Essex Association of Local Councils – Risk Register

Reviewed July 2023

Report updated

Next Review July 2024

This Document has been produced to enable the Association to assess the risk that it faces and satisfy itself that it has taken adequate steps to minimise them. In conducting this exercise, the following plan was followed:

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and internal control of the risk and record all findings
- Monitor and Review, assess and revise if required
- Responsibility
- Level of Risk

1 Area	Risk Identification	Internal Control	Monitoring and Review	Responsibility	Level
1.1 Assets	**Protection of Physical Assets** 1. Internal Building 2. Furniture 3. Computer/IT equipment 4. Conference equipment 5. Stock	Asset register in place. Fire Risk Assessment in place, with associated certificate training for staff. Rotation of conference furniture required Equipment properly stored and managed IT Plan in place includes computers, server, server upgrades and printers.	Asset register reviewed and updated annually each March or when there is change in asset. Adequate Review scheduled 2022.	RFO	**Low Unlikely**
1.2 Assets	Inadequate security of the building and equipment	Alarm system failure.	Annual service of system. 24-hour remote monitoring of alarm system via Texecom App.	RFO	**Low Unlikely**

Area	Risk Identification	Internal Control	Monitoring and Review	Responsibility	Level
1.3 Assets	Failure to maintain the building	Internal maintenance lease agreement with landlord. Schedule of works and contractors in place.	Buildings management programme in place. Reviewed annually monitored by the CEO.	RFO, CEO	**Low Unlikely**
1.4 Assets	Payment of lease and rental	Grant from ECC. Agreement by way of comfort letter with ECC to 29th September 2025	Before any lease is signed must have guarantee of grant to cover the same.	CEO, RFO	**Low Unlikely**
2 Area	**Risk Identification**	**Internal Control**	**Monitoring and Review**	**Responsibility**	**Level**
2.1 Finance	Failure to bank and care for funds	Process for banking of funds from income to be banked ASAP. Internet banking controls, password protection and antivirus software. Passwords changed regularly.	Income deposited ASAP or at least weekly. Monthly bank reconciliations of all accounts. Financial regulations reviewed annually. Antivirus software in place.	RFO, CEO	**Low Unlikely**
2.2 Finance	Loss of cash through theft or dishonesty	Cash held in safe overnight. Petty Cash reimbursed by RFO on evidence of expenditure. Petty cash account reconciled in accordance with Financial Regulations. Insurance policy in place, adequate Fidelity Guarentee.	Monthly reconciliations of all bank accounts carried out in accordance with financial regulations. Internal audit checks carried out. No one person can access funds.	RFO / CEO	**Low Rare**

2.3 Finance	Failure to protect expenditure	Cheques up to £500 signed by CEO, over £500 dual signatory. Online transfers are authorised by two signatories. Amounts over £500 have two signatories. Internal Controls in place to verify scheduled payments. All purchase orders are checked against the invoice received. Large items 3 or more quotes as per financial regulations.	Payments are made in accordance with the financial regulations. Internal audit checks carried out. Emergency signatory identified during illness for internet and cheque payment processing.	RFO, CEO, Auditor	**Low Unlikely**
2.4 Finance	Failure to protect income	Monthly reconciliation of each bank and petty cash account. Debtors monitored and sufficient credit control carried out.	Review financial regulations annually. Internal audit checks and review of bank reconciliations. Where there are staff changes, training must be provided.	RFO, CEO, Auditor	**Low Unlikely**
2.5 Finance	Failure to comply with HMRC (VAT) Regulations	VAT registration in accordance with HMRC requirements carried out by RFO in line with HMRC guidelines.	VAT process to be checked by the internal auditor. Keep up to date with regulation changes and liaise with NALC. Possible periodic checks by HMRC and response to enquiries.	RFO, CEO	**Medium Unlikely / Minor**
2.6 Finance	Budget setting, process, reporting and monitoring	Financial regulations are updated annually.	Reviewed in accordance with the financial regulations, checks by the treasurer and internal auditor.	RFO, CEO, Treasurer, Auditor	**Low Unlikely**
2.7 Finance	Control of purchase orders in respect of all contractors	Purchase orders are raised for all contractual arrangements. All invoices must have a matching purchase order number to make payment.	Purchase orders are raised and must be authorised by a secondary responsible person.	RFO, CEO	**Low Rare**
2.8 Finance	Stock control	Control of stock, stationery ordering, Cleaning and office requirements. Control of publications.	Stock control systems and stock rotation in place.	Executive County Training Officer, RFO	**Low Rare**

