



New Alresford Town Council

FINANCIAL RISK ASSESSMENT

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

| | Activity | Hazard | Risk To | Risk Level | Controls to Mitigate Risk | Residual Risk |
|---|---------------------------------------|--|------------------------|------------|--|---------------|
| 1 | Annual Return | <ul style="list-style-type: none"> •Inability to meet year end close dates. •Omissions/inaccuracies in AGAR return •Late submission - Charges applied | Town Council | M | <ul style="list-style-type: none"> •Structured deadline procedures. •Town Clerk/RFO and Deputy Clerk to comply with year-end procedures, to ensure compliance with Annual Return requirements. •Ensure accuracy of AGAR return prior to submission – 4 eyes •Role sharing to ensure office resilience during year-end process. | L |
| 2 | Assets | <ul style="list-style-type: none"> •Inaccurate record of assets •Asset register not maintained •Damage/destruction of assets •Damage/injury to third party | Town Council | M | <ul style="list-style-type: none"> •Record of Assets to be maintained including additions and disposal of items. •Insurance provider aware of all assets and valuations. •Minimum of annual physical inspection of assets. •Maintenance programme to be implemented | L |
| 3 | Audits – Internal and External | <ul style="list-style-type: none"> •Lack of awareness and or training •Non conformity with statutes and regulations | Town Council and Staff | M | <ul style="list-style-type: none"> •Internal audit to be conducted twice a year. •Internal Audit contract to be reviewed every three years or sooner if required. •Findings of Internal Audit report to be shared with Town Council and actioned as soon as practicable. •Co-operation with External Audit requirements and requests | L |

| | | | | | | |
|---|----------------------------------|---|--------------------------------|----------|---|----------|
| 4 | Bank and Banking | <ul style="list-style-type: none"> •Insufficient/inadequate reconciliations. •Bank Error/Failure/Loss •Charges | Town Council, Staff and Public | M | <ul style="list-style-type: none"> •Financial Regulations and procedures to be implemented. • Monthly financial reports to be shared with O&R Committee and Town Council for approval following monthly reconciliation. | L |
| 5 | Best Value Accountability | <ul style="list-style-type: none"> •Best Value not achieved due to inadequate management of process •Works awarded inappropriately •Overspend on Services | Town Council, Staff and Public | L | <ul style="list-style-type: none"> •Financial Regulations and procedures to be implemented. •Best practice to be implemented prior to any tendering process. •Three quotes to be sought where practicable •Respective Committee to review quotes and approve or recommend reason for awarding tender to individual/company. •Works undertaken to be inspected by staff, councillor, or expert to ensure of satisfactory standard •Any issues with works to be investigated by staff and reported to Committee/Town Council. | L |
| 6 | Budget and Precept | <ul style="list-style-type: none"> •Adequacy of precept and budget setting. •Non or late submission to District Authority •Amount not received by District Authority | Residents. | L | <ul style="list-style-type: none"> •All Committees to prepare and submit financial plans to the RFO annually by October. •Budget preparation by RFO is to be reviewed by Town Council. Town Council approves the amounts set for specific budget headings for the following financial year. •Explanation of notable variances to be recorded •Virements to be minuted •Approval of the final budget and precept request to be made by Town Council, for submission to District Authority by January each year. | L |
| 7 | Business Continuity | <ul style="list-style-type: none"> •Failure of Council continuing business due to unforeseen | Residents and Staff | L | <ul style="list-style-type: none"> •The finance system is on the Cloud and three staff users have access. | L |

