

CHARD TOWN COUNCIL

Financial Internal Management Audit August 2026

Risk	Hazard/ Consequence	Process	Current Control Measures	Rating, Red, Amber, Green	Revised future actions	Date Completed
Risk of incorrect invoicing	Financial loss due to settlements of double or false invoices	Payments	Commissioning Officers and Finance Officer provide checks			
Risk of incorrect payments	Financial loss due to payments made for incorrect amount of payee	Payments	Internal Control: authorisation of schedule of payments and making payments.			
Risk of late payments	Financial penalties due to late payments	Payments	Monthly Full Council approval of payments schedule.			
Incorrect Salaries Paid	Staff over or underpaid	Payments	Finance Officer outsources payroll and employees receive payslips			
Incorrect National Insurance Paid	HMRC over or under paid	Payments	Payroll is outsourced		Check with payroll provider what NI is paid is correct.	
Expenses incorrectly Paid	Financial loss to Council	Payments	Expenses claimant and Finance Officer check.			
Theft of Petty Cash	Financial Loss	Payments	Finance Officer checks and controls petty cash.			
VAT Return incorrectly submitted	Loss of income HMRC Investigation	Receipts	RFO checks Finance Officer's Return.			
Untimely receipt of preset grants	Lack of cash flow	Receipts	Finance Officer checks with Officer lead for the Grant.			
Loss of cheques	Financial Loss	Receipts	Cheques are no longer used.			
Loss of income through unpaid invoices	Financial Loss	Receipts	Scribe and Finance Officer highlight any unpaid invoices and chase for payment.			
Risk of inaccurate financial records	Financial Loss, External Auditor failure, requires improvement report.	Reconciliation	Finance Officer prepares Reconciliations and			

CHARD TOWN COUNCIL

Financial Internal Management Audit August 2026

			designated Cllr signs off Reconciliations.			
Risk of Banking Errors not identified.	Monthly financial report would not reconcile.	Reconciliation	Finance Officer check bank statements against Scribe record and prepares Reconciliations.			
Annual return not submitted within the time scale	Could end up with Qualified accounts	Year end processing	RFO provides timetable for AGAR submission to F&P Cttee.			
Inadequate Budget	Budget does balance year end	Budgeting	Budget process from Cttees to Full Council January each year.			
Precept does not deliver Council needs and requirements of the community	Services reduced, impact on the community, impact on reserves	Budgeting	The Council's Annual Report demonstrates achievements against the budget.			
Cemetery income does not meet achieved Budget	Impact on reserves, burial space, no forward plan	Budgeting	Quarterly reports monitor income and measure against income budget.			
Necessary expenditure on allotments exceeds yearly budget plan	Reserves depleted, allotment holders lost, poor service to the community	Budgeting	Quarterly reports monitor expenditure and measure against expenditure budget.			
Headstone survey not actioned	Headstones dangerous within cemetery, Risk of insurance claims	Procedures				
Financial regulations do not align with current legislation	Financial Loss	Improvement	Council reviews Financial Regs annually and uses the NALC template			
Council takes on more external services with no supporting funding	Financial Loss	Community engagement	External contracts are approved by Council, including demonstrating available budget.			

CHARD TOWN COUNCIL

Financial Internal Management Audit August 2026

Unable to recover costs from third part insurers claims	Financial Loss	Receipts, Insurance legal expenses cover	Council maintains Reserves.			
Insurance claims due to poor Risk Management	Financial Loss	Risk Management Process	The Council is insured.			
Lack of regular reviews of services, charges and expenses	Financial Loss	Finance and Audit Committee			A programme of Service Improvement Plan will be proposed.	
Bank insolvency	Financial Loss	Budgeting	The Council maintains Bank accounts not exceeding £120k (26/27) limit.			
Investments	Financial Loss	Budgeting	Council has an Investment Policy.		Council to ensure high interest investment account are satisfactory.	
Standing orders do not reflect the needs of the Council Financial Requirements to run efficiently	Poor financial practices	Finance and Audit Committee Budgeting	SO are reviewed/revised annually and follow the latest NALC template.			
Signing off Bank Payments by Members	Financial Loss, External Auditor failure,	Financial Loss	Council has agreed Cllrs to sign off making of payments. Internal Controls.			
Bookings of Events, invoicing and financial charges	Financial Loss	Finance and Audit Committee Budgeting				