2.9 Finance	Reduction in membership for Affiliation fees	Regular contact with members via updates, conferences and courses. Future planning to ensure courses remain competitive and development of further services to members.	Plan to map courses and develop courses online. Engage with parishes unable to attend courses and develop ways of delivering courses to specific areas.	Executive County Training Officer, CEO	**Medium Unlikely / Minor**
2.10 Finance	Reduction Core Grants Received from Partners	Regular contact with partners via updates, regular communication and conferences. Future planning to ensure courses remain sustainable, competitive and development of further services to members.	Yearly review, collaborative working with key partners.	CEO	**Medium Unlikely / Minor**
2.11 Finance	Business credit card fraud	Card and pin number to be kept separately and under lock and key. Only to be used with trusted sites.	Credit card used in accordance with the financial regulations. Card reported immediately if lost or stolen. Purchase orders raised prior to use.	RFO, CEO	**Low Possible**
2.12 Finance	VAT	VAT Sage training carried out to ensure compliant with HMRC Making Tax Digital. NALC Assessment carried out pre-registration. Sage data is input in line with Sage training on 'T' codes.	Quarterly VAT reports checked by the RFO, sent to Treasurer for monitoring. VAT compliance testing under separate cover during annual audit.	RFO, CEO	**Low Unlikely**
3 Area	**Risk Identification**	**Internal Control**	**Monitoring and Review**	**Responsibility**	**Level**
3.1 Employer Liability	HMRC Regulations and PAYE requirements	Salary and expenses administration process for NI, PAYE and Pensions is contracted out to a competent payroll bureau. Timesheets are checked by the RFO and SGW payroll bureau. Staff have individual login details to access a portal to retrieve payslips.	Changes to the payroll in relation to taxation are updated by the payroll bureau. Internal auditor checks on payroll annually.	RFO, CEO, Payroll provider	**Medium Unlikely / Minor**

3.2 Employer Liability	Salary paid incorrectly	The Association authorises the appointment of all employees through a personnel committee. Salary rates are assessed annually by the personnel committee. Monthly payroll figures signed off prior to submission to payroll bureau. Tax and NI calculated by professional payroll bureau in real time pay. Pension calculated by RFO and Payroll Bureau as per Essex Pension Annual Valuation.	Monthly monitoring of the payroll and salaries. Salaries paid via internet banking authorised with two signatories. Employment contracts and job descriptions in place. Audit of salaries twice per year. Annual return completed and submitted via payroll bureau and pensions fund.	RFO, CEO, Payroll bureau	**Low Unlikely**
3.3 Employer Liability	Compliance with employment law	Regular training and information updates, Vine HR support, H&S and working policies. Guidance from HR and ACAS Health and Safety / Covid-19 Risk Assessment policies in place.	Policies reviewed annually. All new staff are trained and have to read and sign the H&S agreement.	RFO, CEO	**Low Unlikely**
3.4 Employer Liability	Staff changes and absence Loss of key personnel	Staff contracts have sufficient notice period relevant to the role. Succession planning and sufficient staff training to provide cover for absence. Reserves kept at a level to enable acting staff to be engaged. Operational manuals and procedures kept up to date.	Review staff training budget, appraisal systems and performance management in place. General reserves maintained to a correct level.	CEO	**Medium Possible**

3.5 Employer Liability	The risk of damage to third party or individuals whilst visiting the EALC premises	Staff to ensure that a fire safety tour is provided for people working in the building. Visitors will be given housekeeping arrangements or never left unsupervised coat trailing issue around conference tables causing a trip hazard.	Reviewed annually.	CEO	**Low Unlikely**
3.6 Employer Liability	The risk of an accident for executive members and staff	Executive meetings held in the mornings so that Executive members travel in day light.	Adequate.	CEO	**Low Rare**
4 Area	**Risk Identification**	**Internal Control**	**Monitoring and Review**	**Responsibility**	**Level**
4.1 Operational	Contracted out work on an ad-hoc basis	Contractors for the association will provide an invoice. Pattern of work to be monitored. Refer to HMRC for updates and guidance	Review HMRC requirements annually.	RFO, CEO	**Low Unlikely**
4.2 Operational	IT - Business Recovery Plan	Lodge Information Services Ltd are instructed as the IT provider for the EALC following a full review of the IT systems and Controls. (See Appendix 1, IT Business Recovery Plan)	Daily monitoring and maintenance of all systems with IT support. Cyber Insurance to be reviewed.	RFO, CEO	**Medium Possible**
4.3 Operational	Provision for dietary requirements for delegates and Committee members	Staff trained in food hygiene, food allergen. Risk assessments carried out for each course.	Daily monitoring of dietary requirements of delegates. Booking form with notice. Records of ingredients on display, food allergen labels on display.	All staff	**Low Unlikely**
5 Area	**Risk Identification**	**Internal Control**	**Monitoring and Review**	**Responsibility**	**Level**

