

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

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
	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

Income							
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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							
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)
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							
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)
	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							
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)
	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

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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)
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.