

No. Description of risk

Numerical assessment pre-mitigation		
Likelihood	Impact	Score Colour

Mitigation or control

Numerical assessment post-mitigation			
Likelihood	Impact	Score	Colour

Legal

L1	Council acting outside its powers laid down by Parliament	5	5	25	R
L2	Inadequate and ineffective financial management	5	5	25	R
L3	Inadequate written rules, polices and procedures in place to cover the Parish Council's legal and statutory duties	5	5	25	R
L4	Lack of knowledge / understanding of relevant regulations, rules, policies and procedures	4	5	20	R
L5	Non declaration of Councillor's interests	4	5	20	R
L6	Confidential data being accessed by those without a need to know	4	5	20	R
L7	Financial reporting does not comply with the Accounts and Audit Regulations	4	5	20	R

Clerk to monitor relevant legislation and advise the Council	1	5	5	G
Adopt the Model Financial Regulations issued by the National Association of Local Councils. Adopt an Internal Control Policy and annually undertake an internal audit	1	5	5	G
Adopt Model Standing Orders, Model Financial Regulations, Principal Council's Code of Conduct, and NCALC's sample policies. Review annually or when source amended	1	5	5	G
Provide background reading, highlight essential parts and provide training where required. Review Standing Orders, Financial Regulations, Code of Conduct and other key policies and procedures annually	1	5	5	G
Councillors to complete Register of Interests forms which are sent to the Monitoring Officer. Review these regularly. Clerk to include item on the Agenda of each meeting for Councillors to declare their interest in any item of business. Record any declared interests in the Minutes.	1	5	5	G
Clerk to store confidential paper documents in a locked filing cabinet. Clerk to protect confidential electronic documents with passwords	1	5	5	G
The Clerk/RFO to follow the practitioner's guide to prepare the financial reports	1	5	5	G

Financial

F1	Insufficient funds to meet mandatory financial commitments	4	5	20	R
F2	Insufficient funds to meet Election costs	4	4	16	R
F3	Items purchased without proper tendering procedures, not providing value for money or resulting in accusations of commercial favouritism.	4	4	16	R
F4	Payments made without prior approval and adequate control	4	4	16	R
F5	Insufficient controls in place for the authorisation of payments	4	5	20	R
F6	VAT not properly accounted for, resulting in overclaims and large demands from HMRC.	4	4	16	R

Councillors to note budget spend reports and make required decisions. Seek advice from NCALC if necessary	1	5	5	
Allocate an amount each year within the council's budget for Election costs based on estimated costs obtained from the Electoral Officer	1	4	4	G
Obtain at least two quotations for key purchases.	2	4	8	G
Clerk/RFO to include all payments to be approved are included in the Finance Report. All approved payments to be reported in the Minutes.	1	4	4	G
All payments to be authorised by the Chairman and Vice-Chairman	1	5	5	G
Clerk to keep appropriate VAT records and acquire a good knowledge of the regulations.	1	4	4	G

F7	Failure to ensure that the annual precept results from an adequate budgetary process.	4	4	16	R	Start consideration of budgetary process at least four months prior to submission date of Precept.	2	4	8	G
F8	Inadequate accounting control systems in place	5	4	20	R	Clerk/RFO to ensure that all Receipts and Payments are promptly and accurately recorded and all invoices are checked and reported to the next Council meeting. Clerk/RFO to balance accounts against bank statements monthly. Clerk/RFO to produce up to date Finance reports for all meetings. Internal Control checks to be undertaken by designated Councillor. Internal and External Audit reports to be made available to the Council and any recommendations to be acted upon promptly.	1	4	4	G
F9	Lack of commitment by Members to the budgetary process	4	4	16	R	Clerk to place item on Agenda early in the year to remind Councillors of budget process and actions required. Councillors to attend training if required. Involve all Councillors in budgetary process not solely the Clerk.	1	4	4	G
F10	Inadequate internal controls with regard to monitoring expenditure	4	4	16	R	RFO to present budget spend reports to Councillors, at least quarterly.	1	4	4	G
F11	Insufficient controls to ensure that all employees are paid in accordance with Council regulations and are adequately monitored	4	4	16	R	Employee payments to be approved by the Council. Clerk's salary payments to be checked by Councillor undertaking Internal Control. No additional payment to the Clerk without Council approval.	1	4	4	G
F12	Year end accounts are incorrectly prepared or late	5	4	20	R	RFO to follow the appropriate guidance. Councillors to check the figures. RFO to prepare year end accounts by the end of the second week in April, before the internal Audit	1	4	4	G
F13	Reserves too high/low	3	2	6	G	Council to adhere to the advice given by the Auditor, i.e. reserve balance must not exceed twice the Precept.	1	2	2	G
F14	Inadequate insurance cover for the Council's assets	3	5	15	A	Council to review assets annually to identify any safety issues, plan any required maintenance work, and assess the value of the assets for insurance purposes. Clerk to maintain up-to-date Asset Register	1	5	5	G
F15	Significant financial claim made against the council	2	5	10	G	Clerk to take out adequate insurance policies to mitigate against any significant financial loss to the council	1	5	5	G

Operational

O1	Incapacity/absence of the Clerk	2	5	10	G	Designate a person to temporarily act as Clerk in an emergency. A Locum Service is available through the Society of Local Council Clerks.	2	3	6	G
O2	Resignation of the Clerk	2	5	10	G	Undertake succession planning. Adopt a website design used by other councils	2	3	6	G
O3	Loss or theft of/inability to access records	3	5	15	A	Clerk to back-up Council's documents regularly to at least two locations. Clerk to scan key paper documents and store paper documents in a locked cabinet.	1	5	5	G
O4	Failure to retain or secure the necessary number of members for a Council	3	4	12	A	Clerk to maintain an up to date Councillor Attendance Register. Advertise for an election immediately a vacancy exists. Co-opt Members where no election is held.	1	4	4	G
O5	Lack of commitment to regulations, rules, policies and procedures	3	4	12	A	Chairman and Clerk to review Council's meeting and operational procedures annually. Recommend training where appropriate	1	4	4	G

O6	Lack of engagement by Councillors in the operation and activities of the council	3	4	12	A
O7	Lack of engagement by Councillors and residents on major items of public interest	3	5	15	A
O8	Lack of knowledge by Councillors on their role, responsibility and accountability	3	5	15	A
O9	Lack of knowledge by Councillors on the role, responsibility and accountability of the Clerk	3	5	15	A
O10	Inadequate liability insurance cover in place	3	5	15	A
O11	Councillors' lack of engagement/knowledge of residents concerns and views	3	5	15	A

Take every opportunity to publicise the role of the Council through the website, noticeboards, CranfordCommunityNews and the Together magazine. Use key issues to raise profile of the Council and to test parishioners views.	1	4	4	G
Ensure publicity through local village newsletter, village noticeboards and website.	1	5	5	G
Delegate responsibility to one or two experienced Councillors to assist new Councillors. Attend appropriate training courses	1	5	5	G
Clerk to advise Councillors on the role of the Clerk	1	5	5	G
Clerk to take out adequate liability insurance cover	1	5	5	G
Councillors to Identify opportunities to meet with residents	1	5	5	G

Size of risk

Descriptor	Likelihood	Impact
1	2% likely to happen	Very low
2	5% likely to happen	Low
3	10% likely to happen	Moderate
4	20% likely to happen	High
5	50% likely to happen	Very high

Risk score

0 - 10	Low
11 - 15	Medium
>15	High