



## BROUGHTON AND BRETTON COMMUNITY COUNCIL

### FINANCIAL RISK ASSESSMENT 2026-27

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)	<p>Unable to use assets.</p> <p>Expense of replacing assets</p>	H	M	<p>Adequate Insurance Cover</p> <p>Up to date Asset Register</p> <p>Council Office and Depot are fitted with Alarm System</p> <p>Regular Maintenance Arrangements</p>
Damage to third party property or individuals	Risk of legal action arising from injury or damage to third party property	H	M	<p>Public Liability Insurance</p> <p>Regular maintenance of Physical assets</p> <p>Adherence to safe working practices</p>
Loss of cash through theft or dishonesty	<p>Council unable to provide services and meet its expenses</p> <p>Damage to reputation of Council</p>	H	L	<p>Fidelity Guarantee Insurance</p> <p>Internal controls to prevent and detect fraud</p> <p>Budgetary controls</p> <p>Regular reconciliation of bank statements to financial records</p>

<b>RISK</b>	<b>POSSIBLE CONSEQUENCE</b>	<b>Potential Impact H/M/L</b>	<b>Likelihood of Occurrence H/M/L</b>	<b>CONTROLS</b>
<b>Provision of services through a partnership agreement</b>	<b>Works not being carried out in accordance with agreement</b>	<b>L</b>	<b>L</b>	<b>Bi-annual review meetings</b> <b>Monthly re-charge invoices would highlight any spend irregularities</b>
<b>Ad hoc provision of facilities/amenities for Events</b>	<b>Litigation by third party</b>	<b>H</b>	<b>M</b>	<b>Organisers of Car Boot Sales are required to provide proof of insurance cover</b> <b>Funfair Organiser is required to provide proof of Insurance Cover and valid Safety Certificates for each ride</b>
<b>Complaint that Contract is not fairly awarded</b>	<b>Investigation by External Auditor leading to increased fees, public interest report</b>	<b>H</b>	<b>L</b>	<b>Standing Orders and financial regulations in place dealing with awarding of contracts</b>
<b>Incurring 'ultra vires' expenditure</b>	<b>Local elector challenge, District Audit investigation/Public Interest Report</b>	<b>H</b>	<b>L</b>	<b>Recording in the Minutes the powers under which non-routine and Section 137 expenditure is approved</b>

<b>RISK</b>	<b>POSSIBLE CONSEQUENCE</b>	<b>Potential Impact H/M/L</b>	<b>Likelihood of Occurrence H/M/L</b>	<b>CONTROLS</b>
<b>Inadequate precept</b>	<b>Council unable to provide all its intended services and programmes.</b> <b>Council run out of funds</b>	<b>H</b>	<b>L</b>	<b>Establish budget and monitor throughout year</b>
<b>Poor management of funds</b>	<b>Bank charges</b> <b>Loss of Interest</b>	<b>L</b>	<b>L</b>	<b>Budgetary control</b> <b>Regular bank reconciliation</b>
<b>Requirements for vat not being met</b>	<b>Entitlement to reclaim vat for a period being lost</b>	<b>L</b>	<b>L</b>	<b>Regular quarterly returns being submitted</b>
<b>Requirements under employment law and Inland Revenue regulations not being met</b>	<b>Liability for unpaid tax</b> <b>Inland Revenue fines</b> <b>Legal action by an employee</b>	<b>H</b>	<b>L</b>	<b>Regular returns to Inland Revenue on monthly and annual basis</b> <b>Staff contracts in place</b>

<b>RISK</b>	<b>POSSIBLE CONSEQUENCE</b>	<b>Potential Impact H/M/L</b>	<b>Likelihood of Occurrence H/M/L</b>	<b>CONTROLS</b>
<b>Keeping proper financial records</b>	<b>Council runs out of money Dishonesty by staff</b>	<b>H</b>	<b>L</b>	<b>Regular updating of receipts and payment ledger Regular bank reconciliation Sound Expenditure and Income policies in place Appointment of Internal Auditor</b>
<b>Proper, timely and accurate reporting of Council business in the Minutes</b>	<b>Unrecorded authorisation of action/expenditure. Challenge by local elector. Investigation by external Auditor. Public Interest report</b>	<b>H</b>	<b>L</b>	<b>Prompt and accurate recording of the Minutes. Minutes submitted to next Meeting for receipt and approval</b>
<b>Damage to footway lighting columns</b>	<b>Cost of replacement of column Lack of service to public</b>	<b>M</b>	<b>L</b>	<b>Most damage is caused by third party vehicles from whom reimbursement is claimed</b>
<b>Damage to Play Equipment</b>	<b>Replacement cost of equipment Reduced range of equipment for users</b>	<b>M</b>	<b>L</b>	<b>Most damage is low-level vandalism, which would fall below an excess figure</b>
<b>Supplier Fraud (procurement) including the adequacy of supplier onboarding controls.</b>	<b>Evidence of risk has increased Could potential pay a fraudulent supplier</b>	<b>H</b>	<b>M</b>	<b>Robust policies and procedures need to be in place including:</b> <ul style="list-style-type: none"> <li>• <b>Staff training</b></li> <li>• <b>Rigorous change of</b></li> </ul>

**Internal Audit recommendation  
(May 2021)**

- 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**