



## Risk Assessment and Management (Financial) for the Period 1 April 2019 to 31 March 2020

The risk management procedures, as documented below, were confirmed to be in place by the Internal Auditor on ..... (date)

This is the third year of operation of the Council and risk management procedures have been implemented over the course of the year.

Topic	Risk Identified	Risk Level H/M/L	Management of Risk	Staff action
Precept	Not submitted	L	Full Minute – RFO follow up	Confirmation of receipt of demand to be obtained in writing from ESC.
	Not paid by DC	L	Diary - Confirm receipt	Two payments received – checked against statement. Diary
	Adequacy of precept	H	Diary – Agendas for Finance and Governance Committee (F & G) and Full Council - Quarterly review of budget to actual. Budget Working Group agendas.	Reporting to F & G (and related Budget Working Group) and Full Council.
Other Income	Cash handling	L	Cash handling is dealt with through a petty cash system, controls are in place – RFO and reporting to F & G/Full Council.	Annual review of petty cash policy. Petty cash reconciliation taking place with Councillor check.
	Cash banking	L	Segregate duties and check to bank statements. Regular bank Reconciliations.	Councillor verifying reconciliations - taking place. Cash banking reduced as leisure fees free on ongoing basis.
	Cheques	L	Segregate duties and check to bank statements. Regular bank reconciliations.	Councillor verifying reconciliations - taking place.
	From tenants	M	Invoicing being dealt with through RBS. Non-payments being monitored and reported to RFO.	Councillor verifying reconciliations - taking place. Reporting to F & G Committee and Full Council.
External grants to the Council	Claims application and procedure complied with	M	Clerk/RFO checks as required.	Diary
	Receipt when due	M	Clerk/RFO checks as required	Diary

Investment Income	Receipt when due	L	Clerk/RFO check as required	Diary
	Surplus funds	L	Review levels and investment policy annually	Diary
Salaries	Wrong salary/hours/rate paid	M	RFO Check. Check salary to minute, check hours and rate to contract. Independent payroll provider used	Two councillors verify payments
	Wrong deductions – NI and Income tax	M	Independent payroll provider used. Check to PAYE calculations	Two councillors verify payments
	Insufficient safeguards	M	External independent payroll provider used. RFO and councillor checks	Part of councillor verification checks; includes payslips
Direct Costs and overhead expenses	Goods not supplied to Council	M	Follow up on all orders	Approval check - RFO
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations on monthly basis	Councillor to verify – taking place
	Cheque payable is excessive or to wrong party	M	Signatory initials - stub & voucher	Approval check – RFO Councillors approval checks
Grants & support	No power to pay or no evidence of agreement of Council to pay	M	Clerk/RFO checks as required. F & G/Council decision. Minute Council agreement with the power used to authorise payment/check alignment with Council powers table. Staff trained and qualified and councillor training also made available.	RFO advice - Councillor decision
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check
Election Costs	Invoice at agreed rate	L	RFO check - F & G monitor	RFO verify
VAT	VAT analysis	M	All items in cash book and now on RBS software with digital submission	RFO verify with finance assistant support
	Charged on sales	M	Consider annually	RFO verify with finance assistant support
	Charged on purchases	L	Consider all items per cash book lists	RFO verify with finance assistant support

	Claimed within time limits	M	Agree returns submitted	RFO verify with finance assistant support
Reserves – General	Adequacy	L	Consider at Budget setting and review of final accounts	RFO advice, Council decision. Under review May 2020 in light of improved position now a more established Council.
Reserves – Earmarked	Adequacy	L	Consider at Budget setting and review of final accounts	RFO advice, Council decision. Under review May 2020 in light of improved position now a more established Council.
	Unidentified earmarked or contingent liability	L	Minutes checked by RFO and reports to F & G	RFO advice, Council decision. Under review May 2020 in light of improved position now a more established Council.
Assets	Loss, Damage etc	M	Annual inspection, update insurance, valuations during transition and asset registers. Checks with contractors.	Diary
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary
Staff	Loss of key personnel	L	Hours, health, stress, training, long term sick, early departure – risk monitored and managed as appropriate. Personnel Committee in place. Insurance in place. Procedures in place for probation, appraisal and staff management	RFO/councillor review.
	Fraud by staff	L	Fidelity Guarantee value appropriately set. Councillor safeguard checks and internal controls in place	Council to review annually
Loss	Consequential loss due to critical damage or third party performance	L	Review adequacy of Insurance cover	Diary
Maintenance	Reduced value of assets or amenities – loss of income or performance	M	Annual maintenance inspection and contract arrangements in place	Diary
Legal Powers	Illegal activity or	H	RFO checks and advice. Training provided legal	Diary

	payment		powers	
Financial Records	Inadequate records	L	RFO/clerk check regularly & internal audit review	Diary
Minutes	Accurate and legal	L	Review at following meeting	Diary
Councillors interests	Conflict of interest	M	Declarations of interest to be documented/minuted and any conflict addressed as appropriate	Diary

**Reviewed and adopted on 12 March 2019 Full Council, reviewed by the Finance and Governance Committee on 5 March 2020, Full Council on 24 March 2020 and the RFO prior to Full Council 12 May 2020.**