

Budget & Precept Setting Risk Matrix / Assessment

Short Risk Description	Uncertainty ?	Leading To?	Resulting In?	Possible Causes	“T” action	Controls / Actions	(Residual) Impact Assessment	(Residual) Likelihood Assessment	(Residual) Risk Score
Annual Budget & Precept Setting	Whether or not the budget will be set at an appropriate level	Either <ul style="list-style-type: none"> • Budgets and therefore the precept set at an unsustainably high figure Or <ul style="list-style-type: none"> • Budget set too low to deliver an acceptable level of service 	<ul style="list-style-type: none"> • Public outcry • Threat of future capping • Unable to deliver services, planned work or projects • Failure to comply with legislative requirements 	<ul style="list-style-type: none"> • Lack of forward planning • Previous unrealistic decisions • Poor risk management • Weak budgetary control resulting in a shortfall in cash or an overspend of expenditure 	Treat	<ul style="list-style-type: none"> • Budgets set by committees and approved by Full Council in good time for precept demand to be issued • Regular report to Committees of income and expenditure against agreed budget, and variations by budget headings • Compliance with Standing Orders and Financial Regulations especially regarding expenditure • Debate and thorough consideration by Councillors 	Major	Possible	Medium

Budget & Precept Setting Risk Matrix / Assessment cont

Risk Assessment Grid (provided By South West Audit Partnership)

		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare (< 6%)	1	Low	Low	Low	Low	High
Unlikely (6 - 20%)	2	Low	Low	Low	Medium	High
Possible (21 – 50%)	3	Low	Low	Medium	Medium	High
Likely (51 – 80%)	4	Low	Medium	Medium	High	Very High
Almost Certain (> 80%)	5	Low	Medium	High	Very High	Very High