



Finance and Governance Risk Assessment

Area	Risk	Level	Internal Controls	Staff Action	By when?
Assets	Loss, damage etc.	M	Annual inspection, update insurance and asset registers	Diary-Annual Review	Feb27
	Risk or damage to third party property or individuals	M	Review adequacy of Public Liability Insurance	Diary-Annual Review	Feb27
Salaries	Wrong salary/hours/rate paid	M	Check salary to minute, hours and rate to contract	Payroll managed externally. Town Clerk to inform external provider of rate changes. RFO verify	Ongoing
	Wrong deductions – NI and Income	M	Check PAYE calculations	Payroll managed externally. RFO verifies.	Monthly
Direct Costs and overhead expenses	Goods not supplied to Council	M	Check made on goods supplied against order	Approval check – all invoices are signed off by Town Clerk, Deputy or Marketing & Events Officer. List of transactions supplied to councillors for each full Council meeting.	Ongoing
	Invoice incorrectly calculated or recorded	L	Check arithmetic on invoices and perform bank reconciliations on monthly basis.	Member to verify	Monthly
	Payment is excessive or to wrong party	M	Payment generated by RFO and approved by Town Clerk, alongside copy of invoice	Approval check	Ongoing



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Grants and support	No power to pay or no evidence of agreement of Council to pay	M	Minute council agreement with the power used to authorise payment	Member verify	Ongoing
	Conditions agreed	L	Agree and document any reasonable conditions	RFO check	Ongoing
Election Costs	Invoice at agreed rate	L	Town Clerk check and consider budget	RFO verify	Ongoing
VAT	VAT analysis	M	Produced by Scribe	RFO verify	Ongoing
	Charged on sales	M	Council is now VAT registered. Advice being sought on scope of standard rate March 2026.	RFO verify	Ongoing
	Charged on purchases	L	Produced by Scribe (individual invoices checked as correct by RFO)	RFO verify	Ongoing
	Claimed within time limits	M	Quarterly returns produced	RFO verify	Quarterly
Area	Risk	Level	Internal Controls	Staff Action	
Reserves - General	Adequacy	L	Consider at Budget setting	RFO opinion; 3-year budgeting as and when required	Ongoing
Reserves - Earmarked	Adequacy	L	Consider at Budget and review of final accounts	RFO and Finance Committee opinion	Annually
	Unidentified Earmarked or Contingent liability	L	Review minutes	RFO and Finance Committee opinion	Annually



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Staff	Loss of key personnel (Clerk or Deputy Clerk or RFO)	L	Deputy Clerk trained to undertake wide range of clerk's role. In the absence of the Town Clerk or Deputy Town Clerk for more than 10 working days, the Town Clerk or Deputy Town Clerk may request the Personnel Committee to authorise engagement of temporary clerical staff. If RFO absence for more than 10 days, Town Clerk or Deputy Town Clerk can take over critical systems (e.g., payroll, audit compliance). If Town Clerk and Deputy are both absent at same time or both leave at same time, Personnel Committee meet urgently to approve locum appointment(s), as well as any interim ad hoc arrangements. A councillor can act as Proper Officer of the council in the absence of a Clerk or Locum.	Personnel Committee Training for Deputy Town Clerk and Town Clerk in critical finance systems.	When situation arises
	Fraud by staff	L	Fidelity Guarantee value reviewed annually. Controls in place as detailed in Financial Regulations.	Annual review	Annually
Loss	Consequential loss due to critical damage or third-party performance	L	Review adequacy of insurance.	Annual review	Annually
Maintenance	Reduced value of assets or amenities - loss of income or performance	M	Annual maintenance inspections of assets. Loss of income covered by insurance policy.	Annual review	Annually
Legal Powers	Illegal activity or payment	H	Educate Council as to its legal powers	Clerk to notify councillors of available training	



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Financial Records	Inadequate records	L	RFO/clerk check regularly, annual internal and external audit	RFO check	Ongoing
Minutes	Accurate and legal	L	Review at following meeting	Clerk check	Monthly
Members interests	Conflict of interest	M	Declarations of interest to be documented / minuted and any conflict addressed as appropriate	Clerk check	Monthly
Precept	Not submitted	L	Full minute – Town Clerk follow up	Diary	Annually
	Not paid by DC	L	Confirm receipt (RFO)	Diary	Annually
	Adequacy of precept	H	Quarterly review of budget to actual	Diary to F&G Committee agenda	Quarterly
Other Income	Cash handling	M	Appropriate controls are in place	Annual review of documented controls	Annually
	Cash banking	L	Segregate duties. Check to bank statements. Regular bank reconciliations by RFO	Town Clerk verifies monthly bank reconciliation. Member to verify reconciliations taking place on quarterly basis.	Quarterly
	From Allotments	M	Check allotment register to invoices	RFO check	Annually
Grants Receivable	Claims Procedure	M	Clerk/RFO check as required	Diary	Ongoing
	Receipt of grant due	M	Clerk/RFO check as required	Diary	Ongoing
Investment Income	Receipt when due	L	Currently all received direct to bank account; Clerk/RFO check as required	Diary	Ongoing



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	Surplus funds	L	Review levels and investment policy annually	Diary	
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