

Shaftesbury Town Council

Risk assessment and management (financial) for the period 1 April 2016 to 31 March 2017

| Income | | | | | | | |
|------------------------|------------------------|-------------------------------|----------------------------------|----------------------------|--|------------------------|---------------|
| Topic | Risk Identified | Impact of Risk (H/M/L) | Frequency of Risk (H/M/L) | Level of Risk (1-9) | Management of Risk | Action required | Review |
| Precept | Not submitted | H | L | 3 | Full TC Minute – RFO follow up with District Council (DC) | Diary | 12 months |
| | Not paid by DC | H | L | 3 | Check & Report to Council | Diary | 12 months |
| | Adequacy of precept | M | L | 2 | Quarterly review by RFO and Councillors - budget to actual. Major variances identified and reported Internal Audit (IA) Review | Diary | 12 months |
| Charges – Leisure Pool | Cash emptying | L | M | 2 | Segregate duties. Check to bank rec. | Reconcile to takings | 6 months |
| | Cash transport | L | L | 1 | Segregate duties. Check to bank rec. | Reconcile to takings | 6 months |
| | Cash banking | L | L | 1 | Segregate duties. Check to bank rec. | Reconcile to takings | 6 months |
| Charges – Cemetery | Grave allocation | L | L | 1 | Burial Register update with each change | Ensure | 12 months |

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| | Invoices to undertakers | L | L | 1 | Monthly check of burial register | Number issued | 12 months |
| | Memorial fees | L | L | 1 | Monthly check of burial register | Number issued | 12 months |
| Charges – Allotments | Rental invoices | L | L | 1 | Register to Invoice | Reconcile to register. | 24 months |
| | Cash handling | L | L | 1 | Cash through receipt book and accounting software | Reconcile to bank. | 12 months |
| | Cash banking | L | L | 1 | Segregate duties. Check to bank | Reconcile to bank | 24 months |
| Charges – Other Hall Hire/Markets/Rents | Rental invoices | M | L | 2 | Bookings linked directly to account software | Reconcile to bookings | 24 months |
| | Cash handling | L | L | 1 | Cash through receipt book and accounting software | Reconcile to bank | 12 months |
| | Cash banking | L | L | 1 | Segregate duties. Check to bank rec | Reconcile to bank | 24 months |
| Grants – District | Claims procedure | H | L | 3 | Clerk/RFO check quarterly | RFO verify | 12 months |
| | Receipt of grant when due | M | L | 2 | Check & Report to General Management Committee | Diary | 12 months |

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| Grants – Other | Claims procedure | H | L | 3 | Clerk/RFO check quarterly | RFO verify | 12 months |
| | Receipt of grant when due | M | L | 2 | Check & Report to General Management Committee | Diary | 12 months |

| Expenditure | | | | | | | |
|--------------------|-------------------------------|-------------------------------|----------------------------------|----------------------------|--------------------------------------|---------------------|--------------------------------------|
| Topic | Risk Identified | Impact of Risk (H/M/L) | Frequency of Risk (H/M/L) | Level of Risk (1-9) | Management of Risk | Staff action | Internal Audit Checks (Every) |
| Salaries | Wrong salary paid | M | L | 2 | Check to minute & Councillors verify | RFO verify | 12 months |
| | Wrong hours paid | L | L | 1 | Check to timesheet/contract | RFO verify | 12 months |
| | Wrong rate of pay | M | L | 2 | Check to contract | RFO verify | 12 months |
| | False employee | H | L | 3 | Check to PAYE Records & lists | RFO verify | 12 months |
| | Wrong deductions – NI | L | L | 1 | Payroll software updates | RFO verify | 12 months |
| | Wrong deductions – Spr | L | L | 1 | Payroll software updates | RFO verify | 12 months |
| | Wrong deductions – Income tax | L | L | 1 | Payroll software updates | RFO verify | 12 months |