5.1 Legal Liabilities	Fidelity Insurance	Adequate fidelity insurance in place.	Monitor and review the level of cover is adequate yearly.	RFO, CEO	**Medium Unlikely**
5.2 Legal Liabilities	Failure to submit Annual Return And corporation tax return	The annual return to be submitted to company's house for EA (2013) Ltd by 26th June each year. Corporation tax return to be filed by 31st December each year.	Yearend procedures in place. Annual audit checks to ensure compliance.	RFO, CEO	**Low Possible**
5.3 Legal Liabilities	Fire Safety	Loss of data through fire. Staff trained in fire safety renewed each 3 years.	Fire policy in place with two annual fire safety inspection checks carried out on building and firefighting safety equipment.	RFO, CEO	**Low Possible**
5.4 Legal Liabilities	Health & Safety	All staff trained to Health & Safety Level 3. Policies and procedures in place.	Review of Health & Safety Policies annually. Housekeeping at start of each conference and course.	ALL	**Low Unlikely**
5.5 Legal Liabilities	Policy provision	The association is registered with a Data protection agency ICO Information Commissioners Office.	Registration is reviewed annually.	RFO	**Low Unlikely**
5.6 Legal Liabilities	Potential Risk of legal action being taken against the association	Public liability insurance cover general personal injury claims where the association is found to be at fault.	Insurance policy is adequate and is reviewed annually.	RFO	**Low Unlikely**
5.7 Legal Liabilities	Control of documents – adhering to GDPR Regulations and changes made on 25th May 2018.	Good practice in the retention of documents and the safe disposal of the documents.	All sections of the EALC to shred documents that are confidential or private. Only to retain payroll documents in line with HMRC.	ALL	**Medium Unlikely**

			Reviewed annually to ensure adequate insurance is in place		
5.8 Legal Liabilities	Legal Liability as a consequence of asset management. Annual review of risk	All assets are checked and replaced if required to minimise injury.	Adequate.	RFO	**Low Possible**
6 Area	**Risk Identification**	**Internal Control**	**Monitoring and Review**	**Responsibility**	**Level**
6.1 General Liabilities	The Provision of services by the EALC to member councils	Public Liability Insurance in place. Tutors to be CiLCA trained and hold a certificate in training.	Adequate reviewed annually.	RFO, CEO	**Low Unlikely**
6.2 General Liabilities	Risks associated with Executive Members and staff attending meetings of partners	Travel policy in place for necessary business travel insurance cover. Expenses claim policy.	Adequate reviewed annually.	RFO	**Low Unlikely**
6.3 General Liabilities	Response to EALC Member enquiries	Effective response times. Data recording in place to monitor response time of enquiries	Reviewed monthly with data record collection from all staff.	All	**Low Possible**
6.4 General Liabilities	Meeting timetables to ensure that the constitution, standing orders and financial regulations are managed	Plan in place to review all process on staff calendar with reminders set.	Adequate reviewed annually.	RFO, CEO	**Low Possible**
6.5 General Liabilities	Business continuity plan (appendix attached)	Plan in place in line with the strategy plan, action plan and reserves policy	To be reviewed annually.	CEO	**Low Unlikely**
6.6 General Liabilities	Strategic Plan and Action Plan	Strategic Plan in place with designated chapter leads. Action plan is ongoing.	To be reviewed annually.	CEO, Chapter Leads	**Medium Possible**

<u>Risk Matrix</u>

Likelihood	Insignificant	Minor	Moderate	Major	Severe
Almost certain	MEDIUM	HIGH	HIGH	CRITICAL	CRITCAL
Likely	MEDIUM	MEDIUM	HIGH	HIGH	CRITCAL
Possible	LOW	MEDIUM	MEDIUM	HIGH	CRITCAL
Unlikely	LOW	MEDIUM	MEDIUM	MEDIUM	HIGH
Rare	LOW	LOW	MEDIUM	MEDIUM	HIGH

SIGNED: DATED: 5th January 2023

Charlene Slade

Chief Executive Officer AATQB CiLCA