



New Alresford Town Council

FINANCIAL RISK ASSESSMENT

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

	Activity	Hazard	Risk To	Risk Level	Controls to Mitigate Risk	Residual Risk
1	Annual Return	<ul style="list-style-type: none"> •Inability to meet year end close dates. •Late submission - Charges applied 	Town Council	M	<ul style="list-style-type: none"> •Structured deadline procedures. •Town Clerk/RFO and Deputy Clerk to attend training in year-end procedures, to ensure compliance with Annual Return requirements. •Role sharing to ensure office resilience during year-end process. 	L
2	Audit	Lack of awareness and or training	Town Council and Staff	M	<ul style="list-style-type: none"> •Internal audit to be conducted twice a year. •Internal Audit contract to be reviewed every three years or sooner if required. •Findings of Internal Audit report to be actioned as soon as practicable. 	L
3	Bank and Banking	<ul style="list-style-type: none"> •Insufficient/inadequate reconciliations. •Bank Error/Failure/Loss •Charges 	Town Council, Staff and Public	M	Financial Regulations and procedures to be fully implemented. Monthly financial reports to be shared with Finance Committee and Town Council for approval following monthly reconciliation.	L
4	Best Value Accountability	<ul style="list-style-type: none"> •Best Value not achieved due to inadequate management of process •Works awarded inappropriately •Overspend on Services 	Town Council, Staff and Public	L	<ul style="list-style-type: none"> •Financial Regulations and procedures to be implemented. •Best practice to be implemented prior to any tendering process. •Three quotes to be sought for all works •Respective Committee to review quotes and approve or recommend reason for awarding tender to individual/company. •Works undertaken to be inspected by staff to ensure of 	L

					satisfactory standard <ul style="list-style-type: none"> •Any issues with works to be investigated by staff and reported to Committee/Town Council. 	
6	Budget and Precept	<ul style="list-style-type: none"> •Adequacy of precept and budget setting. •Non or late submission to District Authority •Amount not received by District Authority 	Residents.	L	<ul style="list-style-type: none"> •All Committees to prepare and submit 5 year financial plans to Finance Committee annually by September. •Budget preparation by Town Clerk/RFO is to be considered by the Finance Committee considering actual and projected position. Town Council reviews information presented and agrees the amounts set for specific budget headings for the following financial year. •Approval of the final budget and precept request to be made by Town Council, for submission to District Authority in January each year. 	L
7	Business Continuity	<ul style="list-style-type: none"> •Failure of Council continuing business due to unforeseen circumstances. •Long-term sickness. •Unforeseen Financial crisis 	Residents and Staff	L	<ul style="list-style-type: none"> • The Finance system Rialtas/Omega is installed on two machines and two members of staff have separate access. •Number of signatories on account have increased to enhance resilience. •IT systems automatically backed up. Telephone support available regarding IT system and Finance System *Financial Operating Procedure to be drafted. *Business Continuity Plan to be drafted 	L
8	Conflicts/Gifts	Inadequate identification and controls regarding conflicts of interest	Town Council	M	<ul style="list-style-type: none"> •Conflicts declarations (Code of Conduct and Acceptance form) reviewed and revised at the Annual Parish Council meeting. •District Council hold records Acceptance of Office and Pecuniary Interest forms •Chair seeks declaration of any conflicts at each meeting and enforces participation restrictions appropriately. 	L

