



Peacehaven Town Council – Financial Risk Assessment

Risk	Level	Controls in place
Banking	L L L	<ul style="list-style-type: none"> All council bank accounts are reconciled every month in accordance with the Financial Regulations. Bank reconciliations are subsequently signed off by a councillor and reported to the Policy and Finance Committee meetings monthly. Bank statements are accessible online to check receipt of payments.
Risk of consequential loss of income	L M L M L M M M	<ul style="list-style-type: none"> Insurance cover in place for insurable risks, including business interruption. New asset purchases added to insurable risks at earliest opportunity. Full asset register reviewed at least annually to ensure sufficient insurance cover in place. Bank account general reserves to be increased over time to approximately 50% of the precept. Financial performance of all activity reviewed monthly to enable any issues to be speedily addressed All electronic records backed-up every night. Precept (and LTSG) paid in two instalments by the District Council. Robust system in place for chasing outstanding debts
Loss of cash through theft or dishonesty.	M M M M M	<ul style="list-style-type: none"> Petty cash spending agreed in advance by either the Town manager or RFO, and controlled by the RFO. Receipts provided for all expenditure and petty cash checked and balanced at least quarterly. Till balanced on a daily basis and cash, cheques and receipts stored in safe. RFO checks till roll information against physical cash and receipts regularly (at least monthly) Cash banked at Post Office (within same shopping centre as the council offices) regularly (at least monthly), recorded in credit book and evidenced by receipt. Loss of cash in transit covered by insurance up to £10,000. Fidelity guarantee in place through insurance of up to £1,000,000.

Risk	Level	Controls in place
Financial controls and records.	L L L L L M L	<ul style="list-style-type: none"> • Internal controls in place to ensure the RFO is not involved in cash transactions at the till, thereby ensuring an independent check of the receipted cash transactions. • Internal audit completed twice per annum in addition to annual external audit. • Internal audit reports presented to the next available Policy and Finance Committee meeting, along with an action plan detailing how the auditor's recommendations have been acted upon. • All electronic financial records are backed up off site every evening. • Tenders and/or quotes for works are secured in accordance with Financial Regulations. • All financial records stored and saved in accordance with the council's Document Retention Policy. • Financial Risk Assessment to be reviewed by Policy and Finance Committee annually.
Comply with HMRC VAT Regulations.	L L L L L	<ul style="list-style-type: none"> • VAT payments and reclaims processed through the RBS accounting system • Advice notes from HMRC followed at all times, using external expert advice where necessary. • Internal auditor reviews VAT as part of the twice yearly checks. • VAT reconciled monthly and claimed quarterly via online HMRC • RBS accounting system on approved list for Making Tax Digital process taking effect from October 2019.
Sound budgeting to support annual precept	M M M L L L L	<ul style="list-style-type: none"> • Previous year's budget and income and expenditure to date used to draft next year's budget. • Earmarked and general reserves reviewed as part of budget setting process. • Developing council business plan will further inform longer term financial aspirations. • RFO and Town Manager prepare draft budget for review by working group. • Budget proposal discussed and agreed by Policy and Finance Committee as a recommendation to Full Council. • Full Council approve budget and agree precept to meet response deadlines set by District Council. • Expenditure against budget reported to relevant committees at every meeting (minimum quarterly).

Risk	Level	Controls in place
Complying with borrowing restrictions	L	<ul style="list-style-type: none"> Any new Public Works Loan Board (PWLB) borrowing to be approved by Full Council after assessment of the business case.
	L	<ul style="list-style-type: none"> Support with application process available through SSALC if required.