

Bradford On Tone Parish Council Business Procedures Risk Register

(Prepared by the Clerk / Responsible Financial Officer)

Approved by the Council 9 July 2024

No	Short Risk Description	Uncertainty?	Leading To?	Resulting In?	Possible Causes	"T" action	Controls / Actions	(Residual) Impact Assessment	(Residual) Likelihood Assessment	(Residual) Risk Score
1.	Misappropriation of Council Funds	Could Council funds be misappropriated?	<ul style="list-style-type: none"> • Fraudulent activity • Unauthorised expenditure 	<ul style="list-style-type: none"> • Loss of Council reputation • Lack of funds to proceed with authorised expenditure / projects • Legal action 	<ul style="list-style-type: none"> • Inadequate financial procedures • Lack of internal controls • Procedures not followed 	Treat	<ul style="list-style-type: none"> • Financial Regulations reviewed annually by Council • Council formally approving all expenditure transactions in open session • Cheques require 2 Councillor signatories • Spending limits set in Financial Regulations • Blank cheques are never signed • Internal audits 	Major	Rare	Low
2.	Payment By Cheque	Could a payment be made to the wrong payee or the wrong amount paid?	<ul style="list-style-type: none"> • Late payment • Budget overspend 	<ul style="list-style-type: none"> • Loss of Council reputation • Budget overspend • Reduced finance available for planned expenditure 	Inadequate checking	Treat	<ul style="list-style-type: none"> • Payment schedule for Council prepared by Clerk/RFO • Payment schedule approved by Council • 2 Councillors sign each cheque and check the due payment against the invoices and list 	Moderate	Unlikely	Low

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				<ul style="list-style-type: none"> • Additional costs e.g. having to pay a second time • Legal action 			approved by Council,			
3.	Late Payments	Are invoices paid in a timely manner	<ul style="list-style-type: none"> • Outstanding Debt 	<ul style="list-style-type: none"> • Budget overspend • Reduced finance available for planned expenditure • Broken contracts and thus compensation claims • Penalty charges being incurred • Difficulty in purchasing goods and services • Inaccurate perception of Council's 	<ul style="list-style-type: none"> • Lack of Councillor availability • Council meeting cycle not conducive to getting payments authorised 	Treat	<ul style="list-style-type: none"> • Items for Payment as an agenda item at every Council meeting. 	Moderate	Possible	Medium

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				financial situation						
4.	VAT	Are the correct amounts of VAT reclaimed	<ul style="list-style-type: none"> • Budget overspend • Inaccurate VAT claims submitted 	<ul style="list-style-type: none"> • Loss of Council reputation • Possible action / fines by HMRC • Reduced level of finance available for planned expenditure 	<ul style="list-style-type: none"> • Application of incorrect VAT rate • Lack of staff experience and training 	Treat	<ul style="list-style-type: none"> • Internal audit 	Moderate	Likely	Medium
5.	Loss of information / financial data	Whether or not the Council could make payments and produce legally required financial information	<ul style="list-style-type: none"> • The council operating in an unprofessional manner 	<ul style="list-style-type: none"> • Loss of Council reputation • Critical /adverse audit report • Legal action • Laptop purchased specifically for Council business 	<ul style="list-style-type: none"> • Poor record keeping • Insecure storage methods 		•	Major	Unlikely	Medium

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				and an external hard drive for back-up						
6.	Insurance	Whether or not the Council has appropriate cover to meet potential losses and / claims	<ul style="list-style-type: none"> • Inability to replace assets • Inability to meet claims made against the Council • Increased insurance cost / excessive insurance premiums 	<ul style="list-style-type: none"> • Loss of Council reputation • Inability to carry out responsibilities due to lack of equipment • Severe financial difficulties • Legal action 	<ul style="list-style-type: none"> • Inadequate scrutiny of insurance cover taken • Insurers not updated of equipment changes • Insurers not notified of changed circumstance • Insurers not notified of new events 	Treat	<ul style="list-style-type: none"> • Insurance cover reviewed annually • Asset register maintained and reviewed • Risk management systems in place and reviewed annually 	Major	Unlikely	Medium
7.	Budget	Is the budget set at a level to enable the Council to fulfil its plans without either significant under or over spending?	<ul style="list-style-type: none"> • Inability to deliver services and planned projects 	<ul style="list-style-type: none"> • Loss of Council reputation • Broken contracts and thus compensation claims 	<ul style="list-style-type: none"> • Poor financial planning • Poor understanding of council finance and budget matters 	Treat	<ul style="list-style-type: none"> • budget monitoring • Emergency expenditure is reported to councillors as soon as possible • Unbudgeted expenditure is avoided as far as possible 	Moderate	Possible	Medium

