



Fakenham Town Council

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Finance & Governance Risk Management Policy

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1. Introduction

Good governance, accountability and transparency are essential to local councils. Those who are responsible for the conduct of public business and for spending public money must ensure that everything is conducted in accordance with the law and proper practices.

The Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 set out how we should act when accounting for public funds. This includes an annual review of the effectiveness of the system of internal control and a formal financial risk assessment. This is part of the Annual Return, as identified in Section 2 part 5 of the Statement of Assurance, which is made to the External Auditor and will be inspected by the independent Internal Auditor.

The Policy is intended as a working document for the Internal Auditor, Councillors and Town Council employees, and will assist elected members in their approval of the Statement of Assurance.

2. Risk Management

Risk Management is the ongoing process of identifying the actual and potential risks that an organisation is facing, assessing the impact of these risks and putting in place actions (controls) intended to lessen (mitigate) the risk to an acceptable level. It should be recognised that risks are unlikely to be fully eliminated but through robust and timely management, can be bought within an acceptable level.

As with all management systems the risk management policy should be monitored and reviewed to ensure that all risks are identified, controls are implemented and that they remain effective. The Model Financial Regulations for Local Councils, updated April 2024 states;

The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.

Fakenham Town Councils robust approach to risk management includes;

- A risk management policy
- Annual audit of accounts – internal auditor – with a full internal audit report, submitted at the 6 month and 12-month periods.
- Submission of the Annual Governance and Accountability Return
- Financial & Governance risk register
- Annually reviewed Insurance cover.

3. Objectives

The objectives of this policy are:

- To clearly identify roles and responsibilities for managing risk by the Town Council.
- To create a structured framework for the identification, assessment and evaluation of risks.

- To ensure a corporate approach is adopted across the Council which facilitates the prioritisation of risks and avoids duplication of mitigating action.
- To ensure risk management principles are embedded in all systems and processes to help demonstrate openness, integrity and accountability in all the Council's activities.
- To ensure the risk management process contributes to the development of a more robust internal control framework, providing assurance to senior officers and Members that appropriate levels of control exist.
- To provide a framework for ensuring actions are proportionate to identified risks thereby efficiently and effectively utilising resources and maintaining a balance between risks and controls.

4. Roles & Responsibilities

Councillors;

- The Town council has responsibility for overseeing its risk management and the approach to assessing risk will be consistent and include an assessment of likelihood and impact.
- Review (on an annual basis) the risk management policy and risk register. This will include ensuring there is:
 - i. A review of the risk assessment criteria, risk appetite and approaches to managing risk.
 - ii. An identification and updating of the schedule of risks
 - iii. An evaluation of the likelihood and potential impact to the Council of each risk materialising
 - iv. A decision on measures to avoid, reduce or control each risk, as appropriate
 - v. A record made of the decisions reached

The Clerk;

- Ensure that risk assessments are carried out for areas and activities under their control.
- Ensure that such assessments are updated at regular intervals or whenever there is reason to believe that the assessment is no longer valid
- Ensure that risk assessments are adequately recorded and documented
- Ensure that action is taken to adequately control risks to health and safety identified by the assessment
- Ensure that staff members are kept adequately informed of risks to health or safety and of any control measures provided
- Ensure, for areas under their control, that contractors or visitors to the areas who may be exposed to risk are adequately informed of the risk and any required precautions or preventive measures

The RFO;

- Assess and implement the Council's insurance requirements
- Assess the financial implications of strategic policy options, aid and advice on budgetary planning and control.
- Ensure that the Financial Information System allows effective budgetary control
- Inform investment decisions made by the Town Council.

Staff;

- Undertake their job within risk management guidelines ensuring that the skills and knowledge passed to them are used effectively.
- All employees will maintain an awareness of the impact and costs of risks and how to feed data into the process.

- Staff will work to control risks or threats within their jobs, monitor progress and report on job related risks to the Clerk.

5. Council Services & Functions

- Council Offices, Connect Building, Oak Street, Fakenham

The Council is a tenant in this building, which is owned by Norfolk County Council, leased, and managed by NNDC. The Town Council office is open to the public from 10.00am to 2pm Monday to Friday. One of Fakenham Town Council's (FTC) main functions is to organise meetings for its members and the public, and deal with matters arising from those meetings. FTC also has financial, managerial and administrative responsibilities - managing allotments, cemeteries and open space areas, arranging site visits. FTC also reports problems on behalf of the public for services provided by other tiers of government.

