

Likelihood	Impact			
	Negligible (1)	Low (2)	Medium (3)	High (4)
High (4)	4	8	12	16
Medium (3)	3	6	9	12
Low (2)	2	4	6	8
Negligible (1)	1	2	3	4

FINANCIAL RISK REGISTER ADOPTED 18.2.26

Ref	Risk Type	Description of Risk	Hazard / Consequence	Process	Existing Control Measures	Residual Rating			Revised / further actions	Resp.	Date Completed
						L	I	RAG			
1	Financial	Risk of paying duplicate or incorrect invoices	Financial loss due to settlement of double or false invoices	Payments	All invoices on payment schedule examined, verified & certified by the RFO. List of regular suppliers / invoices for payment provided for approval at the Annual Council Meeting. List of other invoices for payment reported to Council at each meeting. Paper or digital copies available for inspection & checked against payment schedule by members monthly. All invoices & payments entered to SAGE50 - double entry accounting software	2	3	3	Consider implementation of an integrated purchase order system	RFO / Council	
2	Financial	Risk of incorrect payments	Financial loss due to payment made for incorrect amount or payee	Payments	RFO checks invoices for accuracy before raising payment and against payment schedule from SAGE50. Written account details required by suppliers & confirmation of payee checks conducted via Unity Trust. Payment schedule & invoices checked by members at each meeting. Invoices provided to bank signatories authorising payments on Unity Trust.	2	3	3			
3	Financial	Risk of late payments	Late payment means loss of credit rating	Payments	All invoices received are added immediately by office staff to the accounting system. Payment authorisation schedules are presented to each Council meeting. Officers inform suppliers of payment dates and take action using delegated authority to avoid any late payment penalty fees.	2	2	2			
4	Financial	Incorrect salaries paid	Staff over or underpaid	Payments	Salaries agreed at start of employment; payroll is contracted out to Vaughan Davies. Timesheets for hourly paid staff are processed and entered into a spreadsheet, a summary document is then created which is used to submit figures to external payroll. Payslips are checked by RFO to ensure as requested, then payment is raised. The payroll summary is sent to bank signatories for payment authorisation.	1	4	4			
5	Financial	Incorrect National Insurance and PAYE	HMRC over or underpaid	Payments	Payroll is a professional service working within HMRC guidelines. HMRC are paid directly from ATC based on figures provided by payroll provider.	1	3	3			
6	Financial	Incorrect Pension contributions	WCCPF over or underpaid	Payments	Payroll calculate the pension liability. ATC submit to WCCO via i-connect and pays directly. Details of Pension Contributions provided to bank signatories for authorisation	1	3	3			
7	Financial	Expenses incorrectly claimed	Members or staff over or underpaid, financial loss to Council	Payments	Itemised list of expenses is checked for authenticity by the Clerk/RFO prior to payment which is added to the payment authorisation schedule for authorisation by Council.	1	2	2			
8	Financial	Theft or Dishonesty, including cash and cheques,	Financial loss	Payments	Cash locked in tins and fire proof cupboards, safe and accounted for using Cash Register in SAGE & receipt books when required. Cash and Cheques banked regularly to keep below £350 as per insurance policy	2	2	2	Officers to continue encouraging electronic payments & minimise cash transactions carried out.	RFO / DC	ongoing
9	Financial	Loss of rentals, fees and hire charges.	Charges receivable	Receipts	The Town Council receives income in respect of Arcade Shop Rental, Market Rental, Cemetery & Allotment Fees. Income is invoiced in accordance with current leases (Arcade / Allotments), cemetery records and booking calendars (Market) & reconciled monthly.	2	3	3	Consideration of additional software for cemeteries / allotments to streamline the current reconciliation process involving manual spreadsheets & SAGE which contains potential to introduce errors. Currently invoices & receipts entered by RFO & reconciled by RFO. should consider splitting duties.	RFO	
10	Financial	VAT return is incorrect	loss of income, HMRC Challenge	Receipts	VAT re-claimed quarterly. Return is produced automatically from income and expenditure transactions on SAGE. HMRC MID. Clerk / RFO to ensure that VAT for product codes is set up correctly. VAT codes for expenditure must also be recorded correctly and Arcade Expenditure must be recorded under partial exemption codes to avoid overclaiming VAT.	3	3	3	Council / RFO to seek further advice from PSTAX, as appropriate. SAGE50 Product Codes set up incorrectly for VAT in 2017 resulting in an underclaim of VAT and a loss of income for the council. Product codes now set up correctly for future VAT claims. work outstanding to correct previous VAT claims.	RFO / Council	31/03/2025
11	Financial	Untimely receipt of precept/ Grants	lack of cash flow	Receipts	Precept/grants are requested in writing from NWBC by RFO prior to deadline date and paid directly into the Town Council account in two equal instalments (April & September). The Council aims to maintain reserves of a minimum of 3 months operating capital. General Reserves are in good order & NWBC write to the Council annually with deadlines for precept demand. 2025/26 precept submitted. Budget / Precept training conducted for members & officers in 2024/25	1	4	4			
12	Financial	Loss of cheques or cash	financial loss	Receipts	Cash & Cheques are recorded by Clerks in receipt books & stored in cash tins in fire proof safe. A cash register is maintained on SAGE & cash / cheque deposits carried out via SAGE (& banking streets when required) It is banked promptly. Customers are encouraged to pay by BACs where possible - BACs payments recorded directly in SAGE.	2	2	2	Consider additional licence for SAGE or implementation of sector specific software so that both the RFO & Deputy Clerk are able to both enter & check receipts.		

