

## HEXHAM TOWN COUNCIL

### FINANCIAL RISK ASSESSMENT

AREA	RISK(S) IDENTIFIED	RISK LEVEL	POTENTIAL IMPACT	MANAGEMENT/ CONTROL OF RISK	ACTION	AUDIT FREQUENCY (months)
<b>PRECEPT</b>	HTC failure to submit precept requirement by the deadline	Low	High	Minuted	Diary (Clerk)	12
	Precept not paid by NCC	Low	High	Checked, report to Council	Minuted	6
	Was the precept adequate?	Low	High	Finance & General Purposes Committee review and receive reports for budget monitoring at least 3 times per year.	Diary	12
<b>CEMETERY</b>	Allocation of incorrect grave plot	Low	Medium	Burial register is updated for each burial.	RFO verify entry	6
	Are the charges reasonable?	Low	Low	Reviewed annually by the Planning & Infrastructure Committee.	Diary	12
	Incorrect invoice(s) issued	Low	Low	Invoice details are recorded in the burial register and cemetery records database.	RFO verify	12
<b>ALLOTMENTS</b>	Are the rents reasonable?	Low	Low	Reviewed annually by the Planning & Infrastructure Committee.	Diary	12
	Incorrect invoices issued	Low	Low	A copy of each invoice is kept in the allotment register.	Diary	12
	Incorrect income recorded	Low	Low	Details of payment are made on the copy invoice	RFO verify	12

				in the register.		
	Income paid by cash lost/stolen	Low	High	Cash payments are recorded, bank records subsequently checked.	RFO verify	6
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<b>GRANTS via S106</b>	Failure by HTC to submit valid claim	Low	High	NCC instructions must be followed.	Clerk/RFO verify	12
	Non-receipt of grant from NCC when due	Low	High	Check bank records, contact NCC and report to Planning & Infrastructure Committee.	Clerk/RFO verify	6
<b>SALARIES</b>	Paying the wrong salary	Low	High	Check relevant minute/ staff contract and advise NCC.	Member verify	12
	False documents provided by employee	Low	High	Check documents and references.	Member verify	12
	Making incorrect deductions	Low	Medium	Salaries paid via NCC.		
<b>DIRECT COSTS AND EXPENSES AND ALL PAYMENTS MADE</b>	Goods not supplied or received	Low	Medium	Review ordering system if necessary.	RFO verify	12
	Invoice is for incorrect amount	Low	Medium	Sign the invoice and check the total.	Two Members to verify	12
	Cheque or bank transfer incorrect	Low	Medium	Sign the cheque stub or bank transfer document and check the invoice total.	Two Members to verify	12
	Cheque made payable to wrong party	Low	Medium	Sign the cheque stub and check the payee.	RFO verify	12
	Cllr overpaid allowance	Low	Medium	Claims must be in writing.	RFO verify	12
<b>GRANT AID</b>	Using the wrong power to pay	Low	Low	Minute the relevant legislation (NB General	Member verify	12

				Power of Competence adopted in 2017).		
	No record of agreement to pay	Low	Medium	All grants agreed to be minuted.	Member verify	12
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	Agreement of grant conditions (if any)	Low	Medium	Must be reasonable and minuted.	RFO verify	12
	Follow up of grant conditions (if any)	Low	Medium	Minute	RFO confirm	12
<b>ELECTION COSTS</b>	Invoice not at agreed rate	Low	Medium	RFO check and consider budget.	RFO verify	12
<b>VAT RECOVERABLE</b>	Vat analysis incorrect	Low	Medium	Checked when received, approval given monthly for accounts for payment, and by internal audit.	RFO verify	12
	Incorrect VAT charged on purchases	Low	Medium	Check to cash book.	RFO verify	12
	Failing to make claim within time limit	Low	High	Submit a return every 6 months.	RFO verify	12
<b>RESERVES</b>	Not being adequate	Low	High	Consider level when budget setting.	RFO opinion	12
<b>ASSETS</b>	Loss, damages	Medium	Medium	Annually inspect assets. Review insurance cover, and check against asset register.	Diary	12
	Damage to third parties	Low	High	Annually review insurance cover.	Diary	12
<b>STAFF</b>	Loss of personnel	Low	High	Monitor hours, stress, sickness, management training, early departure.	Diary + Staff subcommittee keep under	12

					review	
	Staff fraud, Cash loss	Low	High	Review fidelity insurance cover and any insurer conditions.	Diary	12
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<b>LOSS</b>	Consequential loss due to damage or third party actions	Low	Medium	Review liability insurance cover and any insurer conditions.	Diary	12
<b>BORROWING</b>	Inadequacy of finances to repay loans	Low	Medium	Check against income and outflow.	RFO opinion	12
<b>LEGAL POWERS</b>	Illegal activity or payment	Low	Medium	Town Clerk is CiLCA qualified. General Power of Competence adopted. Use of advice from NALC and SLCC. Members follow the Code of Conduct.	Clerk/RFO verify	12

Adopted by Full Council on 13 November 2023 (to be reviewed and agreed annually).