

Financial Control	Likelihood		Severity	
	Low	Unlikely to occur within the next ten years	Low	limited inconvenience, no impact on reserves, no legal challenge
	Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
	High	Likely to occur within the next two years	High	Impact on reserves of >10% or legal challenge or severe public censure

Severity	Low	Medium	High	
	High	Medium	Low	
	Low	Medium	High	
Likelihood				

Inadequate control of finances causes the Council to make false or untimely financial transactions or act illegally

Risk	Hazard / Consequence	Process	Current Control Measures	Current Risk Rating			Revised / further actions	Resp.	Date Completed
				L	S	RAG			
Risk of Incorrect invoicing	Financial loss due to settlement of double or false invoices	Payments	Invoices checked against numbered purchase orders by appropriately trained personnel and in conjunction with Full Council minutes	L	L			RFO	
Risk of incorrect payments	Financial loss due to payment made for incorrect amount or payee	Payments	Electronic Payments are checked by appropriately trained personnel against invoices and signed . Payment by cheques are also initialled. Debit card payments included on monthly payment list. Invoices logged and put on payment schedule for ratification.	L	L			RFO	
Risk of late payments	Late payment could incur a financial penalty.	Payments	Payments diarised if not already on direct debit payment system	L	L			RFO	
Incorrect salaries paid	Staff over or underpaid	Payments	Adhere to Financial Regulations and procedures.	L	L			RFO	
Incorrect National insurance and PAYE	HMRC over or underpaid	Payments	Tax and NI calculated using on-line scales	L	L			RFO	
Expenses incorrectly claimed	Members over or underpaid, financial loss to Council	Payments	Itemised list of expenses are checked by the Executive Officer prior to payment	L	L			RFO	
VAT return is incorrect	Loss of income, HMRC Challenge	Receipts	VAT re-claimed annually	L	L			RFO	
Untimely receipt of precept/ Grants	Lack of cash flow	Receipts	Precept/grants are requested in writing by Executive Officer prior to deadline date and paid directly into councils account in two halves	L	L			RFO	
Loss of Cheques	Financial loss	Receipts	Cheques received are recorded and banked promptly	L	L			RFO	
Loss of income from unpaid invoices	Financial loss	Receipts	Precept/grants are requested in writing by Executive Officer prior to deadline date and paid directly into councils account in two halves	L	L			RFO	
Risk of inaccurate or incomplete financial records	Potential financial loss, Internal Auditor would give 'requires improvement' report	reconciliation	All financial records are kept by The Executive Officer and internal audits are undertaken on an on going basis. End of year Audit undertaken by independent external auditor	L	L			RFO	
Risk of Bank making errors, not identified	Monthly financial report would not reconcile	reconciliation	Monthly bank statements are checked by Executive Officer upon receipt. Bank statements signed by Finance Chair.	L	L			RFO	
Annual return not completed correctly	Could end up with qualified accounts	Year end processing	Annual return is completed and signed by the Council, and sent on to the External Auditor within time limit	L	L			RFO	
Annual return is not submitted within time limits	Could end up with qualified accounts	Year end processing	Ensure task is diarised. Monitor date by which return needs to be submitted	L	L			RFO	

Ref	Risk	Hazard / consequence	Process	Current Control Measures	Current Risk Rating (L x S = Total)			Revised / further actions	Resp.	Date Completed
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The council makes poor financial decisions or decisions are implemented incorrectly										
1	Inadequate Budget	Budget does not balance at year end	Budgeting	Budget set annually and approved by Full Council, reserves are maintained in line with reserves policy, which is reviewed annually for compliance.	L	L			RFO	
2	Precept does not deliver budget	Budget does not balance at year end	Budgeting	Council has regular budget information. Estimates are prepared and precept approved by full council	L	L			RFO	
3	Precept rules change, e.g. capped, restricting delivery of required services	Either services reduced or impact on reserves	Budgeting	Contribute to all relevant consultations. Lobby as necessary	L	L			RFO	
6	Financial Regulations are not aligned with current legislation or do not deliver best value	Council acts illegally or does not deliver best value	Improvement	Reviewed annually or as legislation changes.	L	L			RFO	
7	Council takes on more services with no supporting funding	Either increased precept or impact on reserves	Community Engagement	Consult with residents. Assess material/significant impact on reserves	L	L			RFO	
8	Unable to recover costs from 3rd party insurers for damaged assets	Financial Loss	Receipts	Negotiate with third party insurer Consider legal expenses insurance cover. Renew property insurance.	L	L			RFO	
9	Lack of regular review of fees and services	Financial Loss	Budgeting	Financial Regulations state annual review of fees and services. Schedule of review dates on a Calendar maintained by Executive Officer, on wall of PC office .	L	L			RFO	
10	Bank Insolvency	Financial Loss	Budgeting	Monitor financial news. Review banking arrangements. Check bank credit ratings.	L	L			RFO	
11	Investments	Financial Loss	Investments	Taking independent financial advice when considering new investments,	L	L			RFO	