| Expenditure | | | | | | | |
|------------------------------------|--------------------------------|-------------------------------|----------------------------------|----------------------------|---------------------------------------|-----------------------|--------------------------------------|
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| Direct Costs and overhead expenses | Goods not supplied to STC | L | L | 1 | Order system | Approval check | 12 months |
| | Invoice incorrectly calculated | L | L | 1 | Check arithmetic | Approval check | 12 months |
| | Cheque payable is excessive | M | L | 2 | Signatory initials etc Stub & Voucher | RFO and Member verify | 6 months |
| | Cheque payable to wrong party | M | L | 2 | Signatory initials etc Stub & Voucher | RFO and Member verify | 6 months |
| | Stock loss | L | L | 1 | Point of sale info and control | Reconcile to Stock | 6 months |
| Cllrs Allowances | Cllr overpaid | L | L | 1 | Claim form & minute reference | RFO verify | 6 months |
| | Income tax deduction | L | L | 1 | Check to PAYE Records & lists | RFO verify | 6 months |
| Grants & support | Power to pay | L | L | 1 | Minute power and GPC | Member verify | 12 months |

| Expenditure | | | | | | | |
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| | Agreement of Council to pay | L | L | 1 | All grants based on approved form and supporting information, minuted and checked by IA | Member verify | 12 months |
| | Conditions agreed | L | L | 1 | Use reasonable conditions Grants awarding policy | RFO check | 12 months |
| Election Costs | Invoice at agreed rate | L | L | 1 | RFO check and consider budget | RFO verify | Whenever |
| | Unexpected by-elections | H | M | 6 | Adequate budgetary provision. Manage councillor training and expectations | Town Clerk | 24 months |
| VAT irrecoverable | VAT analysis | M | L | 2 | All items in cash book lists IA review | RFO verify | 12 months |
| | Charged on sales | L | M | 2 | Consider annually IA review | RFO verify | 12 months |
| | Charged on purchases | L | L | 1 | Consider all items per cash book lists | RFO verify | 12 months |

| Expenditure | | | | | | | |
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| | Exemption properly applied | H | L | 3 | Consider annually – complex issue and on larger projects external advice sought | RFO verify | 12 months |
| | Claimed within time limits | M | L | 2 | Agree returns submitted quarterly | RFO verify | 12 months |
| Reserves - General | Adequacy | M | L | 2 | Consider at Budget setting | RFO opinion | 12 months |
| Reserves – Earmarked | Adequacy | L | L | 1 | Consider at Budget setting and Final accounts | RFO opinion | 12 months |
| | Earmarked or Contingent liability | L | L | 1 | Review minutes with Chair, General Management Committee | RFO/member view | 12 months |
| Assets | Loss, Damage etc | M | M | 4 | Annual inspection, update insurance and asset registers Annual inspection by Council and IA review | | 24 months |
| | Risk or damage to third party property or individuals | M | M | 4 | Annual inspection, update insurance/review asset register and report to members | Diary | 12 months |

| Expenditure | | | | | | | |
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| Staff | Loss of key personnel (Clerk) | H | H | 9 | Regular meetings / appraisals | HR Committee | 24 months |
| | Fraud by staff | L | L | 1 | Fidelity Guarantee Insurance Internal controls checked by Council and IA review | Council | 12 months |
| Loss | Consequential loss due to critical damage or third party performance | H | L | 3 | Annual review of cover taking account of new responsibilities | Diary | 12 months |
| Cash | Loss through theft or dishonesty | L | L | 1 | Training, management and Fidelity Insurance | Diary | 12 months |
| Maintenance | Poor performance of assets or amenities loss of income or performance | M | M | 4 | Regular maintenance inspection | Diary | 12 months |
| Borrowing/lending | Adequacy of finances to be able to repay loans | L | L | 1 | Financial review and cashflow forecasting monthly | Diary | |
| Legal Powers | Illegal activity or payment | H | L | 3 | Educate Council as to their legal powers | Diary | 24 months |

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| Financial Records | Inadequate records | L | L | 1 | RFO/clerk check quarterly + regular internal audit | Diary | 12 months |
| Minutes | Accurate and legal | L | L | 1 | Review at following meeting | Diary | 12 months |
| Members interests | Conflict of interest | M | H | 6 | Training on Code of Conduct including refresher training. Update declarations of interest | Diary | 12 months |

Reviewed and adopted on: __7TH March 2017__

Note: Risk assessment must be reviewed and adopted by council annually during the financial year and before 31st March.