

# Capel Parish Council – Risk Assessment 2023-2024

## Risks

This is a high-level risk assessment for the Council to highlight key area of risk where the Parish Council has full or partial responsibility for managing or mitigating risk. The Parish Council's aim is to manage risks in a thoughtful and realistic manner. Since resources, such as staff and Members time, are limited it is necessary to set priorities.

## Methodology

Risks have been assessed using an industry standard approach. This risk assessment deals with strategic risks only. Each risk is scored using the table below which assesses the potential consequences with the likelihood of the risk happening. The resulting risk score then indicates the appropriate level of priority to be given to any mitigation against that risk.

## Risk score matrix

		Consequences		
		Minor 3	Moderate 2	Major 1
Likelihood	Probable A			
	Possible B			
	Improbable C			

Key	Green Low Risk	Yellow Medium Risk	Red High Risk
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Subject	Risks Identified	Likelihood	Consequences	H M L	Control of Risks	Review / Actions
<b>Financial and Management</b>						
Precept	Adequacy of precept	C	1	M	<ul style="list-style-type: none"> <li>Sound budgeting to under-lie the annual budget and precept requested. The budget is considered by the Finance Committee at its November and December meetings. It is then recommended to Full Council.</li> </ul>	<ul style="list-style-type: none"> <li>Timetable for decision for 2024/2025 precept included in the meeting calendar</li> </ul>
	Precept request not submitted to TWBC	C	1	M	<ul style="list-style-type: none"> <li>The precept request is submitted by the RFO in writing to TWBC.</li> <li>Confirmation of receipt is shared with Chairman of the Finance &amp; Committee</li> </ul>	
	Amount not received	C	1	M	<ul style="list-style-type: none"> <li>The RFO/Clerk informs Full Council of any issues</li> </ul>	
Financial Records	Inadequate records	C	2	M	<ul style="list-style-type: none"> <li>Accounts are prepared using excel</li> <li>Accounts are presented to Council monthly</li> <li>The need for a computerised accounting package regularly reviewed</li> </ul>	
	Financial irregularities	C	2	L	<ul style="list-style-type: none"> <li>The Council has Financial Regulations which set out legal requirement</li> <li>An internal audit is carried out by an independent auditor</li> <li>External audit undertaken and findings reported to Council.</li> </ul>	
Payroll	Errors Fraud	B	2	M	<ul style="list-style-type: none"> <li>Sage computerised system calculates all payroll</li> <li>PAYE &amp; NIC reported to HMRC via RTi through Sage payroll</li> <li>Monthly payment of all PAYE &amp; NIC as calculated by Sage payroll</li> </ul>	<ul style="list-style-type: none"> <li>Approval of overtime required by the line manager / Chairman</li> </ul>
Bank and banking	Income not banked in a timely manner Not covered by £85,000 guarantee	B	3	L	<ul style="list-style-type: none"> <li>Most councillors are signatories and can view and authorise payments</li> <li>Funds moved to CCLA in 2022 and a 2 year bond taken out with Hampshire Trust in 2023 to spread risk</li> <li>Limited number of cheques received. Debtors encouraged to pay by BACs.</li> </ul>	<ul style="list-style-type: none"> <li>Monitor performance of saving accounts</li> </ul>

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	Unapproved online transfers and payments made	B	2	M	<ul style="list-style-type: none"> <li>Councillors to review and approve all payments made from bank statements on a regular basis</li> <li>Invoices/documentation provided for every payment</li> <li>2 councillors required to authorise payments online and signing cheques</li> <li>Alternative bank accounts considered and regularly reviewed.</li> </ul>	
	Bank mistakes / loss / charges	B	2	M	<ul style="list-style-type: none"> <li>Monthly bank reconciliations undertaken and errors discovered and addressed immediately.</li> </ul>	
Reporting and auditing	A surplus or deficit builds up	B	2	M	<ul style="list-style-type: none"> <li>Receipts and payments and bank reconciliations prepared monthly and circulated to full council for their review along with original bank statements.</li> <li>Monthly review of accounts to budget undertaken by Full Council</li> </ul>	
Direct costs	Goods not supplied but billed	B	2	M	<ul style="list-style-type: none"> <li>Invoices checked with the Clerk or councillors concerned prior to payment being arranged</li> </ul>	
Grants payable	Power to pay	B	2	M	<ul style="list-style-type: none"> <li>Power checked prior to each payment. If no power available then Section 137 considered.</li> <li>Records of Section 137 payments kept and minuted accordingly.</li> </ul>	
	Authorisation from council	C	3	L	<ul style="list-style-type: none"> <li>All grants payable are considered at a council or committee meeting. A copy of the minute is included when presenting the cheque or BACS for payment.</li> </ul>	
Staff	Fraud	B	2	M	<ul style="list-style-type: none"> <li>Fidelity guarantee insurance in place and conditions adhered to</li> <li>Regular checks on all financial information by councillors</li> <li>Invoices/documentation provided for payments</li> </ul>	

