KENILWORTH TOWN COUNCIL

RISK MANAGEMENT ASSESSMENT 2025/2026

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– G Honey, Deputy Town Clerk

Area	Risk(s) Identified	Risk Level	Potential Impact	Management/Control of Risk	Review/Action Required
Finance					
Banking	Failure of bank	Low	High	HSBC Bank used. Council's policy follows the latest guidance	Review of banking arrangements in compliance with Investment & Assets Policy.
Banking	Suspension of services	Medium	Medium	Adhere to requests of bank re communication	
Banking	Electronic Banking malfunction/system down	Medium	Medium	HSBC Bank used. Adhere to Bank's advice and communication. Plan and advise on any late payments as a result.	
Banking	Restriction on daily payment limit	Low	Low	Note and plan the payment of large sums in advance. Advise recipients of reason for multiple payments if required.	Continue to monitor and review payment schedules in advance.

Investments	Poor investment return/loss of capital	Low	High	Investment options considered and decided by Finance Committee	Investment Strategy to be reviewed annually. Budget regarding investment income to be adjusted annually.
Adequacy of Precept	Precept sum inadequate Requirement not submitted in time	Low	High	Budget and Precept considered by Finance Committee & Full Council each year. The precept deadline is noted and complied with by the RFO.	Maintain existing procedures.
Adequacy of Reserves	Reserves inadequate to meet reasonable working capital needs, including "unexpected" costs	Low	High	Explicitly considered as part of Budget and Precept setting process. Specifically designed to include legal failsafe's and also unexpected incidental cost.	Maintain existing procedures. Formal medium term forecasting process to feed into budget setting (minute FGS.203 refers – May 2021).
Financial controls and records	Inadequate records leading to financial irregularities.	Low	Medium	Compliance with Financial Regulations and Internal Controls Policy. Annual completion of internal control checklist presented to full council. Use of RBS Omega Financial Management System (Cloud Based) Internal Audit process. Standing Items on Finance Committee – • Review of Budget • Internal Audit – Reports and Actions Standing Item on KTC –	Maintain existing procedures. Review and update Financial Regulations when required. Review Internal Controls Policy every three years. Continue annual internal controls checklist.

				• Statements of Expenditure	
Petty Cash	Payments not accounted for.	Low	Low	Petty cash no longer routinely used. Kept in safe as an emergency provision. All petty cash payments will be supported by relevant paperwork.	Maintain existing procedures
Bank Reconciliations	Inadequate checks Bank errors	Low	Medium	Bank reconciliations completed monthly by office staff. Nominal Codes and reconciliation process regularly reviewed. A Member other than the Chair of Finance verifies the bank reconciliations every quarter	Maintain existing procedures. Members verification included as a rota.

Budgetary Process	Inadequate budget preparation leading to inability to fulfil obligations	Low	High	Ongoing explicit budgetary control considered by Finance Committee and Full Council, including monthly Income and expenditure. Leading to informed choice at annual budget setting.	Maintain existing procedures.
Approval of Expenditure	Unauthorised purchases. Fraud.	Low	High	All payment orders authorised by Council as per Financial Regulations. Members signatories reviewed by Finance Committee or Town Council as needed and at least annually. Schedule of Signatories to remain in place for a maximum of two years.	Maintain existing procedures.

Cheque Books	Loss of cheques. Fraudulent use	Low	High	Cheque book no longer routinely used. Kept in safe for emergency provision. No blank cheques signed.	Maintain existing procedures
Salaries	Incorrect payments to staff	Low	Medium	Covered by routine budgetary control systems. Salaries, tax and pensions administered by external contractor	Maintain existing procedures

Annual Return	Not submitted on time. Incorrectly completed.	Low	Medium	RFO and Deputy Clerk are aware of the end date for the return. End of Year accounts prepared by RBS Software Accounts.	Maintain existing procedures
Legal Liabilities					
Ensuring the Council acts within its legal powers	Ultra Vires Acts incurring financial liability	Low	High	Town Clerk currently holds the CiLCA qualification. Town Council uses General Power of Competence. Use of manuals, advice from NALC, WALC and SLCC. Routine liaison meetings with other Town and Parish Councils. Deputy Clerk working on her CILCA qualification this year.	
Insurance	Inadequate cover or over insurance increasing costs unnecessarily. Areas not covered. Policy lapsed.	Low	High	Insurance Cover and options reviewed by Finance Committee. Regular liaison with Insurers to ensure appropriate cover for assets attained and events being held.	Maintain existing procedures. Update Asset Register.

Compliance with Employment Law.	Acts outside the Employment Law could lead to financial liability.	Low	High	Small staff numbers and turnover. Limited advice available from WDC. Legal advice available from WALC. Recruitment support provided by local contractor. All required policies in place including a Grievance & Disciplinary Policy, Health & Safety Policy, Bullying & Harassment Policy.	Maintain existing procedures. Seek professional assistance and advice when recruiting staff if needed.
Compliance with HMRC requirements.	Payments missed. Year end returns inaccurate or submitted late.	Low	High	External administrator calculates wages, pension and NI. .Pension provider changed to the LGPS through WCC. Regular liaison with LGPS. Subject to Internal Audit. Advice and assistance from Internal Auditor as required.	Maintain existing procedures.
Health and Safety of Staff, Visitors and Contractors	Liability incurred if Council found to be at fault	Medium	High	Council has Health and Safety Policy. Risk Assessments in place for all property.	All Risk Assessments reviewed annually.
Legal liability as a consequence of asset ownership.	Injury caused through fault with asset or incorrect training in operation.	Low	High	Buildings and other assets inspected regularly by staff for faults and/or maintained via WDC and WCC where applicable. PAT checks carried out regularly.	Under constant review. Training Log to be established.

