

SALTNEY TOWN COUNCIL

FINANCIAL RISK ASSESSMENT 2021/2022

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Proper, timely and accurate reporting of Council business in the Minutes	Unrecorded authorisation of action/expenditure. Challenge by local elector. Investigation by external Auditor. Public Interest report	H	L	Accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval
Keeping Proper Financial Records	Council runs out of money Dishonest by staff	H	L	Regular update of database and bank reconciliation reports presented to Council for approval Quarterly Report to Council Appointment of Internal Auditor.
	Unrecorded authorisation of action/expenditure Challenge by local elector Investigation by External Auditor Public Interest report	H	L	Prompt and accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Loss of cash through theft or dishonesty	Council unable to provide services and meet its expenditure Damage to reputation of Council	H	L	Fidelity Guarantee Insurance Internal controls to prevent and detect fraud Budgetary controls Regular reconciliation of bank statements to financial records
Requirements under Employment Law and Inland Revenue Regulations not being met	Liability for unpaid Tax Inland Revenue Fine Legal Action by employee	H	L	Monthly RTI's to be submitted to HMRC Staff Contract
Ad Hoc provision of facilities/amenities for Events (Christmas Parade)	Litigation by third party	H	M	Organiser to do necessary Risk Assessments and ensure insurance cover is correct (i.e public indemnity)
Complaint that Contract is not fairly awarded	Investigation by External Auditor leading to increased fees, Public Interest Report	H	L	Standing Orders and Financial Regulations in place dealing with awarding of contracts
Incurring 'ultra vires' expenditure	Local elector challenge, Audit investigation/Public Interest Report	H	L	Recording in the Minutes the powers under which non-routine and Section 137 expenditure is approved

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Inadequate precept	Council unable to provide all its intended services and programmes Council run out of funds	H	L	Establish an annual budget and monitor throughout the financial year
Poor management of funds	Bank charges Loss of Interest Audit Investigation/Public Interest Report	L L H	L L L	Budgetary control Monthly bank reconciliation / financial reports Accurate Minutes to the Council
Requirements for VAT not being met	Entitlement to reclaim VAT for a period being lost	M	L	Annual Returns being submitted
Requirements under employment law and Inland Revenue regulations not being met	Liability for unpaid tax Inland Revenue fines Legal action by an employee	H	L	Regular returns to Inland Revenue on monthly and annual basis Staff contracts in place

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Keeping proper financial records	Council runs out of money Dishonesty by staff	H H	L L	Regular updating of receipts and payment ledger Regular bank reconciliation Sound Expenditure and Income policies in place Appointment of Internal Auditor
	Unrecorded authorisation of action/expenditure. Challenge by local elector. Investigation by external Auditor. Public Interest report	H	L	Prompt and accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval
Damage to footway lighting columns	Cost of replacement of column Lack of service to public	M	L	Most damage is caused by third party vehicles from whom reimbursement is claimed
Damage to Play Equipment	Replacement cost of equipment Reduced range of equipment for users	M	L	Most damage is low-level vandalism, which would fall below an excess insurance figure
Damage to Town Council Notice Boards	Cost to replace the damaged Boards	L	H	Most damage is low-level vandalism, which would fall below an excess insurance figure

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Damage to CCTV Cameras	Cost to replace the damaged CCTV camera	H	L	Most damage is low-level vandalism Regular check by Police, Town Clerk and members of the Council.
Closure of Councils Bank Account	Town Council being brought into financial disrepute.	H	M	Ensure that the Council has a second bank account in place with funds available to enable the Council to function financially.
Supplier Fraud (Procurement) including the adequacy of supplier onboarding controls <i>Internal Audit recommendation 2021</i>	Evidence of risk has increased Possibility of paying a fraudulent supplier	H	M	Ensure that robust policies and procedures in place including <ul style="list-style-type: none"> • Staff training • Rigorous change of supplier details • Periodically review supplier accounts • Check financial details with Companies House (particularly new suppliers) • Do some sample checks of online payments • Ensure adequate insurance cover

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2/11/2021 F&GP /Council 12.01.2022