

POLICY, GOVERNANCE & FINANCE COMMITTEE

Date: Monday, 22 March 2021

Title: Effectiveness of Internal Control: Corporate & Financial Risk Assessment 2020/21

Contact Officer: Town Clerk - Sharon Groth

Background

The Council is required under the Accounts and Audit Regulations 2015 (Reg. 3 – copy attached) to undertake an annual review of its internal controls for risk management (financial and non-financial.) This is a requirement for passing the annual audit inspection.

The Council has a formal Risk Management Policy which is kept under review, and a copy is attached at appendix A.

Management of risk is not just concerned with Health and Safety and making sure we have sufficient insurance cover.

The purpose of the Corporate Risk Assessment is to ensure that the Council is complying with legislation and statute, good practice and Council procedures.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

Risk Assessment

Managing risk is something we do continually. The important thing is to identify risks and plan how these risks can be mitigated but not necessarily removing the risk completely.

It is acknowledged that some risks will always exist no matter what and by carrying out these Risk Assessments the Council is demonstrating that it is trying to control and manage its risks.

Each risk is scored by selecting a value of the likelihood (the likelihood of this happening with the controls the Council has in place) and impact (estimated impact of this risk on this area to the Council with the controls the Council has in place). The system multiplies the likelihood score against the impact score to arrive at a risk value for each item.

The resultant Action Plan from this years Corporate Risk Assessment undertaken by the Town Clerk is attached for Members to review.

Environmental impact

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 – with this in mind Councillors should have due regard to the environmental impact of any decisions they make with regard to its facilities and services it operates.

Risk

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

It should be noted that Operational Risk Assessments and Method Statements are carried out by the Council's Officers and staff for the various activities and events – and the Corporate Risk Assessment should not be confused with these. It identifies and assesses all risks the Council faces.

Day to day operational risks are managed by managers and the Strategic Risk Register is held by the Town Clerk and reviewed by the Senior Management Team on a regular basis.

Financial implications

There are no financial implications arising directly from this report however as a result of the risk assessment some risks may require financial commitment to alleviate the risk – Officers will try to meet these costs from existing budgets, however if not possible these will be considered as part of the next budget setting cycle later in the year.

Recommendations

Members are invited to note this report and endorse the Corporate Risk Assessment for the financial year 2020/21.