

Risk category		Financial risks				TC2019/49	
Subject	Uncertainty?	Nature of risk	Resulting in	Controls/Actions	(Residual) Impact Assessment	(Residual) Likelihood Assessment	(Residual) Risk Score
Bank collapse	Financial Services Compensation Scheme covers £85,000 held by sole institutions	loss of funds	unable to make payments	Regular review. Consider spreading risk by using more than one bank to hold funds	Extreme	Possible	Low
Budgeting	Is the budget set at a level to enable the Town Council to fulfil its plans without either significant under or over spending	Cash flow problems. Inability to deliver services & planned projects	Loss of Town Council reputation Broken contracts and possible compensation claims	Monitor income/expenditure against budget at least quarterly. Use reserves	Major	Unlikely	Medium
Misappropriation of council funds	Is it possible for funds to be misappropriated	Fraudulent activity Unauthorised expenditure	Lack of funds to make authorised expenditure Loss of council reputation	Financial Regulations reviewed annually by council Formal approval of all expenditure transactions Cheques requiring 2 signatories Councillors undertake bank reconciliation Monitor income/expenditure against budget regularly Internal and external audit	Major	Rare	Low
Banking	Transport money to and from bank safely	Fraudulent activity Risk to staff	Loss of income Loss of council reputation Compensation payments to staff	Follow financial procedures Vary time of visit to mobile bank	Moderate	Rare	Low
Banking online	Payment by unauthorised person	Fraudulent activity Loss to Council	Reduced finance available for planned expenditure	Follow financial procedures Passwords, card readers and cards kept secure Set up restrictions and parameters	Moderate	Unlikely	Low
	On-line banking not available	Late payment	Loss of Council reputation Additional costs incurred	Payment set up & authorised in advance of due date Payment by cheque	Minor	Rare	Low

Petty cash	Petty cash dealt with correctly	Fraudulent activity Unauthorised expenditure	Loss of Council reputation	Procedures in place - restrictions on amount held, locked away, receipts required against claims Internal audit	Minor	Rare	Low
Income received	Could cash or cheques be stolen	Fraudulent activity Loss to Council	Reduced finance available for planned expenditure	Follow financial procedures	Moderate	Rare	Low
Rental Income	Tenant disappear	Loss to council	Loss of Council reputation Additional costs incurred	Procedure in place for financial checks and due diligence on prospective tenants	Moderate	Possible	Medium
Insurance	Whether or not the Town Council has appropriate cover to meet potential losses/claims	Inability to replace assets Inability to meet claims made against Town council	Loss of reputation Lack of equipment to fulfil responsibilities Severe financial difficulties	Insurance cover reviewed annually Asset register maintained Risk management systems in place and reviewed annually	Moderate	Unlikely	Low
VAT	Are the correct amounts of VAT reclaimed	Inaccurate VAT claim	Possible fines from HMRC Reduced level of finance available	VAT rates identified on accounting system Internal audit	Moderate	Possible	Medium
Salaries	Salaries paid correctly with correct deductions	Fraudulent activity Loss to Council Compensation claims	Loss of Council reputation Possible fines from HMRC	External payroll provider Salaries paid by bank transfer Payments to HMRC & pension contributions made monthly	Major	Unlikely	Medium
Accounts record keeping	Loss of data	Loss to Council	Loss of Council reputation Problems to function	Data to be held externally	Major	Rare	Low
	Non compliant records kept	Loss to Council	Loss of Council reputation	Financial regulations Finance reports to Council meetings Internal and external audits	Moderate	Rare	Low
	Statutory deadlines not met	Loss to Council	Loss of Council reputation	Financial Regulations Internal and external audits	Major	Unlikely	Medium
Staff	Loss of service of employee	Loss to Council	Loss of Council reputation Problems to function	Immediately advertise any vacancy (if permanent loss) and request help from remaining employees to cover temporary loss	Moderate	Possible	Medium
	Unsafe working environment	Loss to Council Injury to staff/public	Loss of Council reputation Problems to function Compensation claims	Staff Health and Safety training	Minor	Unlikely	Low

Advice	Seeking advice for Council		Loss of Council reputation Problems to function	Memberships with SALC and SLCC	Minor	Unlikely	Low
Cemetery	Loss of service of contractor	Cemetery unkept	Loss of Council reputation	Advertise vacancy immediately	Moderate	Possible	Medium
	Cemetery full		Loss of Council reputation	Monitor the situation			
	Memorial safety		Loss of council reputation Compensation claims	Existing policy on Memorial requests. Regular checks on existing Memorials	Minor	Unlikely	Low
Open Spaces	Loss of service of contractor	Area unkept	Loss of Council reputation	Advertise vacancy immediately	Moderate	Possible	Medium
	Loss of Open spaces furniture	Loss to Council Injury to the public	Loss of council reputation Compensation claims	Regular maintenace and safety checks. Remove unsafe equipment,	Minor	Possible	Low
	Risk assessment grid						
		Negligible	Minor	Moderate	Major	Catastrophic	
	Rare	Low	Low	Low	Low	High	
	Unlikely	Low	Low	Low	Medium	High	
	Possible	Low	Low	Medium	Medium	High	
	Likely	Low	Medium	Medium	High	Very High	
	Almost certain	Low	Medium	High	Very High	Very High	