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Severity	Low	Medium	High	
	High	Red	Red	
Medium	Yellow	Yellow	Red	Medium
Low	Green	Green	Yellow	Low
Likelihood				

Ref	Risk	Hazard / consequence	Process	Current Control Measures	Current Risk			Revised / further actions	Resp.	Date Completed
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1	The Council acts illegally / does not comply with current regulations	The Council suffers loss or reputation or legal challenge.	Decision Making	That the Council ensures that all activities and payments including grants permitted within its promulgated Powers are properly resolved and minuted at the appropriate council meeting. Minutes are approved and signed at next council meeting. Agendas and Notices are displayed in accordance with legal requirements Members allowance scheme agreed and published	L	L			EO/ All Councilors	
2	The Council does not comply with Standing Orders	The Council suffers loss or reputation or legal challenge.	Decision Making	All members of Council have copies of Standing Orders, which are reviewed annually or as changes in legislation dictate. Review annually/calendar.	L	L			EO/ All Councilors	
3	The Council does not make decisions in the best interests of its residents.	The Council suffers loss of reputation	Decision Making	All best practice policies e.g. Complaints procedure, grievance procedure, contracts of employment etc.. must be reviewed on an annual basis or as changes in legislation dictate. All policies must be adhered to	L	L			EO/ All Councilors	
4	Members act illegally or do not comply with current regulations	The Council and member(s) concerned suffer(s) loss of reputation	Decision Making	Declarations of Interest must remain on the agenda and a reminder issued at each full council Meeting. Register of Interest forms must be reviewed regularly by Councilors. Members declare relevant interests. Members sign up to the Model Code of Conduct Dispensations are requested and approved as necessary	L	L			EO/ All Councilors	
5	The Council does not act in a professional manner	The Council suffers loss of reputation or legal challenge.	Decision Making	Standing Orders must be followed Standing Orders must be reviewed on a regular basis or as legislation changes. Members sign up to the Model Code of Conduct Dispensations are requested and approved as required	L	L			EO/ All Councilors	
6	Changes to legislation affect Council decision making or operations	Council not able to deliver services	Decision Making	Contribute to all relevant consultations. Lobby as necessary	L	L			EO/ All Councilors	

Governance

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Severity	High				High
	Medium				Medium
	Low				Low
		Likelihood			

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1	Assets are not adequately covered by insurance	Financial loss	Asset management	Annual review of assets for insurance purposes including maintenance, storage provisions. Includes street furniture Consider revaluation of building every 5 years. Maintain fire and intruder alarms.	L	L			EO																																	
2	Liabilities are not adequately covered by insurance	Financial loss	Liability management	Public Liability, Employers liability cover and Fidelity Insurance covers are renewed annually.	L	L			EO																																	
3	The Council does not meet insurance or legal buildings requirements	Financial loss, legal challenge	Asset management	Regular Maintenance of equipment. Fixed Electrical testing every 5 years. Annual PAT Testing of electrical items, alarms and fire extinguishers, Gas certificates where applicable, fire exits clearly marked, notices giving advice of what to do in case of fire displayed.	L	L			H&S Officer																																	
5	Damage injury to third parties due to lack of maintenance of council assets	Financial loss, loss of reputation	Asset management	Public Liability cover is in place. Regular documented inspections. Visual check of floors for uneven or defective surfaces. Warning signs if floor is wet/greasy. Low level items not left lying around	L	L			EO / H&S Officer																																	
6	Damage injury to third parties due to health and safety risks	Financial loss, Injury to Staff or members of public	Building management	Public Liability cover is in place. No high storage on inadequate shelving / cabinet tops. Suitable step available for reach of upper storage areas	L	L			EO / H&S Officer																																	
7	Damage to or loss of Council assets due to poor housekeeping	Financial loss, Injury to Staff or members of public	Building management	Rodents - All food to be securely stored. Any litter to be removed promptly. Any evidence/report of infestation to be dealt with promptly Intruders - Shutters to be used when building not in use, building secured. Money and valuables left on premises are kept in fire proof safe. Glazing - Glazing to be inspected regularly. Notice displayed on how to report damage. Broken panes boarded up until repairs can be properly completed. Prompt repair. Shutter to be used	L	L			EO / H&S Officer																																	
8	Inappropriate meeting venue causes risk to members of Council and or public	Injury to People Loss of reputation	Meeting management	Public Liability cover in place. Meetings are held at council owned premises. All the premises and facilities are considered to be adequate for the Executive Officer, Councillors and any Public who attend from a health and safety and comfort aspect. Number of likely attendees at public meetings are assessed and venue chosen accordingly.	L	L			EO / H&S Officer																																	
9	Assets are devalued due to lack of regular inspection / monitoring	Financial loss, not able to realise value of asset	Building management	Annual inspection by Executive Officer	L	L			EO																																	