- Queen's Road Cemetery and Chapel

A town centre Cemetery, where limited burials can still take place, in the Garden Plot after confirmation with the office. The Cemetery is always open except when necessary to prevent misuse. Installation of memorials must be undertaken by authorised masons on the allocated plot. Memorials are inspected every five years and are recorded. Rules & Regulations are in place, advertised on site as well as online and sent to all exclusive rights of burial holders and funeral directors, these are reviewed annually.

- St Peter's Churchyard and Memorial Garden

FTC maintains these areas. Interment of ashes still takes place in the restricted memorial garden area managed by the Parish Church, not the Council.

- Creake Road Cemetery

An out-of-town site, with archway entrance, brick storage buildings and wall to either side of the entrance. This is the site currently used for burials after confirmation with the office. The site is always open. FTC arranges matters concerning burial plots and memorials as well as the maintenance of the site. Maintenance of the site is arranged through a contractor. Funeral Directors prepare burial plots and reinstate areas after burial. Installation of memorials must be undertaken by authorised masons on the allocated plot. Memorials are inspected every five years and are recorded. Rules & Regulations are in place, advertised on site as well as online and sent to all exclusive rights of burial holders and funeral directors, these are reviewed annually.

- Peckover Cemetery

Town Centre Cemetery with wall surrounds and mature evergreen oak trees, adjacent to the Aldiss Superstore. The site is available for future Quaker burials.

- Allotment sites

- (1) Rudham Stile Lane
- (2) Greenway Lane
- (3) Grove Lane

Rents are reviewed annually and rent increases are notified to the tenants 12 months in advance. Rents are due on 11th October annually (After old Michaelmas day)

Office staff manage the Allotments, and all sites have Tenant Representatives. Tenancy agreements are issued annually, and tenants are given a copy of the current Rules. Council staff carry out regular inspections of the sites.

- Playing Fields

- (1) Hayes Lane - Trim Trail, outdoor gym equipment and play equipment on a large area of open space.
- (2) Whitelands - Infant swings, Twin Forest Tower, see-saw and a slide with a public path through the site.
- (3) Millennium Park - Includes play equipment, a cable rider and outdoor gym equipment, There is a large area of grassland and a landscaped garden area. The park is managed by the Town Council as Trustee of the Fakenham Recreation Ground Charity.
- (4) Trap Lane Field (an open sports area with free public access), a Pavilion, Depot and Storage Container.

- Other Open Spaces sites
 - 1 Railway Cutting
 - 2 Trap Lane Field
 - 3 Goggs' Mill Picnic Area
 - 4 Library Corner
 - 5 Cinema Triangle

Goggs' Meadow, Edmondson's Acres and Bacon's Piece are currently leased to the Hawk & Owl Trust.

Inspection of these areas is managed by the groundsmen and Town Clerk. Litter picking on all the Council's land is undertaken by the Council's own grounds staff.

- Street Lights
Street Lights (359) in the town, are owned and maintained by FTC through contracted services. Faulty lights, vandalism and impact damage is reported to Cozens Street Lighting Services. The contractor provides Street Lighting stock amendments to UK Power Networks who have oversight of lights system and records.
FTC annually requests confirmation of any stock changes, and the contractor undertakes an annual inspection of each light.
Certification is provided by UKPN and passed to the utilities provider to enable adjustments to billing data for the subsequent year.
Electricity invoices then checked by Finance to verify monthly charges.

- Market Management
The Town Clerk supervises the market and stallholders' sites. The Market cleaning is managed by the Traders with groundsmen checking for any litter at the end of the day. Rents are paid by bank transfer or standing order.

- Market Tolls
Local organisations can apply to the Market Tolls for funding for new community projects, social activities, and other events. Grant applications are assessed and considered by Councillors at a Development and Market meeting before grants are awarded.

- Provide and maintain street furniture
The Town Council has benches in various locations in the town. These are inspected and repaired regularly. The Council has been gifted a concrete seat which is on Goggs' Picnic Area. It also maintains the Edward VII Coronation Lamp, the Fakenham Town Sign, the War Memorial Bus Shelters, Heritage Trail maps tables and plaques and the library corner equipment.

- Street Collecting Licences

A delegated task from NNDC for the purpose of managing charity/ community fund raising activities in the town centre.

6. Insurance

The current Insurance Provider is:

Clear Councils, AGM House, 3 Barton Close, Grove Park, Enderby, Leicester, LE19 1SJ

Tel: 0330 013 0036 / e-mail : Councils@thecleargroup.com

The policy renewal date is 1 January. The Insurance Policy is reviewed annually. There is a public liability cover of £10 million. There is also Employer’s Liability & Fidelity Guarantee. Employers Liability certificates are displayed.

