

**Cyngor Cymuned Mostyn
Mostyn Community Council**



MOSTYN COMMUNITY COUNCIL

FINANCIAL RISK ASSESSMENT 2023-24

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood Of Occurrence H/M/L	CONTROLS
Loss or damage to physical assets (excluding footway lighting columns and play equipment)	Unable to use assets. Expense of replacing assets	H	M	Adequate Insurance Cover Up to date Asset Register Regular Maintenance from local supplier
Damage to third party property or individuals	Risk of legal action arising from injury or damage to third party property	H	M	Public Liability Insurance Regular maintenance of Physical assets Adherence to safe working

				practices
Loss of cash through theft or dishonesty	Council unable to provide services and meet its expenses Damage to reputation of Council	H	L	Fidelity Guarantee Insurance Internal controls to prevent and detect fraud Budgetary controls Regular reconciliation of bank statements to financial records
Provision of services through a partnership agreement	Works not being carried out in accordance with agreement	L	L	Bi-annual review meetings Monthly re-charge invoices would highlight any spend irregularities
Complaint that Contract is not fairly awarded	Investigation by External Auditor leading to increased fees, public interest report	H	L	Standing Orders and financial regulations in place dealing with awarding of contracts
Incurring 'ultra vires' expenditure	Local elector challenge, District Audit investigation/Public Interest Report	H	L	Recording in the Minutes the powers under which non-routine and Section 137 expenditure is approved

Inadequate precept	Council unable to provide all its intended services and commitments. Council run out of funds	H	L	Establish budget and monitor throughout year
Poor management of funds	Bank charges Loss of Interest	L	L	Budgetary control Regular bank reconciliation
Requirements for VAT not being met	Entitlement to reclaim VAT for a period being lost	L	L	Annual returns submitted following each year end.
Requirements under employment law and Inland Revenue regulations not being met	Liability for unpaid tax Inland Revenue fines Legal action by an employee	H	L	Regular returns to Inland Revenue on monthly and annual basis Staff contracts in place

RISK	POSSIBLE CONSEQUENCE	Potential Impact H/M/L	Likelihood of Occurrence H/M/L	CONTROLS
Keeping proper financial records	Council runs out of money Dishonesty by staff	H	L	Regular updating of receipts and payment ledger Regular bank reconciliation Sound Expenditure and Income policies in place Appointment of Internal Auditor
Proper, timely and accurate reporting of Council business in the Minutes	Unrecorded authorisation of action/expenditure. Challenge by local elector. Investigation by external Auditor. Public Interest report	H	L	Prompt and accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval
Damage to footway lighting columns	Cost of replacement of column Lack of service to public	M	L	Most damage is caused by third party vehicles from whom reimbursement is claimed

<p>Supplier Fraud (procurement) including the adequacy of supplier onboarding controls.</p>	<p>Evidence of risk has increased</p> <p>Could potentially pay a fraudulent supplier</p>	<p>H</p>	<p>M</p>	<p>Robust policies and procedures need to be in place including:</p> <ul style="list-style-type: none"> • Staff training • Rigorous change of supplier details • Period review of supplier accounts • Checking address and financial health details with Companies House (particularly new suppliers) • Sample checks of online payments • Adequacy of insurance cover
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