People

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Severity	High				High
	Medium				Medium
	Low				Low
		Likelihood			

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1	Loss of Executive Officer	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	Consider Personal Accident and Keyman Insurance	L	L			Council	
4	Executive Officer is long term sick	The Council is unable to fulfil its legal obligations, Financial loss	Contingency planning	Consider asking nearby council to assist on temporary reciprocal basis	L	L			Council	
7	Actions of Staff bring council into disrepute	Financial loss, loss of reputation, legal challenge	People management	Contracts of Employment in place and signed Staff Performance appraisals undertaken (including agreed objectives and development plans) Pay and conditions reviewed and agreed by Full Council on an annual basis	L	L			Council	
8	Current or ex employee brings claim against Council	Financial loss due to upheld unfair or constructive dismissal claim	People management	Disagreement and Grievance arrangements in place	L	L			Council	
9	Temporary staff, or contracted resources do not fulfil obligations	Financial loss, loss of services	People management	Normal vetting procedures and contract/written arrangement in place with agencies. Employers Liability cover is in place and renewed annually	L	L			Council	

Systems and Processes

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1	Council not being able to continue its business due to an un-expected or tragic circumstance	suppliers not paid, services not delivered, debts not recovered	record keeping	All files and recent records are kept within the office. Appropriate backups are made to an external hard drive.	L	L	Green		EO	
2	Loss of paper records through theft, fire or damage	suppliers not paid, services not delivered, debts not recovered	record keeping	Papers, current and archived to be stored in a locked fire proof cabinet.	L	L	Green		EO	
3	Loss of electronic records through damage, fire or corruption of computer	suppliers not paid, services not delivered, debts not recovered	record keeping	Daily back up and use of external hard drive.	L	L	Green		EO	
4	Loss of data held by the council, in any format, that could identify individuals to a third party	Loss of reputation, legal challenge	record keeping	Data retained for minimal time. All personal information shredded when no longer required. Registered data protection holder.	L	L	Green		EO	
5	Financial or resource requirements of responding to FOI requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	If a substantial request arrives then this may require many hours of additional work and the Council is able to request a fee. Monitor and report any impacts made under Freedom of Information act	L	L	Green		EO	
6	Financial or resource requirements of responding to DSAR requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	Under GDPR there is to be no charging of a fee even if the request requires a great amount of time. Monitor and report any impacts made due to Data Subject Access Requests	L	L	Green		EO	
7	Data protection breach	Financial loss	record keeping	Staff training in respect of Data Protection Regulations. Liability cover in place.	L	L	Green		EO	
8	Loss of access to premises	suppliers not paid, services not delivered, debts not recovered	Contingency planning	Revert to Business Continuity Plan	L	L	Green		EO	

Ref	Risk	Hazard / consequence	Process	Current Control Measures	Current Risk			Revised / further actions	Resp.	Date Completed
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1	Poor procurement decisions	Council makes poor financial decisions that result in financial loss or unmet requirements	Procurement	Acting in accordance with financial regulations	L	L	Green		EO	
3	Contractors are not insured	Third Party liability	Procurement	Check all contractors indemnity insurance at least annually or more frequently as required.	L	L	Green		EO	
4	Supplier / Contractor failure	Lack of services	Procurement	Due diligence in tendering process. Financial checks on prospective suppliers.	L	L	Green		EO	

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