

Financial Risk Assessment: 1. Administration					Responsible Officer: RFO / Full Council Committee
Ref No.	Hazard	Risk Assessment			Risk Control Measures
		Likelihood	Impact	Rating	
1	Poor financial management	1	3	3	Responsibility for the management of financial affairs and delegations clearly defined within Financial Regulations.
					RFO maintains an effective budgetary control/financial reporting system with reports presented to all spending Committees and ultimately PGF Committee.
					Standing Orders, Financial Regulations and Delegations reviewed regularly.
					Financial Regulations issued to all employees financial responsibilities.
					Formal appointment of internal auditor by PGF Committee.
					Council maintains an effective system of internal control and internal audit.
					Internal audit reports and any actions to be taken reported to Policy, Governance & Finance Committee.
					Effective budgetary control and financial reporting system maintained.
2	Non-compliance with statutory deadlines for completion, approval or submission of accounts and other financial statements.	1	3	3	Schedule for committee meetings set and updated regularly.
					RFO works with Rialtas (company who provide and support Omega financial software) to for any necessary advise on year end accounts and produce financial statement in good time.
					Critical dates logged in Council diary and monitored for action.
					Year-end accounts approved by Full Council on or before 30 June each year.
3	Failure to comply with Customs & Excise Regulations	1	3	3	Value added tax is properly administered through the Omega financial software, with returns made electronically on a quarterly basis.
					RFO ensures all input tax and output tax is properly recorded on accounting package.
					Refer to guidance from HMRC where necessary, Sector specific advice available through NALC (National Association of Local Councils) and SLCC (Society of Local Councils). Specialist advice sought from the Parkinson Partnership where necessary.
					Partial exemption calculation undertaken and submitted annually.
4	Failure to maintain record of Council assets	1	2	2	RFO responsible for the maintenance of the asset register.
					All acquisitions/disposals are accurately and promptly recorded.

					Annual inventory checks undertaken by relevant officers for insurance purposes.
5	Failure to comply with Inland Revenue Regulations	1	3	3	Salaries processed using SAGE Payroll Software which automatically deducts the appropriate rate of PAYE/NICs/ Pension etc. Comprehensive records kept of all calculations of income tax, national insurance and pension contributions deducted from pay, and are subject to periodic Internal Audit checks All sums due paid promptly within the deadlines set by HMRC by direct debit. RFO responsible for undertaking monthly returns to HMRC through Full Payment Submission.
					All necessary information including payslips, P45s and P60s issued to employees on a timely basis.
6	Theft, misappropriation or loss	1	3	3	Council procedures for handling of cash are to be followed at all times and receipts are issued for all income. Responsibility determined for the management of any cash transactions. Training on financial management, procedures and monitoring given to all office staff. Increased use of Card Payment Machine has reduced number of cash transactions especially since Covid. Secure arrangements are in place for all monies held prior to banking with safes on site. Large amounts of cash are banked immediately or as soon as practicable. Bank reconciliation reviewed by the RFO monthly, with PGF Committee receiving the monthly reconciliation together with the copy of the bank statement as at the last day of the month.

					Maximum petty cash float maintained at agreed level and kept in locked safe.
					All petty cash vouchers signed by recipient and authorised by the Officer with delegated authority.
					Reconciliation of petty cash undertaken each month by the Officer and cross checked by RFO.
					No personal cheques cashed or money borrowed.
					Only authorised staff are permitted to access safe.
					Safe kept locked unless items being removed or deposited.
					Banking of cash done discreetly and at varying times. Staff go directly to bank when making deposits, escorted as necessary depending on amount to be deposited.
					All financial and banking records monitored by RFO.
					Town Clerk/ Chief Executive is signatory for cheque and electronic payments up to £5,000 (Deputy Town Clerk and RFO may sign petty cash cheques up to £500). Two members are required to sign any cheques of £5,000 or more and authorize any electronic payments to individual creditors in excess of £5,000.
					Cheque books kept in RFO's locked cupboard.
					Cheques waiting for authorisation are held by a nominated officer until signed and then posted or issued promptly.
					Any lost or annulled cheques cancelled with the bank. Annulled cheques and cheque stubs are crossed through, signed and logged. They are then cancelled in the relevant cashbook.
					Council holds adequate fidelity guarantee insurance as well as all risks insurance covering theft of property and theft of cash.
					Codes and passwords changed when officer responsible for specific tasks changes.
					Internal audit used to test processes and procedures.
					Regular back-ups taken of financial and payroll software.
7	Loss of RFO	1	3	3	Town Clerk/ Chief Executive will liaise Chair of PSC/Leader of Council to organise cover for essential tasks by sector specialists such as DCK Beavers.
					Town Clerk/ Chief Executive to be appointed RFO pending recruitment.
					Recruitment to be organised.

	<i>Reviewed by Town Clerk/ Chief Executive:</i>	<i>Date:</i>
	<i>Approval by PGF Committee, signed by Chair:</i>	<i>Date:</i>