13	Financial	Loss of income from unpaid invoices	Financial loss	Receipts	Financial loss	SAGE50 records all debtors, reminders are issued to anyone whose invoices remains unpaid. Historic backlog of debtors now cleared. Action taken ensuring customers are not able to accrue significant debt. Processes in place to issue reminders or eviction notices.	2	3	Ad-hoc hires to be cancelled if prepayment is not received. Aged debtors report to be presented regularly to Council. Council to consider processes for recovering outstanding invoices including whether to add on late payment fees and charges and the rate these should be set at. Written processes for debt collection and potential evictions for non-payment would be beneficial.
14	Financial	Risk of inaccurate or incomplete financial records	Potential financial loss. Internal Auditor would give 'requires improvement' report	reconciliation	All financial records are kept by the RFO. Internal audits undertaken by an independent and competent internal auditor twice yearly (interim and end-of-year) End of year External Audit undertaken by externally appointed auditor.	2	3	Quarterly Internal Control checks by members to be introduced asap.	
15	Financial	Risk of Bank making errors, not identified	Monthly financial report would not reconcile	reconciliation	Monthly bank statements are checked by RFO upon receipt & reconciled to SAGE	1	2		
16	Financial	Annual return not completed correctly	Qualified audit, loss of foundation status, public inquiry costs	Year end processing	Council have employed CILCA qualified clerk, competent Internal Auditor appointed & conducted an in year review. Councilors provided full information by the RFO throughout the year. Annual return is completed by RFO, signed by the Council, and sent on to the External Auditor within time limits.	3	3	Members to be further trained on AGAR principles and consideration of sector specific software & / or further internal control checks undertaken due to AGAR qualifications in prior years.	
17	Financial	Annual return is not submitted within time limits	Qualified audit, loss of confidence	Year end processing	AGAR needs to be submitted for audit by 30th June & audited AGAR published by 30th September each year. AGAR must be an agenda item by June, date AGAR submitted to be reported to members.	2	2		
18	Financial	Inadequate Budget	Budget does not balance at year end, unplanned loss of reserves	Budgeting	Budget set annually and approved by Full Council based on anticipated income & expenditure. Reserve policy to be adopted and reserves then to be maintained in line with the policy, which is to be reviewed annually for compliance. Budget performance monitored throughout the year with reallocations / virements made where necessary.	2	3		
19	Financial	Precept rules change, e.g. capped, restricting delivery of required services	Either services reduced or impact on reserves	Budgeting	Ensure current precept is adequate. Contribute to relevant consultations where possible. Ensure that increases are justifiable and measurable.	3	3		
20	Financial	Gemetry, Arcade, Allotment, Market/Rent income does not achieve budget	Impact on reserves	Budgeting	Review fees and charges annually, report budget progress to Council regularly.	3	3	Consider change to structure of accounts so that income and expenditure listed in 'departments' to make it easier to see where Council are subsidising services etc.	
21	Financial	Necessary expenditure on buildings exceeds budget	Budget does not balance at year end. Council reserves depleted below recommended level.	Budgeting	Reserves and access to public works loans if cash flow needed.	3	3	To consider implementing a healthy contingency budget plus appropriate maintenance budget. Consider where earmarked reserves could be reallocated. To consider implementing a scheduled programme of improvements and maintenance.	
