

Financial Risk Assessment 2024 - INCOME

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency/ Likelihood of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review	Comments
Budgetary Controls / Precept	Has the Council prepared an annual budget in support of its precept?			0	The Budget for 2024/25 was prepared & approved by Council on 16th January and further ratified on 20th February 2024.		12 months	
	Precept not paid by DC	3	1	3	Check & Report to Council	Diary	12 months	
	Adequacy of precept is actual expenditure against the budget regularly reported to the Council?	2	1	2	Monthly review by RFO and Councillors - budget to actual. Major variances identified and reported Internal Audit (IA) Review	Diary	12 months	Budgetary control reports are regularly presented to Full Council showing actual expenditure for the year, compared with total budgets. The RFO investigates expenditure codes where spend is out of line with the percentage to be expected for the time of year.
Cash Handling - Bookkeeping	A computerised cashbook is maintained. A full analysis of Income and Expenditure codes is kept up to date and can be reviewed at any point. The computerised system ensures arithmetical accuracy. The cashbook is balanced monthly together with monthly bank reconciliations for all bank accounts held by the Council. The monthly reconciliations are signed off by the RFO and a councillor (set on a rota basis).							
Charges – Lido	Cash emptying, transport and banking	1	1	1	Segregate duties. Check to bank rec.	Reconcile to takings	6 months	Reduced frequency to (1) as cash transactions only by exception.
Charges – Cemetery	Grave allocation	1	1	1	Burial Register update with each change - records being converted to Rialtas		12 months	Software implementation due in 2024. Graves will be allocated using software programme
	Invoices to undertakers	1	1	1	Monthly check of burial register	Number issued	12 months	
	Memorial fees	1	1	1	Monthly check of burial register	Number issued	12 months	
Charges – Allotments	Rental invoices	1	1	1	Register to Invoice and review cash book against bank statement	Reconcile to register	24 months	
	Cash handling	1	1	1	Cash through receipt book and accounting software	Bank Reconciliation	12 months	
	Cash banking	1	1	1	Segregate duties. Check to bank	Bank Reconciliation	24 months	
Hall Hire/Markets/ Rents	Cash handling and banking	1	1	1	Bookings linked directly to account software - working to automated process. Cash through receipt book.	Bank Reconciliation	12 months	Manual intervention minimal - amalgamated handling and banking
Lease/ rent linked to PWLB	Rental invoices	2	2	4	Clerk/RFO check monthly to bank reconciliation	Bank Reconciliation	12 months	Rental income not received will have impact on budget and GR
Grants/ SLA – Dorset Council	Claims procedure	3	1	3	Clerk/RFO check quarterly to bank reconciliation	RFO verify	12 months	
	Receipt of grant when due	2	1	2	Check & Report to Full Council	Diary	12 months	Removed reference to GEM committee (2024 update)
Grants – Other	Claims procedure	1	1	1	Clerk/RFO check quarterly	RFO verify	12 months	
	Receipt of grant when due	2	1	2	Check & Report to Full Council	Diary	12 months	Removed reference to GEM committee (2024 update)

