Establish EMR	RFO	April 21
VAT Payment	VAT analysis & payment not made on time	M	L	2	All items in cash book. Payment for authorisation sheet. Payments up to date.	Verify, pay after monthly accounts.	RFO	Quarterly
Reserves General	Adequacy	L	M	2	Consider at budget setting, set at 25% of net turnover	Revise medium term financial plan to build general reserves	F&P	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risks: Financial – Expenditure (contd)

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Reserves Earmarked	Adequacy	L	M	2	Consider at budget setting and year end	Assess against Strategy	RFO	Ongoing
Assets	Loss, damage etc. Risk to third party	M M	M M	4 4	Regular inspections, update insurance and register. Review adequacy of public liability insurance Safety inspections	Complete full inspection of assets and inventory	TC TK	Annually Ongoing
Staff	Loss of key personnel Fraud by staff	L L	H H	3 3	Hours, health, stress, uncertainty, conditions etc. Fidelity guarantee insurance. Monitoring by TC/ RFO. Regular financial reports to committees, councillors have authority to pay.	Council to review terms and conditions and member-officer roles. Ensure that Performance Management system followed. Regularly review and monitor systems of internal control.	TC TC/ RFO	Ongoing
Borrowing	Authority to borrow	L	M	2	Authority from full Council and application to PWLB	Ensure adequate provision in future Budgets	RFO	Annually
Legal Powers	Illegal activity or payment	L	H	3	Education of members as to their legal powers. Maintain General Power.	Put training in place for councillors.	TC	Ongoing
Financial Records	Non-standard or non-compliant records	L	M	2	Regular internal audit; interim and year end. Regular expenditure/income reports to F&P Committee	Continue system of regular review and internal audit.	RFO	Ongoing
Medium Term Financial Plan	Need to plan for longer term	L	L	1	4-yearly renewal.	Maintain MTFS linked to Strategy. Annual review.	TC	Annual
Expenses	Misappropriation	L	H	3	Staff & councillor expenses managed by Proper Officer/RFO. Mileage authorized in advance. Raised through expenses claim form. Councillors' expenses recorded in Ledger. RFO will raise cheque, signed by 2 signatories.	Ensure signatories do no authorize their own expenses.	TC / RFO	Ongoing
Credit cards	Misuse by holders	M	M	4	Credit card for use by TC and RFO. CB4 balanced with Credit Card statement and checked monthly.	Maintain a check on credit card limit.	RFO	Monthly / Annually

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

3. Risks: Strategic

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Grants	Is Grant Scheme linked to strategic priorities?	M	M	4	Grants given to certain community projects.	Can be cost effective but need to be linked to strategic priorities & enabled voluntary sector.	Council/ Cttee	Ongoing
Provision of existing Services	Unable to afford or deliver	M	M	4	Provision included in budget. Review and outsourcing should reduce cost.	Need to be in accordance with Strategy & be included in Business Plan. Risk assessment & full costing of proposals	RFO / TC	Ongoing
Additional functions in future	Will needs & wishes of town be identified? Will Town Council be prepared to fill gaps?	M	M	4	No new functions proposed, but plan to free up money from outsourcing and look at priorities.	Need to bring proposals out through Strategy. Need risk assessment on new functions and allocate resources.	Council/ Cttee	Ongoing
Neighbourhood Plan & Council Strategy	Lack of clear direction & allocation of resources Unable to implement strategy	M M	L L	2 2	Neighbourhood Plan Committee formed. .	Monthly NP Committee meetings NP Budget set.	RFO	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

4. Risk: Operational

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Insurance Cover for Council	Risk to finances, staff and third parties if inadequate cover. Action taken against Council by employee or third party	M	H	6	Buildings/ Land/ Carparks/ Allotments/ Cemeteries/bus shelters etc. Vehicles & Plant Contents Equipment Fidelity Theft Personal Injury (Councillors & Officers) Public Liability Slander/Libel Employer Liability External Events	Monitor cover and update as necessary, particularly in light of outsourcing. Clarify liabilities	TC / RFO	Annually
Security	Risk to: 1: Staff 2: IT 3: Buildings	 L L L	 H H H	 3 3 3	 Key holding procedures. Backup files offsite, password protection Maintain security of building, alarms, fire safety	Review all procedures as necessary. Abbey Security for night-time/weekend security N-CIS contract for support & backup	TC	Ongoing
Regular maintenance of assets	Risk to staff & third parties of loss or damage	L	M	2	Annual Business Risk Assessments completed Adequate legislative safety checks of assets	Monitor and review.	TC	Annually
Asset Register	Risk if assets not properly recorded & valued	L	M	2	Asset Register,	Review and update. Add maps and photographs.	TC	Ongoing
Council Liability	Lone person working-compliance with law	L	M	2	Procedure for safety but needs to be reviewed with new staff structure.	Monitor & review	TC	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