Local Councils - Policy Number: LCO01802 / Cyber – Policy number: 76977040 / Agricultural – Policy Number: 76977040 / FRGC - Policy Number: CHW00353

Reviewed at P&R Committee 8th January 2025

Ratified at Full Council 29th January 2025 Due for review 2026

Likelihood of Occurrence	High	L	M	H	H
	Medium	L	M	M	H
	Low	L	L	M	M
		Minor	Moderate	Serious	Major
Financial Impact		up to £1000	Up to £10,000	Up to £50,000	Over £50,000
and/or					
Reputational Impact		Minimal / Localised	Medium term damage to reputation	Serious damage within area and beyond	National / Long standing damage.
and/or					
Health & Safety Impact		None	Minor Injury	Serious Injuries	Fatality or Life Changing injuries
and/or					
Legal/Regulatory Exposure Impact		None	Moderate findings against the council / moderate impact on the public / services/ assets	Serious findings against the council / moderate impact on the public / services/ assets	Major findings against the council / moderate impact on the public / services/ assets

MANAGEMENT & GOVERNANCE					
No.	Subject	Risk Identified	Risk Level	Management / Control	Action / Annual Review Required
MG1	Staff	Loss of Key personnel	M	Deputy Clerk could undertake a wide range of the Clerks role. The Clerk can undertake a wide range of the RFO role or accountant assistance can be sought. If the Clerk or RFO are absent for 10 days or more council to consider locum services. If both Clerk & RFO absent simultaneously HR committee to meet urgently and authorise urgent locum appointments. Business Interruption Insurance in place. HR Subcommittee to regularly consider resilience. Adequate budgets. Fidelity Guarantee insurance value reviewed annually. Controls in place detailed in the Financial regulations. The council is affiliated to the National Association of Local Councils through its membership of the county association Norfolk ALC where advice can be sought. The Clerk is a member of the Society of Local council clerks. All Employees provided with adequate and appropriate directions and safety equipment and training. Employers liability insurance in place. Training for roles regularly reviewed, Training budget in place and training provided when needed.	Deputy Clerk to undertake CiLCA when FiLCA complete.
		Compliment not at capacity	M		HR Subcommittee reviews
		Fraud by staff	L		Reviewed annually
		Health & Safety	L		Reviewed annually
		Training	L		Existing procedures adequate
MG2	Business Continuity	Council business not being able to continue due to unexpected circumstances	H	Staff able to work from home on laptops, Cloud storage used. Website and social media able to be kept updated remotely. No current plan in place for the loss of records, full or majority replacement of the Council at an election etc. Insurances in place	Records to be backed up electronically. No mitigation for replacement of councillors.
MG3	Legal Powers	Illegal activity or Payment	M	All activity and payments within the powers of the Town Council to be resolved at Full council meetings unless delegated authority in place.	Clerk to notify Councillors of available training

				Internal controller councillor appointed who is not a bank signatory to complete regular checks which are minuted at council meetings. Fidelity Guarantee insurance in place.	
MG4	Agendas / Minutes / Notices / Statutory Documents	Accurate & Legal	L	Agendas displayed according to legal requirements & Transparency code. Minutes reviewed and approved at following meetings Business conducted managed by the Chair	Existing procedures adequate
MG5	Member Interests	Conflict of Interest	M	Standing Item on all agendas. Declarations of interest to be documented / minuted and any conflict addressed as appropriate. Members take responsibility to update register. Members code of conduct in place.	Existing procedures adequate
MG6	Standing Orders	Breached or ignored	M	Standing orders given to all councillors	Training for Councillors
MG7	Councillor Training	Not sufficiently aware of roles	M	Induction pack given to councillors	Training for Councillors
MG8	Councillor Conduct	Councillors fail to abide by the code of conduct or behave appropriately	M	Code of conduct signed by all. Access to legal advice through Associations of Local council. Complaints procedure to Monitoring officer in place. Libel & Slander Insurance in place.	Existing procedures adequate
MG9	Insurance	Adequacy Cost Compliance Fidelity guarantee	L L L L	Annual reviews of all policies undertaken. Current insurances in place: Employers Liability / Public liability / Property damage / Money / Business interruption / Fidelity / Libel & Slander / Officials / Personal accident / Legal expenses / Cyber / Vehicles.	Existing procedures adequate
MG10	Data Protection	Policy Provision Breaches / Litigation	L H	ICO advise followed and Data protection Officer appointed when required Registered with the Information Commissioners Office	Independent Data Audit underway Staff & Councillor training recommended.
MG11	Freedom of Information	Vexious requests / complex or substantial requests	M	Model publication scheme in place Payments over £500 on website	Existing procedures adequate