9	Cash	Theft/Dishonesty/Loss	Staff and Town Council	M	<ul style="list-style-type: none"> •Implementation of Financial Regulations. •Petty Cash reconciliation conducted at least monthly. •Cash held limited to £100.00. •Cash payments discouraged and electronic payments encouraged. •Council Insurance policy includes Fidelity guarantee 	L
10	Cheque Books	Loss of Cheque Book/Fraudulent use of Cheque book	Residents and Staff	L	<ul style="list-style-type: none"> •Cheque books securely held. •No blank cheques signed. •Cheque No. recorded on invoice. 	L
11	Council Records	<ul style="list-style-type: none"> •Loss of electronic data •Loss through fire/theft/damage 	Town Council	L	<ul style="list-style-type: none"> •IT Audit advice implemented. •System back is automated onsite and offsite. •Building Fire regulations implemented and revised annually •Fire alarm subject to weekly tests and 6 monthly service •Office security procedures implemented. •Confidential personal information retained in locked cabinet by Town Clerk 	L
12	Data Protection	<ul style="list-style-type: none"> •Loss of Confidential Information •Reputational Risk 	Town Council, Staff and Public	M	<ul style="list-style-type: none"> •Town Council is registered with the Information Commissioner Office. •Council information shared only via business emails. *GDPR related policies to be created, adopted and implemented *ICO Certificate expires 11 June 2020 	L
13	Election Costs	Inability to meet costs	Town Council	L	<ul style="list-style-type: none"> •Risk elevated in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and or uncontested election. •Annual budget provision 	L
14	Financial Records	Inadequate records leading to financial irregularities	Town Council and RFO	M	<ul style="list-style-type: none"> •Town Clerk/RFO to ensure implementation of Financial Regulations and best practice within office controls. •Quarterly assurance inspections to be undertaken. •Full Risk review to be undertaken annually 	L

					<ul style="list-style-type: none"> •Internal and External Audits to be undertaken at least annually 	
15	Freedom of Information Act	The Council has a model publication scheme for Local Councils in place.	Town Council and Staff	M	<ul style="list-style-type: none"> •The Council is able to request a fee for any information requested to cover the cost of consumables and the clerk's time. *FOI Act publication document requires review - Last reviewed 2016 	L
16	Grants	<ul style="list-style-type: none"> •Power/Authorisation to Pay •Receipts of Grants 	Member of the Public	L	<ul style="list-style-type: none"> •All Grant applications to be considered and approved by Town Council. •Grant budget reviewed annually and not to exceed statutory amount. •All Grants received to be entered into finance system under separate budget headings •All Grant payments to be recorded in Grant register with appropriate Power used to make award •Received Grant expenditure to be recorded under separate budget headings •Terms and Conditions of received Grants must be adhered to 	L
17	Income Stream	Sales ledger invoices not paid	Town Council	M	<ul style="list-style-type: none"> •Invoices to be issued in timely manner •Receipt of payments to be monitored •Debtors to be proactively monitored by RFO. •Quarterly review of all accounts including debtors to be shared at Town Council. •Debtors to be actively communicated with to minimise the value of debt and try to recover costs 	L
18	Insurance Cover	<ul style="list-style-type: none"> •Insufficient cover to meet nature of claim •Cost •Compliance •Fidelity 	Members of the Public, Staff, Councillors, Tenants.	L	<ul style="list-style-type: none"> •Insurance cover reviewed annually and premium updated to meet demands. •Additional types of insurance cover taken out to meet diverse situations. •Periodic and specific risk assessments undertaken to ensure compliance 	L

19	Litigation	Legal action taken against Town Council	Town Council, Staff and Public	M	Insurance cover is comprehensive and includes Public Liability, Fidelity and Legal fees	L
20	Legal Powers	<ul style="list-style-type: none"> •Outdated version of Standing Orders and Financial Regulations, •Non-compliance with legislation •Ultra vires actions 	Town Council, Staff and Public	M	<ul style="list-style-type: none"> •Standing Orders and Financial Regulations to be reviewed and adopted annually or as legislation changes. •Town Clerk/RFO to ensure compliance with legislation •Appropriate training received by both Councillors and Staff •Access to external specialist for advice 	L
21	Meeting Location	<ul style="list-style-type: none"> •Adequacy •Health and Safety 	Town Council, Staff and Public	L	<ul style="list-style-type: none"> •Meetings are generally held in the Lower Meeting Room, Alresford Recreation Centre, The Avenue Alresford. •Town Council has access to the Main Hall on the first floor providing sufficient notice is provided to The Arlebury •The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety, Disability Discrimination and comfort aspects 	L
22	Payments	<ul style="list-style-type: none"> •Goods not supplied but invoiced/ invoices incorrect/invoices unpaid •Inadequate controls/checks •Fraud/Theft 	Town Council	L	<ul style="list-style-type: none"> •Invoices recorded upon receipt/ Invoices checked for accuracy/goods received checked on delivery. •Payments list approved & Payment amount minuted at monthly Town Council Meetings. •Deputy Clerk to input purchase ledger invoices to help Town Clerk/RFO to monitor accurate expenditure. Each invoice to state Index number, method of payment, date paid and if available minute reference. •All payment reviewed by RFO. •Payments only to be made to confirmed accounts and not made using account information supplied by email only 	L