| | | | | | | |
|----|------------------------|---|------------------------|----------|--|----------|
| | | <p>circumstances.</p> <ul style="list-style-type: none"> •Long-term sickness. •Unforeseen financial or another crisis | | | <ul style="list-style-type: none"> •Number of signatories on account increased to four to enhance resilience. •All members of staff can work from home as the computer system is on the cloud •IT systems automatically backed up. Telephone support available regarding IT system and Finance System •Financial Internal controls procedure must be adhered to. *Business Continuity Plan to be drafted | |
| 8 | Conflicts/Gifts | Inadequate identification and controls regarding conflicts of interest | Town Council | M | <ul style="list-style-type: none"> •Conflicts declarations (Code of Conduct and Acceptance form) reviewed and revised at the Annual Meeting of the Council. •District Council hold records Acceptance of Office and Pecuniary Interest forms •Chair seeks declaration of any conflicts at each meeting and enforces participation restrictions appropriately. | L |
| 9 | Cash | Theft/Dishonesty/Loss | Staff and Town Council | M | <ul style="list-style-type: none"> •Implementation of Financial Regulations. •Petty Cash reconciliation conducted monthly. •Cash held limited to £100.00. •Cash/cheques received to be banked within 2 weeks of receipt •Staff to take practical safety precautions when collecting cash •Cash payments discouraged and electronic payments encouraged. •Council Insurance policy includes Fidelity guarantee | L |
| 10 | Cheque Books | Loss of Cheque Book/Fraudulent use of Cheque book | Residents and Staff | L | <ul style="list-style-type: none"> •Cheque books securely held. •No blank cheques signed. | L |

| | | | | | | |
|----|--------------------------|---|---|----------|--|----------|
| 11 | Council Records | <ul style="list-style-type: none"> •Loss of electronic data •Loss through fire/theft/damage/corruption | Town Council | L | <ul style="list-style-type: none"> •IT Audit advice implemented. •System backup is on the Cloud •Building Fire regulations implemented and revised annually •Fire alarm subject to weekly tests and 6 monthly service •Office security procedures implemented. •Confidential personal information retained in locked cabinet by Town Clerk •Documents retention procedures to be adhered to | L |
| 12 | Data Protection | <ul style="list-style-type: none"> •Loss of Confidential Information •Reputational Risk •Lack of awareness or training | Town Council, Councillors, Staff and Public | M | <ul style="list-style-type: none"> •Town Council is registered with the Information Commissioner Office (ICO) •GDPR training available to staff and councillors •Council information shared only via business emails. •GDPR related policies created, implemented and available to public via website •ICO Certificate renewed annually | L |
| 13 | Election Costs | Inability to meet costs | Town Council | L | <ul style="list-style-type: none"> •Risk elevated in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and or uncontested election. •Annual budget provision | L |
| 14 | Financial Records | <ul style="list-style-type: none"> •Inadequate records leading to financial irregularities •Loss through damage/theft/fire/corruption | Town Council and RFO | M | <ul style="list-style-type: none"> •Town Clerk/RFO to ensure implementation of Financial Regulations and best practice within office controls. •Financial internal controls reviewed regularly •Quarterly assurance inspections to be undertaken. •Full risk review to be undertaken annually •Internal and External Audits to be undertaken at least annually •Backups on the Cloud | L |

| | | | | | | |
|----|-----------------------------------|--|---|----------|--|----------|
| 15 | Freedom of Information Act | The Council has a model publication scheme for Local Councils in place. | Town Council and Staff | M | <ul style="list-style-type: none"> •The Council is able to request a fee for any information requested to cover the cost of consumables and the clerk's time. *FOI Act publication scheme last reviewed 10/02/20. FOI procedure to be created. | L |
| 16 | Grants | <ul style="list-style-type: none"> •Power/Authorisation to Pay •Receipts of Grants | Member of the Public | L | <ul style="list-style-type: none"> •All Grant applications to be considered and approved by Town Council. •Grant budget reviewed annually •All Grants received to be entered into finance system under separate budget headings •All Grant payments to be recorded in Grant register with appropriate Power used to make award •Received Grant expenditure to be recorded under separate budget headings •Terms and Conditions of received Grants must be adhered to | L |
| 17 | Income Stream | Sales ledger invoices not paid | Town Council | M | <ul style="list-style-type: none"> •Invoices to be issued in timely manner •Receipt of payments to be monitored •Debtors to be proactively monitored by RFO. •Quarterly review of all accounts including debtors to be shared at Town Council. •Debtors to be actively communicated with, to minimise the value of debt and try to recover costs | L |
| 18 | Insurance Cover | <ul style="list-style-type: none"> •Insufficient cover to meet nature of claim •Cost •Compliance •Fidelity | Members of the Public, Staff, Councillors, Tenants. | L | <ul style="list-style-type: none"> •Insurance cover reviewed annually and premium updated to meet demands. •Additional types of insurance cover taken out to meet diverse situations. •Periodic and specific risk assessments undertaken to ensure compliance | L |
| 19 | Litigation | Legal action taken against Town Council | Town Council, | M | Insurance cover is comprehensive and includes Public Liability, Fidelity and Legal fees | L |