22	Financial	Financial Regulations are not aligned with current legislation or do not deliver best value	Council acts illegally or does not deliver best value	Governance	Financial Regulation are in place based upon model regulations	3	2	Financial regulations based on model regulations, to be reviewed annually or as legislation changes. Revisions for BACs payments and adequate measures for urgent decisions between meeting under the Scheme of Delegation to be expected. Councilors to be provided with refresher training regarding these and RFO to ensure financial regulations are followed.	
23	Financial	PC takes on more services with no supporting funding	Either increased precept or impact on reserves	Community Engagement	Consult with residents. Assess material/significant impact on reserves. Perform due diligence on liabilities arising before taking them on.	2	3	Current plans unknown. Council need to provide enough notice to plan into budget.	
24	Financial	Unable to recover costs from 3rd party insurers for damaged assets	Financial Loss	receipts	Negotiating with third party insurer, employing expert to complete negotiations if required. Reserves available if needed.	3	2		
25	Financial	Lack of regular review of fees and services	Financial Loss	Budgeting	Fees reviewed annually	2	3	Financial Regulations state annual review of fees and services. Schedule of reviews to be maintained.	
26	Financial	Bank insolvency	Financial Loss	Budgeting	Monitor financial news. Review banking arrangements. Investment strategy approved and risk spread across institutions.	2	4	FSCS Protection to be considered, prudent to spread risk where practicable.	
27	Governance	The Council acts illegally / does not comply with current regulations	The council suffers loss of reputation or legal challenge.	Decision Making	The Town Council ensures that all activities and payments including grants permitted within its legal Powers are properly resolved and minuted at the appropriate council meeting. Minutes are approved and signed at next council meeting. Agendas and Notices are displayed in accordance with legal requirements. Access to advice from WALC and NALC through membership subscription.	3	3	CPD for Clerks. Training for councilors, consider training schedule for members	
28	Governance	The Council does not comply with Standing Orders	The council suffers loss of reputation or legal challenge.	Decision Making	All members of Town Council have copies of Standing Orders, which are published on the website and are reviewed annually or as changes in legislation dictate. All new members provided with Induction Guide.	3	2	Consider councillor training.	
29	Governance	Members act illegally or do not comply with current regulations	The Council and member(s) concerned suffer(s) loss of reputation	Decision Making	Declarations of Interest must remain on the agenda and reminder issued at each full council meeting. Register of Interest forms must be reviewed regularly by Councilors. Members declare relevant interests. Dispensations are requested and approved as necessary. Members sign up to Code of Conduct	4	3	Register of Interest forms which should be provided within 28 days of election, remain outstanding by 2 x Town Councilors. Monitoring Officer informed. Council to consider LGA Model Code of Conduct	
30	Governance	The Council does not act in a professional manner	The council suffers loss of reputation or legal challenge.	Decision Making	Standing Orders must be followed Standing Orders must be reviewed on a regular basis or as legislation changes Members sign up to Code of Conduct Dispensations are requested and approved as required	2	2	Council to consider LGA Model Code of Conduct and the NALC / SLCC Civility and Respect Pledge.	