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					<ul style="list-style-type: none"> <li>Annual internal audit</li> <li>Internal audit reports submitted to the council for their review</li> <li>Clerk only has View and Submit access to bank accounts and is not able to authorise payments or transfer funds</li> </ul>	
Cyber Attack or Incident	Systems ie laptops, routers, cloud based systems offline for a period of time Loss of data or compromised Impacting on the ability of the Council to operate Safeguarding and data protection issues Financial impact – potential fine and cost of rectifying	C	1		<ul style="list-style-type: none"> <li>List firewall and scanning programmes on laptops and routers</li> <li>List if known firewall and scanning programmes to third party systems ie cloud based and web systems</li> </ul>	<ul style="list-style-type: none"> <li>Ensure laptop system software and application software is updated automatically or as notified by the vendors</li> <li>Ensure router system software is updated automatically</li> <li>Check robustness of IT Disaster recovery procedures</li> </ul>
Election costs	Unbudgeted costs due to contested election	B	3	L	<ul style="list-style-type: none"> <li>Council agreed to take any costs out of reserves during the budgeting process in 2023/2024</li> </ul>	
VAT	Unclaimed VAT	B	3	L	<ul style="list-style-type: none"> <li>Invoices made out to Capel Parish Council</li> <li>Regular claims made and reconciled to receipts and payment accounting.</li> <li>VAT Return submitted at last annually</li> <li>VAT return to 31 March undertaken each year end</li> <li>Staff trained in claiming VAT and council finances</li> </ul>	

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Annual Return	Late submission	B	2	M	<ul style="list-style-type: none"> <li>Approval procedure in place for internal audit and approval of the return</li> </ul>	
	Incorrect information submitted	B	3	L	<ul style="list-style-type: none"> <li>Robust regular financial accounts are prepared</li> <li>Staff trained in council finances</li> </ul>	
<b>Physical Assets</b>						
Assets & inventory	Loss or damage to equipment	B	2	M	<ul style="list-style-type: none"> <li>Asset register in place and reviewed at least annually</li> <li>Insurance reviewed annually against asset register and insured replacement values increased each year</li> <li>Office has security and fire alarm regularly checked and maintained</li> </ul>	
Maintenance	Damage to equipment or injury to staff or third parties	B	2	M	<ul style="list-style-type: none"> <li>Regular inspection routine in place. Damage reported and addressed at the earliest opportunity.</li> <li>Public liability insurance cover in place</li> <li>Annual servicing undertaken</li> </ul>	
Council records – paper	Security of information Loss from theft, fire, other damage	B	2	M	<ul style="list-style-type: none"> <li>All paper records kept in a locked cupboard</li> <li>Office has security alarm and covered by CCTV</li> <li>Critical documents are scanned and stored electronically</li> </ul>	<ul style="list-style-type: none"> <li>Staff to keep minimal amount of documents at their homes</li> </ul>
Council records – electronic	Security of information Loss from theft, fire, other damage	B	2	M	<ul style="list-style-type: none"> <li>Data is stored on the Clerk's council laptops and in the cloud</li> <li>Laptops are stored in the member of staff's home.</li> <li>Regular backups to an external drive undertaken</li> </ul>	<ul style="list-style-type: none"> <li>Review back up procedure and consider offsite options</li> </ul>
GDPR	Data breach	B	2	M	<ul style="list-style-type: none"> <li>Data audit undertaken</li> <li>Personal data stored on paper kept locked</li> <li>Council laptops secured with a password</li> <li>Personal data shared with councilors kept to a minimum</li> </ul>	<ul style="list-style-type: none"> <li>Undertake audits</li> <li>Review policies and procedures</li> <li>Train new staff and councilors in policies and procedures</li> </ul>

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Web accessibility	Noncompliance with regulations	B	2	M	<ul style="list-style-type: none"> <li>Minutes, agendas and notices published within statutory timescales</li> <li>Discosable Pecuniary Interests of councilors published on the website</li> <li>The website template is compliant with regulations</li> </ul>	
<b>Liability</b>						
Legal powers	Illegal activity or payments	C	2	L	<ul style="list-style-type: none"> <li>All new activity or payments to be considered by the Council and resolved and minuted at Council meetings</li> </ul>	
Minutes / agendas / statutory documents	Inaccurate minutes Noncompliance with statutory requirements	C	2	L	<ul style="list-style-type: none"> <li>Minutes prepared by the Clerk</li> <li>Accuracy of the minutes is checked by the Chairman of the council / committee at the earliest opportunity after the meeting. Then minutes are shared with all councilors and queries raised if appropriate</li> </ul>	
Members interests	Conflict of interest	B	2	M	<ul style="list-style-type: none"> <li>All new councilors given the form to complete. Returned to TWBC by the Clerk</li> <li>Register of interests published on the website</li> <li>A standard item on every agenda for the declaration of interests</li> </ul>	
Breach of Health and safety regulations	Injury to staff / councilors / contractors Damages claims	B	2	M	<ul style="list-style-type: none"> <li>Public and Employers Liability insurance in place</li> <li>Lone workers policy in place</li> <li>Health &amp; Safety Policy in place</li> </ul>	<ul style="list-style-type: none"> <li>Undertake an annual review of policies and procedures</li> </ul>
Breach of Employment legislation	Loss of staff Tribunal claims	B	2	M	<ul style="list-style-type: none"> <li>Retained the services of an external HR Consultant to advise as necessary</li> <li>All staff have signed contracts.</li> </ul>	
Breach of contractual obligations	Damages claims Unintended consequences of the contract Loss of reputation	B	2	M	<ul style="list-style-type: none"> <li>All contracts prepared in conjunction with legal advisors.</li> </ul>	
Allotments – breach of regulations	Damages claims Loss of reputation	B	2	M	<ul style="list-style-type: none"> <li>Clerk monitors allotments</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspection of allotments</li> </ul>

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Trees	Damage to property Injury to third parties	B	2	M	<ul style="list-style-type: none"> <li>• Bi-annual Visual Tree Assessments undertaken by qualified contractor</li> <li>• Regular inspections undertaken</li> <li>• Tree survey undertaken.</li> </ul>	

**Approved by Full Council: 27 November 2023**