				Public & Press can attend meetings FOI policy in place – Requests can take up large amounts of office time. FOI requests refused if time barred.	
MG12	Council Records - Paper	Loss through - theft - fire / water damage	L M	Records are stored in a secure locked room in the office. Records include historical correspondence, minutes, insurance, bank records. Property damage insurance in place	Damage from theft is unlikely. Fire & Water may cause significant harm. Move some records to the archives. Existing procedures adequate
	Electronic	Loss through – theft, fire, water damage, corruption of IT	L	External IT provided used, and data backed up onto the Cloud. Certain documents held online. Cyber insurance in place	
MG13	Civic & Other Events	Public Liability Weather Conditions Vendors	L M L	Councils’ insurance policy covers its public liability obligations. In adverse weather event will be cancelled. Risk assessments completed for all events	Existing procedures adequate
MG14	Sufficient Councillors	Failure to attract candidates for vacancies or elections Reduced representation of the community Inquorate meetings	L L L	Actively publicise Council activities and vacancies.	Existing procedures adequate
MG15	Quorate meetings	Business not transacted Decisions not made	L L	Annual meeting calendar issued to all councillors. Meeting agendas issued promptly. Attendance recorded.	Existing procedures adequate
MG16	Lack of Public participation / consultation	Decisions not based on evidence Electors disenfranchised	L L	Meetings publicised on noticeboard & website. Public participation on all agendas. Annual parish meeting advertised. Articles in local newsletters. Regular community surveys	Existing procedures adequate

FINANCIAL					
No.	Subject	Risk Identified	Risk Level H/M/L	Management / Control	Action / Annual Review Required
F1	Precept	Adequacy of precept Submission deadline missed Delayed or unpaid by district council	L L L	Budgetary information received monthly and reviewed at quarterly Finance subcommittee meetings. October & November Committee meetings agenda discussion with full reports from RFO to make recommendations for following years budgets. December committee meetings and Full council agree final budget and precept claim. Figures submitted by RFO to District council in writing and council updated when monies received. Annual independent internal interim and end of year audits confirm appropriate procedures in place	Existing procedures adequate
F2	Financial controls & Records	Inadequate records Financial irregularities	L L	Councils Financial Regulations outline current requirements. Financial software is used to record all transactions. Internal controller appointed. Annual independent internal interim and end of year audits confirm appropriate procedures in place. Monthly Finance Subcommittee meetings review transactions and financial records. Officials Insurance & Fidelity guarantee in place.	Keep Financial Regulations and standing orders reviewed & updated yearly
F3	Banking	Bank Mistakes Loss Charges	L L L	Financial regulations set out banking requirements. The council has several bank accounts and an investment strategy. The majority of payments are made via BACS or Direct Debit and approved by 2 councillors. A monthly Finance subcommittee reviews transactions and reconciliations which highlight any issues. Officials Insurance & Fidelity guarantee in place.	Existing procedures adequate
F4	Salaries	Wrong salary/rates paid Wrong deductions paid	L L	Salaries & deductions checked by RFO & Finance Chair. Changes to salaries agreed through HR & Full Council meetings and minuted. Clerk advises payroll of any changes and the minute number.	Payroll managed externally.

F5	Costs & Expenses	Goods not supplied to the council Invoices incorrectly calculated or recorded Payment duplicated or to wrong supplier	L L L	Goods received checked against invoices before payment Invoice calculations checked Payments checked by RFO and 2 Councillors against invoices for fortnightly payment runs.	Existing procedures adequate
F6	Banks & Banking	Inadequate Checks Bank Mistakes Loss of signatories Cash Flow	L L M L	Instructions for payment checked and confirmed by RFO & 2 councillors. BACS authorised by a 3 rd councillor. Financial regulations followed. Where appropriate minuted authorisation provided. Officials Insurance & Fidelity guarantee in place. Monthly bank reconciliations Ensure a minimum of 5 councillor signatories as well as the Clerk & RFO – new signatories minuted. Monitored by the RFO monthly.	Existing procedures adequate
F7	Credit Cards	Inadequate Controls	L	Limited to Clerk authorised expenditure in circumstances where payment must be made up front of the goods being purchased. Reconciled to invoices each month before payment. Fidelity guarantee in place.	Existing procedures adequate
F8	Grants – Payable Receivable	Lack of powers to pay Lack of evidence of council agreement to pay Conditions Agreed Correct procedure followed when claiming	L M M L	Minute council agreement with power used to authorise payment. Ensure applicants complete application form correctly. Agree & document conditions Clerk & RFO follow conditions but no regular grants received.	Recipients to confirm Grant used for purpose given and any conditions met.
F9	VAT	Reclaiming Charging	L	Financial Regulation cover the requirements. Current accounting software calculates VAT owed/due. Returns entered quarterly	Existing procedures adequate
F10	Reserves – General	Adequacy	L	Consider as part of budget setting	Existing procedures adequate

