

Finance Procedures Risk Register (V9)
Approved at Town Council Meeting on 21 July 2026
Due for review July 2027

No	Short Risk Description	Uncertainty?	Leading To?	Resulting In?	Possible Causes	"T" action	Controls / Actions	(Residual) Impact Assessment	(Residual) Likelihood Assessment	(Residual) Risk Score
1	Misappropriation of Council Funds	Could Council funds be misappropriated?	• Fraudulent activity • Unauthorised expenditure	• Loss of Council reputation • Lack of funds to proceed with authorised expenditure / projects	• Inadequate financial procedures • Lack of internal controls	Treat	• Financial Regulations reviewed annually by Council • Council formally approving all expenditure transactions in open session • Cheques requiring 2 Councillor signatories • All payments requiring 2 Councillor authorisation • Councillors undertake bank reconciliations • Committees regularly reviewing actual income / expenditure compared to budget • Purchase orders raised for all orders (except payments from petty cash) • Spending limits set in Financial Regulations • Supplier invoices checked against orders for accuracy • Blank cheques are never signed • Internal and external audits	Major	Rare	Low
2	Petty Cash	Is petty cash dealt with properly?	• Fraudulent activity • Inappropriate expenditure	• Loss of Council reputation	Procedures not followed	Treat	• Petty cash held does not exceed an agreed maximum amount	Minor	Rare	Low

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							- Petty cash locked away when not in use - Receipts must be produced to accompany petty cash claims - Cash received is signed for by recipient - Petty cash transactions are signed off by Councillors via the monthly bank reconciliation - Internal Audit - No longer hold Petty Cash from 1st June 2026			
3	Market Income	Is all market income dealt with correctly and safely?	- Fraudulent activity - Risk to staff safety	- Loss of Council reputation - Loss of income - Compensation payments to staff	- Procedures not followed - Non payment by market trader	Treat	- Receipts are given for all payments - Bank account checked for payments made online - Regular Traders pay 4 weeks in advance - Casual Traders pay for 4 dates in advance	Moderate	Unlikely	Low
4	Banking	Can money be transported safely to and from the Post Office?	- Fraudulent activity - Risk to staff safety	- Loss of Council reputation - Loss of income - Compensation payments to staff	Procedures not followed	Treat	- Record kept in office of what is being taken to the Post Office to be paid in - Vary day/time visits to the Post Office are made - When visit to Post Office is being made at least one person in the office is aware of	Moderate	Unlikely	Low

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							departure and thus expected return time. • Payments by BACS are being actively encouraged • Appropriate insurance cover is in place			
5.	On-Line banking									
	a) Unauthorised payments	Could an unauthorised person authorise a payment?	• Fraudulent activity • Loss to the Council	• Reduced finance available for planned expenditure	Procedures not followed	Treat	• Transactions require 2 separate sign-ins and authorisations • Passwords, card readers and cards are kept in different, secure locations • Authorisation amounts set in financial regulations • On-line banking procedures set in Financial Regulations • Set up with restrictions & parameters	Major	Unlikely	Medium
	b) Unable to make a payment	Can a payment be made if on-line banking not available?	• Late payment	• Loss of Council reputation • Additional costs e.g. interest charge	• Unexpected staff absence - therefore 2 authorisers not available • Internet not available	Treat	• 2 members of staff set up to authorise on-line payments • Payments set-up and authorised in advance of scheduled payment date • Payment by cheque	Moderate	Possible	Medium
6.	Transfers between bank accounts	Could a payment be made to an unauthorised beneficiary?	• Fraudulent activity • Loss to the Council	Reduced finance available for planned expenditure	Procedures not followed	Treat	• Transfers authorised by 2 Councillors • Bank instructed that only specified transactions are permissible between nominated accounts • Monthly bank reconciliations	Major	Rare	Low

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							undertaken by Councillors • Internal Audit			
7.	Income received by post	Could cash / cheques received be stolen?	• Fraudulent activity • Loss to the Council	Reduced finance available for planned expenditure	Procedures not followed	Treat	• Incoming post logged • Receipt issued by an Officer who did not raise the invoice • Cash / cheques stored in safe until banked • Received Income Transactions List checked against bank paying in slip • Internal Audit	Major	Rare	Low
8.	Salaries	Are salaries always paid correctly with the correct deductions made?	• Fraudulent activity • Loss to the Council • Compensation payments	• Loss of Town Council reputation • Possibility of fines issued by HMRC	• Procedures not followed • Changes to NI or tax rates not implemented • Changes to pay scales not implemented	Treat	• Salaries paid by monthly bank transfer • Salaries paid in accordance with individual staff contracts • HMRC tax and NI calculated by Compass (specialist payroll provider) • Payments made monthly to HMRC • Payments made monthly to SC for pension contributions • Payments schedule independently checked • Salary Calculations checked by Compass (who prepare salary slips, calculate tax etc) • Internal Audit	Moderate	Possible	Medium
9.	VAT	Are the correct amounts of VAT charged	• Undercharging for services	• Possible fines by HMRC	• Application of incorrect VAT rate	Treat	• VAT claims made quarterly	Moderate	Possible	Medium

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		and reclaimed?	Inaccurate VAT claims submitted	Reduced level of finance available for planned expenditure			- VAT rates identified on accounting system - Internal audit			
10.	Insurance	Whether or not the Town Council has appropriate cover to meet potential losses and / claims	- Inability to replace assets - Inability to meet claims made against the Town Council	- Loss of Town Council reputation - Inability to carry out responsibilities due to lack of equipment - Severe financial difficulties	- Inadequate scrutiny of insurance cover taken - Insurers not updated of equipment changes - Insurers not notified of changed circumstance - Insurers not notified of new events	Treat	- Insurance cover reviewed annually - Asset register maintained - Risk management systems in place and reviewed annually	Major	Unlikely	Medium
11.	Budget	Is the budget set at a level to enable the Town Council to fulfil its plans without either significant under or over spending?	Inability to deliver services and planned projects	- Loss of Town Council reputation - Broken contracts and thus compensation claims	- Poor financial monitoring - Poor understanding of Town Council finance and budget matters - Poor project planning	Treat	- Budget monitoring by Committees – including consideration of variations at least quarterly - Committees forward plan potential budget requirements - Emergency expenditure is reported to councillors as soon as possible - Unbudgeted expenditure is avoided as far as possible	Moderate	Possible	Medium
12	Paying Invoices	Are staffing levels sufficient to ensure	Difficulty in purchasing goods and services	Loss of Town Council reputation	- Lack of trained staff - Staff absence	Treat	Procedures to be written so clear policy on how council's payments are made.	Major	Possible	Medium

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		invoices can be paid in a timely manner?		Broken contracts and thus compensation claims			All office staff to understand how to pay an invoice.			
13	Reserves	Are the Town Council's reserves at an appropriate level?	- Setting an unnecessarily high budget (if reserves are too high) - Lack of resilience for expenditure plans (if reserves too low)	- Loss of Town Council reputation - Poor audit reports - Inappropriate spending	- Inaccurate budgeting - Projects not proceeding as planned	Take Advantage & Treat	- Implement project plans - Review project plans regularly.	Moderate	Unlikely	Low

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