Financial Risk Assessment 2024 - EXPENDITURE

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review
Payroll controls	Wrong salary paid	1	1	● 1	Check to minute & Councillors verify	RFO verify	Monthly
	Wrong hours paid	1	1	● 1	Check to timesheet/contract	RFO verify	Monthly
	Wrong rate of pay	1	1	● 1	Check to contract	RFO verify	Monthly
	False employee	1	1	● 1	Check to PAYE Records & lists	RFO verify	Monthly
	Wrong deductions – NI, Pension, Income Tax	1	1	● 1	Payroll software updates	RFO verify	Monthly
Direct Costs and overhead expenses	Goods not supplied to STC	1	1	● 1	Order system - Purchase Ledger monthly review	Approval check	Monthly
	Invoice incorrectly calculated	1	1	● 1	Check arithmetic	Approval check	Monthly
	Stock loss	1	1	● 1	Point of sale info and control	Reconcile to Stock	6 months
Councillor Allowances	Cllr overpaid	1	1	● 1	Paid via Payroll against STC minute	RFO verify	Monthly
	Income tax deduction	1	1	● 1	Paid via Payroll	RFO verify	Monthly
Grants & support	Power to pay	1	1	● 1	Minute reference and GPC	STC approval	Annually
	Agreement of Council to pay	1	1	● 1	All grants based on approved documentation and supporting information, minuted and checked by Internal Auditor.	STC approval	Annually
	Conditions agreed	1	1	● 1	Compliance against Policy	RFO check	Annually
Election Costs	Invoice at agreed rate	1	1	● 1	RFO check and budget approved	RFO verify	Ad-hoc
	By-election(s)	3	2	● 6	Adequate budgetary provision. Manage councillor training and expectations	Town Clerk	Ad-hoc
VAT irrecoverable	VAT analysis	2	1	● 2	Review of quarterly VAT return	RFO verify	Quarterly
	Charged on sales	1	2	● 2	Review of quarterly VAT return	RFO verify	Quarterly
	Charged on purchases	1	1	● 1	Review of quarterly VAT return	RFO verify	Quarterly
	Exemption properly applied	3	1	● 3	Consider annually – complex issue and on larger projects external advice sought	RFO verify	Quarterly
	Claimed within time limits	2	1	● 2	Review of quarterly VAT return	RFO verify	Quarterly
Reserves - General	Adequacy	3	2	● 6	Consider at Budget setting and monthly Full Council	RFO verify	Monthly
Reserves – Earmarked	Adequacy	3	2	● 6	Consider at Budget setting	RFO verify	Quarterly
Assets	Up-to-date Asset Register	1	2	● 2	The asset register is updated when items are purchased or sold, and reviewed at the end of each financial year.	RFO verify	Annually
	Loss, Damage etc	2	1	● 2	Annual inspection by Council and IA, update insurance and asset registers.	STC review	Annually
	Risk or damage to third party property or individuals	2	1	● 2	Annual inspection, update insurance/review asset register and report to members	RFO verify	Annually
Staff	Loss of key personnel	3	2	● 6	Regular meetings / appraisals. Professional HR consultant	Town Clerk (STC for Clerk/ RFO)	Annually
	Fraud by staff	1	1	● 1	Fidelity Guarantee Insurance	Council	Annually
	Staff absence	3	1	● 3	Cost of long term absence - insurance cover in place for accidents	Town Clerk	Annually
Event Management	External organisers not compliant	3	1	● 3	Liason with SAG team at DC, compliance with Hire of Land Policy	Town Clerk	Annually
Borrowing / lending	Adequacy of finances to be able to repay PWLB	1	1	● 1	Financial review and cashflow forecasting monthly	RFO verify	Monthly
Legal Powers	Illegal activity or payment	3	1	● 3	Educate Council as to their legal powers	Town Clerk	Monthly
Payments	Is the correct authorisation obtained for payments?				All payments are only released after approval by Full Council	RFO verify	monthly

Comments
All risks have reduced from 3 to 1 due to external payroll provider DC appointed in Aug 2023
All names of leavers and starters minuted FC.
Weekly stock take Lido
Amended from Cash list to VAT return
Review Option to Tax - seek professional advice
No less than 3 months and no higher than 12 months
A sample inspection of the asset register against the physical assets takes place on an annual basis.
Cost of Locum Clerk and Asst TC
New entry (2024)
New entry (2024)
Payments are created and approved by two separate officers

Financial Risk Assessment 2024 - OTHER

Topic	Risk Identified	Impact of Risk 1-3 (L-H)	Frequency of Risk 1-3 (L-H)	Level of Risk 1-9 (impact x frequency)	Management of Risk	Action required	Review	Comments
Standing Orders / Financial Regulations	Not adopted by Full Council	1	1	● 1	Both are reviewed and adopted at the Annual Meeting	Town Clerk	Annual Meeting	Or earlier if any changes are being made
	Are the FR followed by purchasing competitively?	1	1	● 1	Purchases and contracts are agreed by Full Council. Officers shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction unless a preferred contractor is used. Contracts over £25,000 (Incl VAT) are advertised on Contracts Finder.	Town Clerk	Continuous	A preferred contractor list is approved with the Financial Regulations
Risk Assessments	Play Parks and Skate Park - Are annual risk assessments carried out?	1	3	● 3	Regular inspections of play equipment and the skate park are conducted by trained personnel and dated documentation is held to support such reviews. An annual ROSPA report is carried out on all playgrounds.	Town Clerk	Monthly and Annually	
	Adhoc Risk Assessments for works contracted by STC	1	1	● 1	Ensure Risk Assessments are received before any work commences	Town Clerk	Continuous	
Health and Safety Procedures	Are all Health & Safety procedures up to date?	1	1	● 1	Health and safety procedures are reviewed annually, and an annual inspection from Wirehouse services is made each year, with their advice and recommendations followed up, and further checks and maintenance checks carried out as required.	Town Clerk	Annually	
Insurance cover	Is insurance cover appropriate and adequate?	1	1	● 1	Insurance contract in place, renewed annually and updated when assets are purchased or disposed of	RFO	Annually	
Financial Records	Inadequate records	1	1	● 1	Internal Audit to be scheduled	Town Hall	Quarterly	
Minutes	Accurate and legal	1	1	● 1	Review at following meeting	Town Clerk	Monthly	
Members interests	Conflict of interest	1	2	● 2	Training on Code of Conduct including refresher training. Update declarations of interest	Town Clerk	Annually	

Reviewed and adopted on ____16th April 2024_____