

# Stockbridge Town Hall CIO

## Financial Risk Assessment Policy

Approved by email vote following meeting of 15 April 2019



The trustees will annually review the major risks to which the CIO is exposed. The trustees believe that by examining the specific and general business and operational risks and by ensuring that suitable controls exist over the financial systems and safe custody of the assets of the CIO, they have established effective means to mitigate those risks.

### MAJOR RISKS

The major risks faced by Stockbridge Town Hall CIO are :

1. **Major damage to building and contents.** This risk is covered by having adequate insurance cover.
2. **Major malfunction of Website and Computer Systems.** This risk is covered by having an adequate back-up system on another independent computer system.
3. **Major injury to a user of the Town Hall's facilities.** This risk is covered by having adequate insurance cover. This is supported by an annual physical risk assessment of the Town Hall with a report to trustees.
4. **Shortfall of cash to meet ongoing operational costs.** This is covered by keeping a cash balance, equal to the minimum cash reserve as specified in the Financial Reserves Policy. This cash reserve can only be used with the approval of trustees.
5. **Major weakness in the financial controls.** The financial controls are monitored by the Finance Committee. This risk is further mitigated by having the External Examiner report annually on the robustness of the existing financial controls.
6. **Loss of business.** The high level of bookings is important to the finances of the Hall. Bookings are reviewed quarterly by the Customer Care Committee, which reports back to the Management Committee.
7. **Loss of goodwill, reputation.** Strong and open communication channels are maintained between the Trustees and Hall Users, the Local Community and the Friends of the Hall to ensure that any emerging issues are identified early. This is reinforced by the "buddy" system run by the Customer Care Committee for all main users of the Hall, and by having several Trustees nominated by user organisations. Good maintenance and cleanliness of the Hall is also important.
8. **Unexpected major building works.** As an old building, the Hall is at risk of problems due to old age, not necessarily covered by insurance. This risk is mitigated by maintaining a maintenance log, reviewed quarterly by the Maintenance Committee to identify problems and trends. If any unexplained recurring problem, or trend in the performance of any aspects of the building or its equipment is identified, independent expert advice will be sought. Together it is hoped that these measures will facilitate the early identification of problems, enabling any financial impact to be quantified and managed within the Business Plan.