



KNOWSLEY TOWN COUNCIL

RISK ASSESSMENT

TABLE 3: AREAS WHERE THERE MAY BE SCOPE TO MANAGE RISK THROUGH SELF MANAGEMENT

Probability (A) x Impact (B) = Risk Level (C)

PROBABILITY (A)		IMPACT (B)		RISK LEVEL (C)	
Certain	5	Fatality	5	High Risk	<i>15 - 25</i>
Very Likely	4	Long Term Closure	4	Medium Risk	<i>8 - 14</i>
Probable	3	Temporary Closure	3	Low Risk	<i>1 - 7</i>
Unlikely	2	Service Disruption	2		
Highly Unlikely	1	Negligible	1		

POTENTIAL RISKS	A	B	RISK LEVEL	EXISTING CONTROL MEASURES
1. Inadequate financial records in accordance with statutory requirements	1	3	3	<ul style="list-style-type: none"> Regular scrutiny of financial records and proper arrangements for the approval of expenditure Regular returns to HMRC Employment contracts for all staff Systems of updating records for any changes in relevant legislation Regular returns of VAT Regular budget monitoring Procedures for dealing with and monitoring grants or loans made or received Minutes properly numbered Procedures to deal with Freedom of Information enquiries Procedures to deal with complaints from the public Procedures for recording Members' Interests, Gifts and Hospitality
2. Not ensuring that business activities are within the legal powers applicable to Town Councils	1	3	3	
3. Not complying with restrictions on borrowing	1	1	1	
4. Not ensuring that all requirements are met under employment law and Inland Revenue regulations	1	4	4	
5. Not ensuring that all requirements are met under Custom and Excise regulations (especially VAT)	1	4	4	
6. Not ensuring the adequacy of the annual precept within sound budgetary arrangements	1	4	4	
7. Not ensuring the proper use of funds granted to local community bodies	1	1	1	
8. Not providing proper, timely and accurate reporting of Town Council business in the minutes	1	1	1	
9. Not responding to electors wishing to exercise their rights of inspection	1	1	1	
10. No proper documentation control	1	4	4	
12. Not keeping a Register of Members' Interests and Gifts and Hospitality in place, complete, accurate and up to date	2	2	4	
13. Not reasonably ensuring the health and safety of staff and users of Town Council facilities	1	5	5	
ACTIONS REQUIRED				
<p>1. Are existing control measures adequate: YES</p> <p>2. What additional control measures are necessary: NONE</p>				

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INTERNAL AUDIT ASSURANCE

- Review of internal controls in place and their documentation
- Review of minutes to ensure legal powers in place, recorded and correctly applied
- Testing of income and expenditure from minutes to cashbook, from bank statements to cashbook, from minutes to statements etc., including petty cash transactions
- Review and testing of arrangements to prevent and detect fraud and corruption
- Testing of specific internal controls and reporting findings to management
- Testing that VAT was appropriately accounted
- Review that the Town Council has significantly assessed risks and the adequacy of arrangements to manage these
- Review that the precept was correctly calculated and that Town Council reserves are appropriate
- Test that salaries to employees and allowances to members are paid in accordance with Town Council approvals, and PAYE and National Insurance requirements were correctly applied
- Review that the Asset Register is complete and properly applied

SIGNED:
(CLERK OF THE COUNCIL)

DATE:

MARCH 2022