31	Governance	Changes to legislation affect PC decision making or operations	Council not able to deliver services	Decision Making	Contribute to all relevant consultations. Lobby as necessary	2	3		
32	Assets & Liabilities	Assets are not adequately covered by insurance	Financial loss	Asset management	Asset Register contains insurance amounts	3	3	Annual review of assets for insurance purposes required, revaluations every 3 years where possible ensure asset acquisitions and disposals are continually updated.	
33	Assets & Liabilities	Liabilities are not adequately covered by insurance	Financial loss	Liability management	Public Liability, Employers liability cover and Fidelity Insurance are required as a minimum. Personal accident cover is in place, including members	2	3		
34	Assets & Liabilities	The Council does not meet insurance or legal buildings requirements	Financial loss, legal challenge	Asset management	Regular Maintenance of equipment. Annual PAT Testing of electrical small appliances, alarms and fire extinguishers. Gas certificates. Where applicable, fire exits clearly marked, notices giving advice of what to do in case of fire displayed. Fire extinguishers in place and checked annually. Training for Facilities Officer	4	3	Log of all maintenance should be kept and reviewed by Council. Fire Risk Assessment hazards identified at arcade to be built into a schedule of improvements and maintenance. Staff training required for facilities management to ensure Council adhering to new fire safety regulations and health and safety legislation regarding public buildings and that they are fulfilling their obligations as a commercial landlord. Fire drills to be carried out and tenants to be provided with relevant information.	
35	Assets & Liabilities	Civic regalia is lost, damaged or stolen	Financial loss	Asset management	Ensure Chair is aware of need to keep regalia under secure conditions. Appropriately insured & revalued every 5 years.	2	2		
36	Assets & Liabilities	Damage injury to third parties due to lack of maintenance of council assets	Financial loss, loss of reputation, mitigated through insurance	Asset management	All business hires are required to have own insurance cover as well as council insurance. Weekly assessments are carried out and recorded for play areas. Fire Alarms tested weekly at Arcade and logged. Scheduled annual maintenance checks eg PAT testing, gas boilers, play equipment in place.	4	3	Risk Assessments required for each asset/ service. Inspection of Council assets should be scheduled. Current injury claim outstanding from known trip hazard. Council doesn't have the ability or funds to remove all hazards but processes for identifying, recording and mitigation of hazards to be improved. Weekly assessments to be carried out and recorded: inside all buildings and perimeters and outside at all open spaces, including visual check of floors for uneven surfaces, carpets for tears etc. Warning signs if floor is wet/greasy. Low level items not left lying around. Weekly maintenance tasks to be set, such as water flushing and alarm checks.	
37	Assets & Liabilities	Damage injury to third parties due to health and safety risks	Financial loss, Injury to Staff or members of public, mitigated through insurance	Building management	No high storage on inadequate shelving / cabinet tops. Suitable step available for reach of upper storage areas. Staff receive manual handling training.	3	2		
38	Assets & Liabilities	Damage to or loss of Council assets due to poor housekeeping	Financial loss, Injury to Staff or members of public, mitigated through insurance	Building management	Rodents - Waste Services contracted. Any evidence/report of infestation to be dealt with promptly. Intruders - Arcade Building secured with metal shutters. Town Council office within NWBC Council House, protected by CCTV & Security Doors. Clerks lock office when it is not manned. Money and valuables left on premises are kept in locked tins & fire proof cupboards. Glazing - Glazing to be inspected regularly. Notice displayed on how to report damage. Broken panes boarded up until repairs can be properly completed. Prompt repair.	3	2		
39	Assets & Liabilities	Inappropriate meeting venue causes risk to members of Council and/or public	Injury to People Loss of reputation, mitigated through insurance	Meeting management	Meetings are held at NWBC, usually in the Committee Room. Premises and facilities are considered to be adequate for the Council members, staff and any Public who attend from a health and safety and comfort aspect. Number of likely attendees at public meetings are assessed and venue chosen accordingly.	2	2	Council to continue exploring options for alternative meeting venues. Especially for working groups as NWBC Committee Room is chargeable.	
40	Assets & Liabilities	Assets are devalued due to lack of regular inspection / monitoring	Financial loss, not able to realise value of asset	Building management		4	3	Regular monitoring to be carried out by Officers. Contractors or members as appropriate, a checklist to be produced to record inspections (what/who/when). Risk Assessments to be conducted and regularly reviewed. Inspections should identify hazards and suggest steps to mitigate potential risks.	
41	Assets & Liabilities	Physical damage to one or more of our assets that cannot be covered by insurance e.g. force majeure	Financial loss, not able to realise value of asset	Building management	Public Works Loans are available to the Town Council, funds held in earmarked account.	2	3	Retain sufficient reserves to cover instances of loss	
42	Assets & Liabilities	Value of assets on asset register and real market value can vary	Financial loss, not aware of current cost if needing to replace asset	Building management		2	2	Add another column to the Asset Register to show original value, insurance value and replacement value	
43	Assets & Liabilities	Damage or loss due to intrusion on land	Financial loss, loss of reputation, public unable to access open space	Open Space Management	Measures in place to reduce possibility including security measures, reviewing incursions and having bailiffs ready to mobilise.	3	3		
44	People	Loss of Proper Officer (Clerk)	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	Appraisal process, informal support from Chairman and Chair of Staffing Committee. Locums can be sourced through WALC.	3	4	Training in the Council for succession planning on systems, procedures and finances. Support from councillors and IT providers. Likelihood taken from recent past.	
45	People	Loss of office assistance	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	Additional staff in Council Office	2	3		
46	People	Long term sick leave - Clerk	The Council is unable to fulfil its legal obligations, Financial loss	Contingency planning	Training and shared knowledge so that Clerks can pick up each others duties when required.	2	3	Contingency plans & work processes to be documented.	
47	People	Long term sick leave for other members of staff	The Council is unable to fulfil its legal obligations, Financial loss	Contingency planning	Training and shared knowledge that other members of staff can pick up duties.	4	3	Contingency plans & work processes to be documented.	