					<ul style="list-style-type: none"> •Two signatories required for bank accounts •Sufficient signatories maintained on the accounts 	
23	Reporting	Failure to communicate to Town Council and external bodies	Town Council, Staff and Public	L	Monthly Income & expenditure reports and cashbook reconciliations and bank statements to be presented to Town Council under separate agenda items. Reports and bank statements made available for signing by councillor at each meeting.	L
24	Reserves	<ul style="list-style-type: none"> •Inadequacy of existing funds held •Unforeseen events 	Town Council, Staff and Public	M	<ul style="list-style-type: none"> •Town Council can maintain Reserves one of which is General Reserves equating to approximately 6 months expenditure for ongoing costs. •Unbudgeted commitments are approved after an assessment of the impact on existing reserves. *Specific Reserve to be documented demonstrating justification and rationale. 	L
25	Staff and Councillor Training	<ul style="list-style-type: none"> •Lack of awareness/training •Potential Legal and Financial liabilities due to incorrect actions/advice taken 	Town Council and Staff	L	<ul style="list-style-type: none"> •All staff to be fully trained in role within 2 years of commencement. •All councillors to undertake relevant training - 2 training sessions per year •Town Clerk/RFO to undertake CiLCA qualification within 2 years of commencing role •Town Clerk to ensure best practice is implemented within office procedures as soon as practicable. •Town Council to ensure budget available for staff training, access to professional bodies and reference materials 	L
26	Staff Salaries and Councillor expenses	<ul style="list-style-type: none"> •Incorrect salary payments - Failure to pay HMRC and/or Pension contributions. •Non-compliance with year-end obligations •Incorrect expense claims 	Town Council and Staff	L	<ul style="list-style-type: none"> •Payroll service undertaken by recognised external payroll administrator to calculate monthly staff payments including mileage and expenses •All expenses submitted to Town Clerk/RFO for authorisation and receipts reviewed. •BACs payments to HMRC & Pension. 	L

					•No overtime payments unless exceptional circumstances and approved by Town Council.	
27	VAT/Tax	<ul style="list-style-type: none"> •Errors in calculation. •Incorrect treatment of VAT/Tax resulting in loss •Payments not made to HMRC 	Town Council	M	<ul style="list-style-type: none"> •Omega generated return to be submitted in timely fashion •Access to VAT/Tax specialist •VAT claims submitted quarterly and reconciled 	M
28	Inherent Liabilities	<ul style="list-style-type: none"> •Off Balance sheet cost •Pension •Leases 	Town Council	M	<ul style="list-style-type: none"> •Annual review of budget and liabilities undertaken •Leases periodically reviewed •Pension liabilities monitored 	L

*To be monitored and/or completed within one year

Hazard Severity

Low Risk	Trivial/Negligible	Unlikely to occur
Medium Risk	Minor – Severe injury	Occasional occurrence
High Risk	Death - Severe injury	Likely to occur

Risk Matrix

		Severity		
		High	Medium	Low
Probability	High			
	Medium			
	Low			
		Low	Medium	High

Version	Owner	Date Approved	Minute Ref	Website updated	Next Review
V1	Finance Committee	23/07/19	FI19/040		
	Town Council	17/09/19	19/130		