



ARUNDEL TOWN COUNCIL

RISK ASSESSMENT FOR FINANCES – ADMINISTRATION & CONTROL

Date of Assessment: 23rd February 2021

Assessor: Responsible Financial Officer (RFO)

What are the hazards?	Who/what might be harmed and how?	Risk level	What are you already doing?	Is any further action necessary?	Action by who?	Action by when?	Done
<p>Budget for next Financial Year not established in good time</p> <p>As a result, deadline for Precept Application missed</p> <p>As a result, Council has delayed Precept</p>	<ul style="list-style-type: none"> ▪ Internal audit qualification ▪ External assurance review qualification ▪ Reputation of council ▪ Cash flow issues 	L	<ul style="list-style-type: none"> ▪ Annual Budget Process (including timescales) clearly defined in Financial Regulations ▪ Council ensures Budget Process is followed ▪ Council reviews Budget Process annually 	No	N/A	N/A	N/A
<p>Precept too low</p> <p>As a result, Council forced to use Reserve Balances</p> <p>OR</p>	<ul style="list-style-type: none"> ▪ Internal audit qualification ▪ External assurance review qualification ▪ Reputation of council ▪ Cash flow issues 	L	<ul style="list-style-type: none"> ▪ Annual Budget Process (including timescales) clearly defined in Financial Regulations 	No	N/A	N/A	N/A



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(in worst case) to go "bankrupt" If too high, Council open to criticism			<ul style="list-style-type: none"> ▪ Council ensures Budget Process is followed ▪ Council reviews Budget Process annually 				
Reserves If too low, Council is exposed to risk and will be criticised by Auditors If too high Council is open to public (and Auditors') criticism	<ul style="list-style-type: none"> ▪ Internal audit qualification ▪ External assurance review qualification ▪ Reputation of council ▪ Cash flow issues 	L	<ul style="list-style-type: none"> ▪ Annual Budget Process (including timescales) clearly defined in Financial Regulations ▪ Council ensures Budget Process is followed ▪ Council reviews Budget Process annually 	No	N/A	N/A	N/A
Accounting records not properly maintained. As result, Council loses financial control	<ul style="list-style-type: none"> ▪ Internal audit qualification ▪ External assurance review qualification ▪ Reputation of council ▪ Cash flow issues 	L	<ul style="list-style-type: none"> ▪ Qualified Bookkeeper employed to maintain accounting records ▪ Regular reviews of Income & Quarterly Expenditure council ▪ Financial Regulations up to date 	No	N/A	N/A	N/A



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			<ul style="list-style-type: none"> Internal audit 				
Failure to control Payroll As result, Council not acting within law and/losing financial control	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification Reputation of council HMRC Fines 	L	<ul style="list-style-type: none"> Any additional hours of work must be authorised, logged and certified by the Town Clerk Payroll processed by an external firm 	No	N/A	N/A	N/A
Banking arrangements inappropriate: bank(s) not commercially sound or rate of return on deposits too low As a result, Council loses money	<ul style="list-style-type: none"> Reputation of council Cash flow issues 	L	<ul style="list-style-type: none"> Banking and investment arrangements reviewed periodically 	No	N/A	N/A	N/A
Unapproved payments	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification Reputation of council 	L	<ul style="list-style-type: none"> Delegated authorities (for Committees and Town Clerk) clearly defined in financial regulations Dual authority required for cheques 	No	N/A	N/A	N/A



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	<ul style="list-style-type: none"> Cash flow issues 		and electronic payments <ul style="list-style-type: none"> Financial regulations clearly define procurement and ordering process Schedule of Payments drawn up for council approval in accordance with financial regulations 				
Fraud or Theft	<ul style="list-style-type: none"> Reputation of council Cash flow issues 	L	<ul style="list-style-type: none"> Fidelity Bond in place. Stock Control Cash Receipt & Petty cash procedures in place 	No	N/A	N/A	N/A
Failure to recover VAT	<ul style="list-style-type: none"> Cash flow issues 	L	<ul style="list-style-type: none"> Qualified Bookkeeper employed to maintain accounting records Quarterly submission of reclaim 	No	N/A	N/A	N/A
Loss or deterioration of Assets	<ul style="list-style-type: none"> Expense to council to replace assets 	L	<ul style="list-style-type: none"> Asset Register in place and is reviewed annually 	No	N/A	N/A	N/A



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			<ul style="list-style-type: none"> Insurance cover for all Assets in place and reviewed annually 				
Failure to record Section 137 payments as required by law	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification Reputation of council 	L	<ul style="list-style-type: none"> Section 137 payments are identified separately in the Annual Financial Statement All Section 137 grants identified in Town Council minutes Section 137 Budget Lines to be identified at the time the Budget is set 	No	N/A	N/A	N/A
Failure to maintain up-to-date Register of Members' Interests & Register of Gifts and Hospitality	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification 	L	<ul style="list-style-type: none"> Councillors asked to complete Register of Members' Interests after each election Town Clerk to ensure that all Councillors complete the Register Registers reviewed and updated every year 	No	N/A	N/A	N/A



What are the hazards?	Who/what might be harmed and how?	Risk level	What are you already doing?	Is any further action necessary?	Action by who?	Action by when?	Done
Failure to comply with Audit requirements and risk losing control	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification 	L	<ul style="list-style-type: none"> Standing orders in place Regular internal audit reviews 	No	N/A	N/A	N/A
Failure of Computer System(s) As a result financial records are lost	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification 	L	<ul style="list-style-type: none"> Daily back-up of systems - removed to secure off-site store Support contract to enable rapid recovery 	No	N/A	N/A	N/A
Failure to comply with law relating to Council borrowing	<ul style="list-style-type: none"> Cash flow issues 	L	<ul style="list-style-type: none"> Town Clerk to advise on law 	No	N/A	N/A	N/A
Insurance cover unsafe or inadequate	<ul style="list-style-type: none"> Internal audit qualification External assurance review qualification Cash flow issues 	L	<ul style="list-style-type: none"> Insurance provided by one of country's largest insurance companies Insurance cover reviewed regularly by the Town Clerk 	No	N/A	N/A	N/A

Risk Level: H - high, M - medium, L - low.

Approved by Full Council on 11/03/2021