48	People	Actions of Staff bring council into disrepute	Financial loss, loss of reputation, legal challenge	People management	Contracts of Employment, including job descriptions are reviewed Staff Performance appraisals are undertaken. Clerk to carry out annual appraisal of other staff. Pay and conditions reviewed via Staffing Committee before agreement by Full Council on an annual basis. Social Media policy in place	2	3	Appraisals to include agreed objectives and development plans
49	People	Current or ex employee brings claim against Council	Financial loss due to upheld unfair or constructive dismissal claim	People management	Disciplinary and Grievance arrangements in place; insurance in place as long as advice is taken. Staffing Committee in place. WALC / NALC membership provides initial HR consultation and access to professional services when required.	3	4	
50	People	Temporary staff, or contracted resources do not fulfil obligations	Financial loss, loss of services	People management	Written arrangements for all contracts agreed by council prior to appointment, 3 month probation.	2	3	
51	Systems & Processes	Council not being able to continue its business due to an unexpected or tragic circumstance	suppliers not paid, services not delivered, debts not recovered	record keeping	All hardcopy files and recent records are kept at the Town Council office. All digital files are stored in One Drive for Business as well as a hardcopy on Council laptops. SAGE is backed up to one drive and a monthly back up on USB. Clerk is global administrator for M365 and can reset passwords/access. Simply Mail Solutions also provide essentials support. Officers are able to work from laptops at home when required. Banking arrangements are online.	2	4	
52	Systems & Processes	Loss of paper records through theft, fire or damage	suppliers not paid, services not delivered, debts not recovered	record keeping	Burial Records, signed minutes and cash are kept in Fireproof Cabinets. Other Papers are kept in the council offices which are locked when unattended. Clerks store records digitally where possible to reduce reliance on paper.	2	3	Continue moving to digital records where possible
53	Systems & Processes	Loss of electronic records through damage, fire or corruption of computer	suppliers not paid, services not delivered, debts not recovered	record keeping	Digital records are backed up to One Drive - Microsoft 365	2	4	To consider a second form of 'back-up' in case of accidental loss such as hard-drive or digital storage provided by a third party
54	Systems & Processes	Loss of data held by the council, in any format, that could identify individuals to a third party	Loss of reputation, legal challenge	record keeping	Papers are locked in Council Offices / Upstairs of Arcade. Laptops are password protected. Members / Officers are requested to remove date from any personal devices when leaving authority.	3	4	Council to ensure adequate resources available to comply with its Data Retention Policy, aim is to retain minimal data for a minimal time. Personal information to be disposed of in confidential waste when no longer required. Registered with the Information Commissioners Office. Cross reference Data Protection Risk (6)
55	Systems & Processes	Financial or resource requirements of responding to FOI requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	The Council has a model publication scheme for Local Councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The Council is able to request a fee.	3	3	Council to reduce the current level of data held and ensure this is in line with its set data retention policy. The excessive records held has a high probability of resulting in a significant level of additional work for any FOI / SAR requests received. Officers to monitor and report impact on staffing resources of requests made under the Freedom of Information act.
56	Systems & Processes	Financial or resource requirements of responding to Data Subject Access Request requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	The Council has a model publication scheme for Local Councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. No current procedure in place. Files and emails to be deleted/destroyed properly as soon as practicable.	3	4	DSAR process and contingency to be produced. The level of records held to be reduced as the level of work involved in such requests is directly proportional to the amount of records held.
57	Systems & Processes	Data protection breach	Financial loss	record keeping	Cross reference risk 4. Annual review of compliance. Training for staff & councillors.	3	4	Excessive records increase the risk of a data breach, work to be carried out to reduce level of records held.
58	Systems & Processes	Loss of access to premises	suppliers not paid, services not delivered, debts not recovered	Contingency planning	Data is stored as above, online files can be accessed remotely.	2	2	Emergency Working from home arrangements to be documented and procedures refined.
59	Systems & Processes	Major incident restrictions	Buildings not maintained; ill-health or injury	Contingency planning; Buildings Management		3	3	Buildings to be regularly monitored to comply with Health and Safety regulations
60	Procurement	Poor procurement decisions	Council makes poor financial decisions that result in financial loss or unmet requirements	Procurement	Acting in accordance with financial regulations interview tender shortlist. Review all regular contracts, use established frameworks and consultants where appropriate.	2	3	Review all regular contracts. Use established frameworks.
61	Procurement	Contractors are not insured	Third Party liability	Procurement	Check all contractors indemnity insurance from initial engagement and then at least annually, more frequently if required.	2	3	Need to check contractors insurance & registration.
62	Procurement	Supplier / Contractor failure	Lack of services	Procurement	Due diligence in tendering process	2	2	Sharing knowledge from councillors and making checks.