5. Risk: Operational (contd)

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	RISK	Management of Risk	Action	By Who	By When
Employment	Contract of Employment	**L**	M	**2**	All staff have a contract of employment and job description	Ensure any new staff are issued with contract and job description. Review JD through Performance Management Scheme	TC	Ongoing
Duty of Care	Duty of care to visitors, staff and councillors	M	H	6	Ensure adequate insurance, risk assessments and action plans.	H&S risk assessments carried our regularly & recommendations actioned	TC	Ongoing
Employment Terms and Conditions	Other employment conditions compliance with legislation	L	L	2	Terms and conditions drawn up in Staff Handbook and other relevant policies	Review handbook and policies Implement any changes in line with changes in legislation Issue copies of documents to new staff	TC / HR Committee	Ongoing
Health and Safety	Members, Employees, Public & Contractors	M	M	4	Undertake regular safety risk assessments both general and specialist. Monitor health and safety policies and implement safe working procedures.	External health and safety expertise bought in to advise and support. Regular training of staff and review of procedures	TC	Ongoing
Town & Country Planning	Adverse effect on the town and on community amenities if the Council fails to respond to Planning applications or Local Plan consultations	L	M	2	Council responds through Development & Planning Committee (meets fortnightly) or Council for major applications.	Planning lists compiled by administrative staff and issued with agendas, allowing applications to be considered in advance of meetings. Extension of time sought should a consultation deadline fall before relevant meeting.	TC / Admin	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk: Operational (contd)

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	**Risk Identified**	**L**	**I**	**RISK**	**Management of Risk**	**Action**	**By Who**	**By When**
Training	Lack of knowledge of regulations, legislation or good practice	M	M	4	Through recognition of training needs and development of annual training & development plans Access to relevant professional bodies (NALC, SALC, SLCC), health and safety advisors.	New members to attend SALC "New Councillor" training and to be issued joining pack with council policies and relevant documents. Staff training needs identified through Performance Management scheme.	TC	Ongoing
Freedom of information	Requests not responded to within specified time limits	L	H	3	FOI policy in place. Seek advice from Monitoring Officer or SALC as required	Action any FOI requests in accordance with policy.	TC	Ongoing
Governance Documents	Policies not up to date, failing to account for changes in legislation/ good practice.	M M	M M	4 4	Review schedule of policies in place	Review as necessary	TC	Ongoing
Press releases	Failure to comply with legislation and good practice	M	M	4	Adopted Publicity Code	Act in accordance with policy.	TC	Ongoing
Data Protection	Security of data	M	H	6	Confidential documents are securely destroyed. Council computers are password protected and have anti-virus software. The Council is registered with the Information Commissioner. Councillors use "newmarket.gov.uk" e-mail addresses	Continue to outsource IT support	TC	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk: Operational (contd)					RISK LEVEL	1 2 3	4 5 6	7 8 9
Activity	**Risk Identified**	**L**	**I**	**RISK**	**Management of Risk**	**Action**	**By Who**	**By When**
Byelaws	That any intended byelaw is not lawfully implemented	L	L	1	Not applicable at present, should any action be needed seek legal advice	Act in accordance with advice given	TC	Only if needed
Archiving documents	Security and statutory retention periods	M	M	4	Needs to be in accordance with a document retention policy and GDPR.	Adopt document retention policy and review.	TC	Ongoing
Public Access	Public need to be able to safely access services according to need.	L	M	2	Services available at stated times. Subject to health and safety inspections	Monitor and review	TC	Ongoing
Contracts (1)	Compliance with legislation and Town Council policies	M	M	4	Contracts policy in place. Prepare specification, determine on price and quality and enable monitoring and feedback mechanisms	Act in accordance with policy	TC	Ongoing
Contracts (2) – Service Level Agreements	Risk to performance, cost and reputational damage if not properly monitored	M	M	4	Implement monitoring provision	Monitor against specification and price. Ensure channels for regular review and feedback	TC	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