| | | | | | | |
|----|-------------------------|---|--------------------------------|----------|---|----------|
| | | | Staff and Public | | | |
| 20 | Legal Powers | <ul style="list-style-type: none"> •Adoption of Standing Orders and Financial Regulations •Non-compliance with legislation •Ultra vires actions •Appointment of RFO | Town Council, Staff and Public | M | <ul style="list-style-type: none"> •Standing Orders and Financial Regulations to be reviewed and adopted annually or as legislation dictates. •Town Clerk/RFO appointed and duties as per employment written statement of particulars •Town Clerk/RFO to ensure compliance with legislation, Standing Orders and Financial Regulations and other NATC procedure(s). •Appropriate training received by both Councillors and Staff •Access to external specialist for advice | L |
| 21 | Meeting Location | <ul style="list-style-type: none"> •Adequacy •Health and Safety | Town Council, Staff and Public | L | <ul style="list-style-type: none"> •Meetings are normally held in the Lower Meeting Room, Alresford Recreation Centre, The Avenue Alresford. •Town Council has access to the Main Hall on the first floor providing sufficient notice is provided to The Arlebury Limited •The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety, Disability, Discrimination and comfort aspects. •Hybrid equipment has been purchased for use in future meetings | L |
| 22 | Payments | <ul style="list-style-type: none"> •Goods not supplied but invoiced/ invoices incorrect/invoices unpaid •Inadequate controls/checks •Fraud/Theft | Town Council | L | <ul style="list-style-type: none"> •Invoices recorded upon receipt/ Invoices checked for accuracy/goods received checked on delivery. •Payments list approved & Payment amount minuted at monthly Town Council Meetings. •Deputy Clerk to input purchase ledger invoices to help Town Clerk/RFO to monitor accurate expenditure. Each invoice to state Index number, method of payment, date | L |

| | | | | | | |
|----|-------------------------|--|--------------------------------|----------|--|----------|
| | | | | | <p>paid and if available minute reference.</p> <ul style="list-style-type: none"> •All payments reviewed by RFO. •Payments only to be made to confirmed accounts and not made using account information supplied by email only •Two signatories required for bank accounts •Sufficient signatories maintained on the accounts | |
| 23 | Reporting | Failure to communicate to Town Council and external bodies | Town Council, Staff and Public | L | <ul style="list-style-type: none"> •Monthly income & expenditure reports, cashbook reconciliations and bank statements to be presented to Town Council under separate agenda items. •Reports and bank statements made available for signing by councillor at each meeting. | L |
| 24 | Reserves | <ul style="list-style-type: none"> •Inadequacy of existing funds held •Unforeseen events | Town Council, Staff and Public | M | <ul style="list-style-type: none"> •Town Council can maintain Reserves one of which is General Reserves equating to approximately 6 months expenditure for ongoing costs. •Unbudgeted commitments are approved after an assessment of the impact on existing reserves. •Specific Reserve are documented demonstrating justification and rationale. | L |
| 25 | Risk Assessments | <ul style="list-style-type: none"> •Insufficient risk review undertaken for NATC assets and activities. •Inadequate Risk Assessments | Town Council, Staff and Public | M | <ul style="list-style-type: none"> •Engage with expert if required •Comprehensive risk assessments to be created for all NATC activities. •Risk assessments undertaken for NATC assets •Cross check with insurance provider •Supporting rolling programme of inspections and testing to be implemented •Review contractors risk assessment and public liability insurance prior to carrying out works. | L |