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Financial Risk Register

Status	Adopted
Date previously reviewed	Mar-25
Date adopted	18/02/2026
Date of review	Feb-27

"Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives... Risk Management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services." (Joint Panel on Accountability and Governance Practitioners' Guide)

Atherstone Town Council believes it has a fiduciary duty to identify the risks facing the council which would inhibit the achievement of its objectives. Failure to identify and effectively manage those risks can be costly in financial terms, for service delivery and to the council's reputation.

The Council will produce a risk assessment which will be reviewed annually to:

- Identify the key risks facing the council
- Evaluate the potential to the council of one of these risks taking place; and
- Agree measures to avoid, reduce or control the risk or its consequence.

This is contained in the following pages.

Having identified the risk, the Council will make a judgement about the likelihood of the risk occurring and its potential impact.

The Council will manage identified Risk by:

- Taking out insurance
- Working with another party to reduce the risk, eg contractor for alarm security; and/or
- Managing the risk itself, eg logged routine inspections

Areas of Risk	
Financial Control	Banking procedure, recording of accounts, petty cash
Financial Management	Budgeting, loss of income, unexpected costs
Governance	Legal compliance: Code of Conduct, declarations of interest, gifts and hospitality, agendas and minutes
Assets and Liabilities	Injury to the public – in playgrounds and recreation grounds, in council-owned buildings, equipment, IT
People	Councillors, staff, members of the public
Systems and Processes	Audit trail, Data Protection, Freedom of Information
Procurement	Value for money, contracts