5. Risk: Compliance

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	**Risk Identified**	**L**	**I**	**R**	**Management of Risk**	**Action**	**By Who**	**By When**
Legal Powers	Not having legal power to undertake activities	L	L	1	Council has General Power of Competence, with two thirds of elected Members and CiLCA qualified Clerk.	Council resolution taken to confirm eligibility Review at next relevant annual meeting (that which takes place in a year of ordinary elections of parish councillors)	TC	Ongoing
Minutes	That minutes are accurate and legal Loss of Minutes Lack of transparency	L L L	H H M	3 3 2	Decisions of Council and committees recorded as resolution or recommendation. Approved at following meeting, adopted at Council. Minutes in lose form with numbered pages. Each page initialled by Chairman. Experienced Minute Clerk. Minutes and agendas are held on the website, with hard copies held and archived at the Memorial Hall. Electronic copies also saved and backed up electronically. Usually available in office and on Website	Governed by Standing Orders – act in accordance with policy. Ensure electronic files are regularly backed up and minutes posted to website in timely fashion. Draft minutes posted to website, replaced as final version once signed.	TC	Ongoing
Minutes - Confidential Matters	Maintenance of confidentiality when required (usually legal, commercially sensitive or staffing matters)	L	H	3	Confidential matters discussed following a resolution to close a meeting in accordance with Standing Orders.	Any decisions taken should be shown in public minutes, with wording appropriate to maintain any confidentiality required.	TC	Ongoing
Members Interests	Conflict of Interest	M	L	2	Update declarations of interest Record any declarations in the minutes Adopted Code of Conduct	Issue prompts to councillors to update their interests and ensure accessible through the council website.	TC / Cllrs	Ongoing
Councillor Declarations	Accurate and Legal	M	H	6	Copies on Website or link to WSC. Seek advice from monitoring officer if needed	Review & update as required. Training requirement for councillors.	TC	Ongoing
Dispensations	Ensure compliant with legislation	M	M	4	Standing Orders outline the procedure	Follow process and review as needed	TC	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk: Compliance (contd)

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	R	Management of Risk	Action	By Who	By When
Budget & Precept	That these be set in accordance with legislation	L	H	3	Final budget and precept set at Full Town Council agreed by resolution.	Ensure the resolution is shown in the minutes	TC / RFO	Annually
Accounts & Annual Return	Not acting in accordance with Financial Regulations Failure to achieve a satisfactory annual return	L	H	3	Regular financial reports to committee Financial Regulations and Internal Controls reviewed annually	Act in accordance with Financial Regulations Internal audits (annual & interim)	TC / RFO	Ongoing
Website	Not compliant with Transparency Code	L	M	2	Website redesigned to allow compliance	New documents to be added in line with legislation. Staff trained to be able to undertake this.	TC	Ongoing
Code of Conduct	Compliant with legislation & best practice	L	M	2	Code adopted.	Review when model codes updated Training for councillors	TC	Ongoing
Agendas and Notices	Not complying with legislation	L	H	3	Follow legislation and adopted practices.	Review & follow process	TC	Ongoing
Freedom of Information	Legal compliance	L	M	2	Need to follow legislation, allow request by letter/email.	Review process and ensure staff can administer	TC	Ongoing
Publication Scheme	Legal compliance	L	M	2	On website	Review Publication Scheme and Information Guide. Update on Website.	TC	Ongoing
Data Protection	Legal compliance	L	M	2	Operational procedures in place. Current registration with ICO in place. Details on website.	Monitor how data is stored, made available and disposed of. Follow guidance.	TC	Ongoing
Charitable Trust	Understanding of responsibilities and separate legal decision making	L	L	1	NTC Charitable Trust is a 'work in progress'	Refer back to F&P for discussion & decision regarding desirability. Seek legal advice if required	RFO / TC	March 21

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Risk: Compliance (contd)

RISK LEVEL	1	2	3	4	5	6	7	8	9

Activity	Risk Identified	L	I	R	Management of Risk	Action	By Who	By When
Statutory Governance Documents	Not compliant with legislation or current best practice	L	M	2	Standing Orders, Standing Orders for Contracts, Financial Regs.	Adopt and review annually.	TC	Annually
Internal & External Audits	Failure to undertake Internal Audit Non-compliance with audit requirements	L L	H H	3 3	Regular Interim & Year End Internal Audit visits Requirement in Financial Regs (and legislation) that Full Council must agree response to each recommendation.	Internal auditor appointed. Response to IA included in yearly planning.	RFO TC	Ongoing
Councillors	Acting inappropriately and beyond their legal boundaries Lack of transparency Lack of membership/quorum	M L L	H H L	6 3 1	TC responsible for ensuring Acceptance of Office signed and Code of Conduct given to councillors. Councillors responsible for completing and returning declaration of interest forms (to include notification of any updates) and declaring these at meetings Declaration of interest forms displayed on website. Attendance and apologies recorded for meetings. Care over quorum.	Training for new and inexperienced councillors. Declarations & website updated. Moved to new website to ensure transparency code met. Town Clerk responsible for notifying casual vacancies to WSC and advertising in accordance with legislation.	TC TC TC	Ongoing

L – Likelihood, I – Impact. - (Risks rated as – Low – 1, Medium – 2, High – 3)