F11	Reserves - Earmarked	Adequacy	L	Consider as part of budget setting	Existing procedures adequate
F12	Election Costs	Risk of election costs	L	Risk higher in election years. Clerk will obtain an estimate of costs. No measures can minimise risk.	Existing procedures adequate
F12	Cash Handling	Cash Payments Petty Cash Loss through theft or dishonesty	L L L	No Cash payments taken Petty Cash limited to £100, locked in locked cash box in a locked safe, receipts of all purchases kept and verified by the Clerk and 2 councillors. Withdrawals to top up cash authorised by 2 councillors and undertaken by the Clerk or RFO. Fidelity guarantee in place.	Existing procedures adequate
F13	Investment Income	Received when due	L	Received direct to bank account. RFO checks and allocated accordingly	Existing procedures adequate
F14	Procurement	Work or contracts awarded incorrectly Overspends	L M	Normal practice as per Financial Regulations and standing orders to seek 3 quotes or go out to tender depending upon amount. Clerk or RFO to investigate overspends & report to Councillors	Existing procedures adequate
F15	Annual Return	Submitted in time limit	L	RFO completes and signs within time frame Annual return completed and signed by internal auditors, the council and submitted to the external auditor within time frame	Existing procedures adequate
F16	Income	Late or non-payment of invoices Theft of payments	M	Allotment tenants enter lease agreements, rents reviewed annually, sessional hires & market stall holders pay in arrears, Cemetery expenses are paid in advance. All monies paid by Credit card or BACS direct to council. Invoices & Payments for all checked by Internal controller and Internal Audit. Officials Insurance & Fidelity guarantee in place.	Existing procedures adequate

ASSETS & FACILITIES					
No.	Subject	Risk Identified	Risk Level H/M/L	Management / Control	Action / Annual Review Required

AF1	Assets	Loss or Damage Risk or damage to third party property or individuals	M M	Weekly or Annual inspections by groundsmen, Annual RoSPA inspections of all play equipment. Tree surveys conducted every 18 months or as required. Regular allotment checks. UpToDate Property damage insurance values and assets registers. Income not relied upon	Monthly full visual inspections by Clerk. 3 yearly insurance valuations
AF2	Maintenance	Reduced value of assets or amenities – loss of income or performance	M	The council must ensure property is properly maintained and in a safe condition. Annual review of Insurance to ensure coverage	Regular maintenance inspections to be scheduled and recorded Budget to be made available for maintenance and reserves for refurbishment programmes.
AF3	Land	Encroachment Adverse possession Inadequate maintenance	M L L	The council owns various parcels of land in Fakenham. Very few are registered with HM Land Registry and exact boundaries are unclear on nearly all. Groundsmen carry out weekly visual checks and inspections of all areas detailing any maintenance work required. Legal expenses cover in place	All parcels of land need boundaries established. All parcels of land need to be registered with H Land registry.
AF4	Equipment	Failure to inspect and report matters requiring attention Personal Injury	L M	Groundsmen carry out weekly play equipment inspections noting any work required. Some grounds equipment serviced as and when required. Portable electrical equipment is tested every year Insurance in place. Employers & Public liability insurance in place.	Maintenance equipment schedule to be drawn up and followed
AF5	Vehicles	Accident Poor Condition Tax/Insurance/MOT	L L L	Vehicles are used locally and insured for use by all groundsmen. Tax/Insurance/MOT in place and are covered by the office.	Existing procedures adequate
AF6	Meeting Locations	Adequacy Health & Safety	L L	Meeting venues have suitable facilities for staff, councillors and the public and are accessible by all.	Existing procedures adequate

AF7	Contractors	Lack of Site Assessment Inadequate Public liability insurance Inadequate resources to complete contract Unsatisfactory performance	L L L L	Site Risk Assessment should be provided Copy of insurance certificate with public liability insurance cover must be provided. Financial Regulations deal with the tendering process for contracts Clerk or Groundsmen check work	Existing procedures adequate
AF8	Street lighting	Public injury Outage/damage	L L	Public Liability damage in place Maintenance contractor in place and annual inspection / 5-year electrical test	Existing procedures adequate
AF9	Estate / Office Furniture	Public or staff injury Damage/ destruction	L L	Public Liability insurance in place Equipment and furniture sourced from suppliers of street furniture – ensuring compliant materials and designed with public safety in mind. Training provided if required.	Designated reserves in budget for repair / refurbishment / replacement