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					<ul style="list-style-type: none"> Poor project planning 					
8.	Budget	Budget not calculated and agreed for 2025/2026	<ul style="list-style-type: none"> Inability to deliver services and planned projects Excessive amounts in bank accounts 	<ul style="list-style-type: none"> Loss of council reputation Depleted reserves 	<ul style="list-style-type: none"> Poor financial planning Poor understanding of council finance and budget matters Knock-on effect of Somerset Council financial crises 	Treat	<ul style="list-style-type: none"> Monitor expenditure All payments to be approved by Council Any financial decisions to be taken after information of impact on finances is provided 	Possible	Major	Medium
9.	Reserves	Are the Council's reserves at an appropriate level?	<ul style="list-style-type: none"> Setting an unnecessarily high budget (if reserves are too high) Lack of resilience for expenditure plans (if 	<ul style="list-style-type: none"> Loss of Town Council reputation Loss of Council reputation Poor audit reports Inappropriate spending 	<ul style="list-style-type: none"> Inaccurate budgeting Projects not proceeding as planned 	Take Advantage & Treat	<ul style="list-style-type: none"> Implement project plans Monitor reserves 	Moderate	Unlikely	Low

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			reserves too low)							
10.	Play Area	Is play equipment inspected and maintained	<ul style="list-style-type: none"> • Lack of maintenance • Health and safety risks 	<ul style="list-style-type: none"> • Loss of Council reputation • Possible injuries to the public • Legal action 	<ul style="list-style-type: none"> • Lack of Councillors / Clerk awareness 	Treat	<ul style="list-style-type: none"> • Weekly safety check of play area undertaken and written record kept • Annual play inspection to be arranged • Training (25.06.24) by individual doing weekly inspections 	Major	Unlikely	Medium
11.	Council acts Ultra Vires	Whether or not the Council acts in a lawful manner	<ul style="list-style-type: none"> • Council makes an unlawful decision or one it had no power to make 	<ul style="list-style-type: none"> • Loss of Council reputation • Non-Completion of associated project or implementation of decision • Legal action 	<ul style="list-style-type: none"> • Lack of information • Lack of appropriate subject knowledge • Non-adherence to relevant legislation, policy or procedure 	Treat	<ul style="list-style-type: none"> • Trained Clerk • Governance documents reviewed regularly • Membership of the Association of Local Councils • Councillor training 	Major	Unlikely	Medium
12.	Governance and Policy Framework	Whether or not the Council makes decisions in accordance	<ul style="list-style-type: none"> • Inconsistent decision making 	<ul style="list-style-type: none"> • Loss of Council reputation • Conflicting Council priorities 	<ul style="list-style-type: none"> • Inadequate Councillor training • Inadequate knowledge 	Treat	<ul style="list-style-type: none"> • Councillor training opportunities regularly circulated to Councillors • Councillors completed Register 	Major	Unlikely	Medium

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		with its governance and policy framework		<ul style="list-style-type: none"> • Conflicting council decisions • Legal action 	of Council policies		of Interest Forms held by Clerk and copies forwarded to Somerset Council <ul style="list-style-type: none"> • Councillors Register of Interest information published on Council’s website 			

Risk Assessment Grid

		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare (< 6%)	1	Low	Low	Low	Low	High
Unlikely (6 - 20%)	2	Low	Low	Low	Medium	High
Possible (21 – 50%)	3	Low	Low	Medium	Medium	High
Likely (51 – 80%)	4	Low	Medium	Medium	High	Very High
Almost Certain (> 80%)	5	Low	Medium	High	Very High	Very High

T Treatments: Tolerate, Treat, Transfer, Terminate, Take advantage