| | | | | | | |
|----|---|---|------------------------|----------|---|----------|
| 26 | Staff and Councillor Training | <ul style="list-style-type: none"> •Lack of awareness/training •Potential Legal and Financial liabilities due to incorrect actions/advice taken | Town Council and Staff | L | <ul style="list-style-type: none"> •All staff to be fully trained in role within 2 years of commencement. •All councillors to undertake relevant training - 2 training sessions per year •Town Clerk to ensure best practice is implemented within office procedures as soon as practicable. •Town Council to ensure budget available for staff training, access to professional bodies and reference materials | L |
| 27 | Staff Salaries and Councillor expenses | <ul style="list-style-type: none"> •Incorrect salary payments - Failure to pay HMRC and/or Pension contributions. •Non-compliance with year-end obligations •Incorrect/fraudulent expense claims | Town Council and Staff | L | <ul style="list-style-type: none"> •Payroll service undertaken by recognised external payroll administrator to calculate monthly staff payments including mileage and expenses •All expenses submitted to Town Clerk/RFO or line manager for authorisation and receipts reviewed. •BACs payments to HMRC & Pension. •No overtime payments unless exceptional circumstances and approved by Town Council prior to working. | L |
| 28 | Section 137 | <ul style="list-style-type: none"> •S137 payments not recorded in finance system •S137 payments exceed limit •S137 not minuted | Town Council | M | <ul style="list-style-type: none"> •S137 payments recorded separately •All S137 payments minuted at Town Council •Ensure S137 payments are within legal limit | L |
| 29 | VAT/Tax | <ul style="list-style-type: none"> •Errors in calculation. •Incorrect treatment of VAT/Tax resulting in loss •Payments not made to HMRC | Town Council | M | <ul style="list-style-type: none"> •Access to VAT/Tax specialist •Accounts system generated VAT return to be submitted quarterly and reconciled | L |
| 30 | Inherent Liabilities | <ul style="list-style-type: none"> •Off Balance sheet cost •Pension •Leases | Town Council | M | <ul style="list-style-type: none"> •Annual review of budget and liabilities undertaken •Leases are to be periodically reviewed •Pension liabilities monitored | L |

*To be monitored and/or completed within one year

Signed:

Date:

Hazard Severity

| | | |
|--------------------|-----------------------|-----------------------|
| Low Risk | Trivial/Negligible | Unlikely to occur |
| Medium Risk | Minor – Severe injury | Occasional occurrence |
| High Risk | Death - Severe injury | Likely to occur |

Risk Matrix

| | | | | |
|--------------------|-----------------|------------|---------------|-------------|
| | Severity | | | |
| Probability | High | | | |
| | Medium | | | |
| | Low | | | |
| | | Low | Medium | High |

| Version | Owner | Date Approved | Minute Ref | Next Review |
|----------------|--------------|----------------------|-------------------|--------------------|
| V1 – 2019/20 | Town Council | 17/09/19 | 19/130 | March 2021 |
| V1 – 2020/21 | Town Council | 30/03/21 | 20/227 | Feb 2022 |
| V1 – 2021/22 | Town Council | 26/01/2022 | 21/205 | Q1 2023 |
| V1 -2022/23 | Town Council | 28/02/2023 | 22/203 | Q1 2024 |
| V2 -2023/24 | Town Council | 24/03/2024 | 23/163b | Q1 2025 |
| V4 – 2024/25 | Town Council | 25/03/2025 | 24/149d | Q1 2026 |