Newmarket TOWN COUNCIL

Internal Controls

INCOME – CASH/CHEQUES/BACS

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Write out receipt for all cash and cheque income received	ADMIN/EM	RFO
2.	Mark appropriate Sales Ledger invoice with receipt no	ADMIN/EM	RFO
3.	If non-SL invoice (ie: Teadance revenue) mark appropriate Cash Pay-In Voucher with receipt no	EM	RFO
4.	All cash/cheques income to be entered onto Excel pay-in sheet & received into the Rialtas A/c System under the appropriate income nominal codes	RFO	Internal Auditor
5.	All BACS income to be represented by a corresponding Remittance Advice or, in absence, a BACS receipt voucher & received into the Rialtas A/c System under the appropriate income nominal codes	RFO	Internal Auditor
6.	Bank Reconciliations to be carried out throughout the month, with Final Reconciliation at month end	RFO	Chair of Finance Ctte
7.	Annual Precept: to be paid into current a/c by BACS by WSC at the end of April	RFO	Internal Auditor

Newmarket TOWN COUNCIL

Internal Controls

EXPENDITURE – CURRENT ACCOUNT (CASHBOOK 1)

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Purchase Orders prepared against quotes for non-contract expenditure	ADMIN	RFO
2.	Invoices matched & checked against purchase order on receipt & prepared for weekly payment run	RFO	Two A/c signatories
3.	Entered into Rialtas A/c System under the appropriate nominal code	RFO	Internal Auditor
4.	On Mondays, payment run to be prepared for batch of invoices in Rialtas A/c System	RFO	Internal Auditor
5.	BACS payments set up for the batch	RFO	Two A/c signatories
6.	Any cheques, DDs to be prepared as separate batches	RFO	Two A/c signatories
7.	Remittance Advices to be produced from Rialtas A/c System and posted	ADMIN	RFO
8.	Final Bank Reconciliation at month end	RFO	Chair of Finance Ctte

EXPENDITURE – PETTY CASH (CASHBOOK 2)

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	A receipt must be obtained for all expenditure. A VAT receipt if appropriate	ALL STAFF	RFO
2.	Petty Cash Voucher to be completed for each receipt; Date, Staff Initials, Outlet Name, Details of goods/services, which area, price including VAT amount where relevant	RFO	Internal Auditor
3.	Vouchers entered into the Rialtas A/c System under the appropriate expenditure nominal codes	RFO	Internal Auditor
4.	Petty Cash Summary Excel Spreadsheet completed at month end with cashbox tally entered	RFO	Internal Auditor
5.	Cheque written for petty cash amount to be withdrawn with a denomination listing & authorising letter for NatWest Bank	RFO	Two a/c signatories
6.	Cashbook transfer completed on the Rialtas A/c System	RFO	Internal Auditor
7.	Final Bank Reconciliation at month end	RFO	Chair of Finance Ctte

EXPENDITURE – SALARIES (CASHBOOK 3)

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	Employees to complete a monthly overtime sheet as necessary for authorisation	ALL STAFF	RFO / TC
2.	A monthly wages spreadsheet to be prepared detailing all staff gross pay and overtime if applicable	RFO	TC
3.	Wages are processed in the Moneysoft Payroll Manager software	RFO	Internal Auditor
4.	Pensions are processed in the BandC People's Pension online system for DD payment	RFO	Internal Auditor
5.	PAYE/NICs BACS payment set up	RFO	Two A/c Signatories
6.	Net Wages, PAYE/NICs, Pensions payments entered into Rialtas A/c System under the appropriate expenditure nominal codes	RFO	Internal Auditor
7.	Salary Summary Excel spreadsheet completed & entered into the Rialtas A/c System as a Wages Control Account Journal	RFO	TC
8.	Final Bank Reconciliation at month end	RFO	Chair of Finance Ctte

Newmarket TOWN COUNCIL

Internal Controls

EXPENDITURE – CREDIT CARD (CASHBOOK 4)

Procedure No:	PROCEDURE	CARRIED OUT BY	CHECKED BY
1.	A receipt must be obtained for all expenditure. A VAT receipt if appropriate	ALL STAFF	RFO
2.	Credit Card Voucher to be completed for each receipt; Date, Staff Initials, Outlet Name, Details of goods/services, which area, price including VAT amount where relevant	ALL STAFF	RFO
3.	Vouchers entered into the Rialtas A/c System under the appropriate expenditure nominal codes	RFO	Internal Auditor
4.	Amounts checked at month end with online credit card statement	RFO	Internal Auditor
5.	Cashbook transfer completed for statement payment on the Railtas A/c System	RFO	Internal Auditor
6.	Final Bank Reconciliation at month end	RFO	Chair of Finance Ctte

NB: ALL FOUR CASHBOOKS ARE PRESENTED BY RFO AT THE NEXT FINANCE & POLICY COMMITTEE MEETING FOR APPROVAL.

COVID-19 ADDENDUM: Due to national restrictions regarding ways of working, NTC staff may be working from home over a period(s) of time. At these times, face-to-face checking by councillors/town clerk may be suspended and all checks will be carried out via email and/or Zoom meeting.