

Bradford On Tone Parish Council Business Procedures Risk Register

(Prepared by the Clerk / Responsible Financial Officer)

Approved by the Council 9 July 2024 Reviewed by Council 28 January 2025

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 / authorisations • Spending limits set in Financial Regulations • Blank cheques are never signed • Internal audits 	Major	Rare	Low
2.	Payment By Cheque or BACS	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 	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 or do a bank authorisation and check the due 	Moderate	Possible	Medium

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				for planned expenditure • Additional costs e.g. having to pay a second time • Legal action			payment against the invoices and list approved by Council,			
3.	Late Payments	Are invoices paid in a timely manner	• Outstanding Debt	• 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	• Lack of Councillor availability • Council meeting cycle not conducive to getting payments authorised	Treat	• Items for Payment as an agenda item at every Council meeting. • Moving to on-line banking will reduce time taken to make payment (i.e. postage and cashing of cheques)	Moderate	Possible	Medium

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				of Council's 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 	<ul style="list-style-type: none"> Poor record keeping Insecure storage methods 			Major	Unlikely	Medium

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				business 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 regularly • Risk management systems in place and reviewed at least 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	<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 report at each Council meeting • Emergency expenditure is reported to councillors as soon as possible • Unbudgeted expenditure is 	Moderate	Possible	Medium

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		over spending?			<ul style="list-style-type: none"> Poor project planning 		avoided as far as possible <ul style="list-style-type: none"> Moving to on-line banking will enable more timely checking of balances 			
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 Meetings to agree budget and precept are identified in the calendar of meetings 	Major	Rare	Low
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) 	<ul style="list-style-type: none"> Loss of Town Council reputation Loss of Council reputation 	<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 Implement agreed reserves policy Identify and agree reserve levels and 	Moderate	Unlikely	Low

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			<ul style="list-style-type: none"> Lack of resilience for expenditure plans (if reserves too low) 	<ul style="list-style-type: none"> Poor audit reports Inappropriate spending 			contingency budgets when the annual budget is agreed <ul style="list-style-type: none"> Agree earmarked reserves when the annual budget is agreed 			
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 Clerk is member of the Society of Local council Clerks Clerk holds the Certificate in Local Council 	Major	Rare	Low

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							Administration (CilCA)			
12.	Governance and Policy Framework	Whether or not the Council makes decisions in accordance with its governance and policy framework	<ul style="list-style-type: none"> • Inconsistent decision making 	<ul style="list-style-type: none"> • Loss of Council reputation • Conflicting Council priorities • Conflicting council decisions • Legal action 	<ul style="list-style-type: none"> • Inadequate Councillor training • Inadequate knowledge of Council policies 	Treat	<ul style="list-style-type: none"> • Councillor training opportunities regularly circulated to Councillors • Councillors completed Register of Interest Forms held by Clerk and copies forwarded to Somerset Council • Councillors Register of Interest information published on Council's website 	Major	Unlikely	Medium
13	Councillor Numbers	Whether or not the Council is able to recruit / retain sufficient people as Councillors to be able to operate effectively	<ul style="list-style-type: none"> • Somerset Council appointing people to the Parish Council • Delays in decisions for Parish Council business 	<ul style="list-style-type: none"> • Loss of Council reputation • Decisions being made by people unfamiliar with the village 	<ul style="list-style-type: none"> • Lack of knowledge of Parish Council activities • Lack of understanding of parish councils • Ineffective advertising of casual vacancies 	Treat	<ul style="list-style-type: none"> • Chair writing a regular article for parish magazine on council activities • Using available, existing communication methods to promote council activities, e.g. noticeboard, magazine 	Moderate	Low	

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