				Appropriate training given.	

Data - Computer and hardcopy records	Reliability of system. Loss of data through system error or theft.	Medium	High	Full external GDPR audit conducted. IT service provider contacted whenever necessary. Professional anti-virus software. Hardcopy records reviewed and destroyed regularly.	Maintain existing procedures.
Cyber Attack	Mis-use/unable to submit Castle Pass or thermal camera applications. Unable to access website or emails	Low	Low	Website Administrator contacted whenever necessary with a same day turnaround. Professional SSL certificate installed and updated when required. Co-ordinated approach between administrator, host, registrar and IT service. Training for DTC on cyber attacks and what to look out for including phishing, ransomware, URL red flags, smishing, vishing and QR code attacks. IT services contacted with same day turnaround.	Maintain existing procedures.

Email Threat Protection	Opening spam email by mistake/clicking on spurious links in error causing access to and a threat to KTC computer systems	Low	Low	Enhanced measures from IT provider to ensure spam emails are placed in a quarantine folder and alerts sent to users to investigate emails for validity. DTC has received training on email threats and what to look out for, can be approached for advice in any suspicious circumstances.	Maintain existing procedures.
AI Use and threat	Data privacy breaches – if AI is used the information can be retained and used in public searches, reputational damage if incorrect or disinformation is created and shared, algorithmic bias if AI is used in any form of research or for an analytical purpose, and cybersecurity vulnerabilities. FOI issues.	Medium	High	Personal or sensitive information is not inputted into public AI models. Review undertaken to consider disinformation/fake notices. AI is not used in any council business.	Maintain existing procedures.
Social media threats	Reputational damage, spread of misinformation, code of conduct breaches, data breaches, defamation, online abuse or harassment.	High	High	One member of staff has access to and updates the social media channels to keep track of any issues. Any misinformation is addressed and confirmed with the clerk beforehand. Councillors are offered code of conduct training	Maintain existing procedures. DTC to remain up to date with training.

				and have an annual reminder of their adherence and acceptance of the code. Any online abuse and harassment is carefully monitored and appropriate action taken through consultation with the clerk and group leaders where necessary.	
Procurement process	Procedures not followed for significant contracts. Best value not achieved. Fraud.	Low	Medium	Standing Orders and Finance Regulations correctly followed. Town Clerk attended relevant training.	Maintain existing procedures. The Town Clerk will monitor for changes in Legislation and professional best practice, reviewing procedures as necessary. Where applicable, expert technical advice and assistance will be sought from WCC for larger projects.
Register of Members' Interests	Not maintained in accordance with Code of Practice	Low	Low	Up to date Code of Conduct adopted by Council and reviewed annually. Register of Interests filed with WDC and published links on KTC website. Gifts over £25 to be declared via form, by councillors. Members to advise changes to interests to Clerk.	Maintain existing procedures.

Proper document control and compliance with FOI regulations	Documents unaccounted for. No proof of documents received. FOI requirements not met.	Low	Low	Filing system established and updated. GDPR requirements in place. Councillors' mail available for collection. Full and timely response to FOI requests with adequate log retained.	Maintain existing procedures.

Non compliance with CIL spending regulations	Loss and return of capital sum	Low	High	Ensure timely spend through active project control and monitoring. Continue monitoring process and close liaison with WDC Officers. Continue to seek advice from WALC Legal when required.	Maintain existing procedures
Internal Financial Controls and Internal Audit	Proper financial controls not maintained. True financial position not known.	Low	Medium	Council has an Internal Financial Controls Policy and Financial Regulations. Quarterly Internal Audit reports submitted to the Finance and General Services Committee. Annual AGAR review of governance documents with internal auditor.	Maintain existing procedures
Assets					
Security of buildings/property	Vandalism, theft, weather and accidental damage	Medium	Medium	Equipment insured. Jubilee House has high security and provides safe storage. Ongoing liaison with landlord	Maintain existing procedures.

				(WDC) including recent additional office security Measures. Fob audits undertaken periodically with WDC.	
Maintenance of buildings/property	Inadequate maintenance, including vandalism	Low	Medium	Stock and equipment maintenance/control designated to Officer in Financial Regulations	Maintain existing procedures.

Allotments	Out of date leases with WDC and Kenilworth Allotments Association (KATA)	High	Low	Maintain close working relationship with KATA. Allotment rent collected annually and date of expiry of lease is noted.	Maintain existing Procedures. Renew lease on expiry in 2029.
Village Green	Breach of legislation relating to use, breach of legislation relating to signage, injury, increasing financial maintenance liability to Council, risk of unpermitted use, boundary disputes. Registration issues	Medium	Medium	The Council obtains independent legal advice from WALC and the Open Spaces Society to ascertain the correct position/circumstances when required. Insurers notified and the land included in our current insurance policy. Maintenance historically carried out by WDC. Task & Finish Group formed to determine the	Task & Finish Group to bring options and report to Town Council for consideration and resolution. Take legal advice where appropriate to determine the future of the green. Consider financial implications for budget purposes. Maintain existing approach should any issue arise in the meantime.

				options for the green including any legislative, registration, permitted use and maintenance issues. Office staff up to date on relevant training for village greens when available.	Maintain memberships of WALC and the Open Spaces Society. Formal registration with HMLR underway.
Administration					
Reports and records	Improper and untimely reporting of meetings via the minutes Failure to provide timely and adequate – notice of Council Agendas and production of Council Minutes	Low	Low	Procedures in place for regular production, distribution and publication of Agendas & Minutes. Minutes are made available to press and public from Notice Boards and via the Council website within the stipulated 28 days. Statutory Documents posted on website including Audit reports, CIL expenditure, Members Interest Form links and Council expenditure above £500	Maintain existing procedures