

Modbury Parish Council

Financial and Business

Generic Risk Assessment

1. Risk Matrix

Likelihood	Very unlikely	Unlikely	Neither unlikely nor likely	Likely	Very likely
Impact					
Very low	1	2	3	4	5
Low	2	4	6	8	10
Neither low nor high	3	6	9	12	15
High	4	8	12	16	20
Very high	5	10	15	20	25

2. Action levels

Below 8 – mitigation preferred

Between 8 and 16 – mitigation required

Over 16 – consider not undertaking the activity

3. Risk appraisal

Activity	Hazard	Risk score	Action to be taken	By whom	New risk score
1. Precept determination	Failure to ensure that the demand covers all budget requirements and is completed within the deadline	15	Budget setting to involve review of current year budget against targets and discussion of planned expenditure for the following year budget. Inflation rate to be taken into account. Contingency to be built in for unexpected events.	FHR Committee	5
2. Precept income	Income not received	10	Ensure reserves are sufficient to cover at least one year's operating values as a minimum.	FHR Committee	5
3. Financial records	Financial irregularities Bank errors or losses	10	The Council has Financial Regulations in place which are reviewed annually and which set out requirements for banking, cheques signatories and reconciliation of accounts. Two Councillor signatures are required per cheque and online payments must be authorised by a councillor. Clerk checks bank statements monthly against approved expenditure to balance the accounts. Accounts are audited annually Financial monitoring is undertaken by FHR Committee and full Council	Clerk External Auditor FHR Committee and Full Parish Council	5
4. Cash	Loss through theft or dishonesty	5	No cash is held. All transactions go through the bank accounts.	Clerk	1
5. Cost overheads	Non-supply of services for which invoices have been received	16	Clerk reviews all invoices presented for payment and full Council approve payment on Clerk's recommendations when work has been satisfactorily completed/goods have been received.	Clerk	3

6. Payments	Unauthorised payments made	15	<p>Two Councillor signatures are required per cheque and online payments must be authorised by a councillor. Clerk checks bank statements monthly against approved expenditure to balance the accounts.</p> <p>Payments are reviewed and agreed at full Council meeting and FHR Committee</p>	<p>Clerk</p> <p>FHR Committee and Full Council</p>	5
7. Achieving best value	Insufficient quotes sought for purchase of goods or services	12	Number of required quotes follow the rules within the Council's Financial Regulations and Standing Orders.	Clerk	3
8. Salaries and expenses	Incorrect hourly rates used or hours worked incorrectly recorded	15	Salaries assessed annually by the Council against the NALC payment scales. Figures incorporated into budget calculations. PAYE, NI and pension contributions checked against Inland Revenue on-line software and process. Clerk maintains a working hours spreadsheet	FHR Committee	5
	Fraud or incorrect claims		Expenses must be approved and claimed in arrears and authorised by full Council.	Full Council	5
9. Employees	<p>Loss of key staff or long-term illness, resignation or misconduct.</p> <p>Inadequately trained staff.</p>	12	<p>Clerk considered only critical staff member. Temporary replacement from unpaid Councillor position or longer term from a Locum Clerk via the DALC website.</p> <p>Maintenance work monitored by Maintenance Committee who'd take responsibility for essential work should staff member leave or need long term sick leave. Play Park closed temporarily if unable to do immediate repair work</p> <p>Training sources available through DALC and SLCC.</p> <p>Salaries assessed annually by the Council against the NALC payment scales.</p> <p>Full range of HR policies and procedures available to council and staff</p>	Council	5

			Annual appraisal undertaken with clerk and regular meetings with Chair FHR Committee oversee HR issues		
10. Councillors	Lack of training or time to undertake the role of the PC Inadequate knowledge or specialist ability may lead to poor decisions Poor interpersonal skills and teamwork Councillor/s fail to act in appropriate manner Failure to screen out Councillors who are not eligible to stand	16	Council to undertake annual skills audit identifying necessary individual and team training needs of councillors Adequate training budget available. Subscriptions to DALC and SLCC. Councillors encouraged to undertake training. Agreed Policy on Standards and Member Conduct Council signed up to Civility and Respect Pledge DBS Checks, Adequate Recruitment process for Casual Vacancies, Clear election communications setting out legal eligibility criteria	Council and FHR Committee	5
11. Election Costs	Risk of unexpected election	9	Council considers the allocation of precept funding each year towards election costs.	Clerk	3
12. VAT	Failure to claim or submit an incorrect claim	8	Clerk is responsible for merging MARS and MPC accounts for a monthly digital submission.	Clerk	2
13. Annual Governance return	Not submitted within the statutory time-scale	12	Clerk enters financial data on the specialised local council accounting system regularly and this is reconciled on a monthly basis. Specialised accounting system that automatically generates the AGAR return.	Clerk	4

	Incorrect completion		AGAR is signed off by full council at the June meeting.		
14. Legal Powers	Illegal activity or decision-making	15	Clerk checks that powers are available in accordance with Council resolutions prior to any finalisation or payment. All resolutions are minuted.	Clerk	5
15. Agendas and Minutes	Failure to issue within the statutory time-scales Inaccurately minuted meetings	6	Minutes and agenda are produced by the Clerk in accordance with Standing Orders. Agendas are posted with 3 clear days' notice in accordance with regulations. Minutes are circulated and published in draft within 2 weeks of a meeting and signed off at the next full Council meeting.	Clerk	3
16. Members interests	Conflicts of Interest and Register of Interests	15	Declaration of Interests feature on every Council meeting agenda and Standing Orders are followed. Members Interest are in the public domain and Councillors have a responsibility to review details at least annually. Clerk is responsible for ensuring new councillors register their interests.	Council	5
17. Insurance	Failure to meet all the needs for the Council or cover all assets Uncompetitive pricing	10	Reviewed annually by the Clerk, plus one Councillor, to ensure adequacy prior to reporting recommendations to full Council. Clerk to update policy when new assets are identified and ensure employee and volunteer cover is adequate and current. Periodic tendering of insurance requirements. Councillor as a responsible person for Health & Safety is appointed	Clerk	5

18. Data protection	Data not secure	10	<p>Clerk and Council are made aware of the GDPR Regulations.</p> <p>Councillor with responsibility for data protection is appointed.</p> <p>ICO registration completed annually by clerk.</p>	Clerk	5
19. Freedom of Information	Non-compliance with statutory regulations	8	<p>Policy published on website and implemented by the Clerk.</p>	Clerk	4
20. Play Equipment	<p>Loss or damage</p> <p>Risk of damage or injuries to third parties</p>	20	<p>Annual review of assets undertaken.</p> <p>Equipment inspected weekly by MPC and monthly by SHDC.</p> <p>Employ handyman to repair any damaged equipment or equipment replaced</p> <p>Equipment taken out of service immediately if repairs necessary</p> <p>Annual inspections arranged by the Clerk and presented to full Council to take any required actions.</p> <p>Signs in all play areas giving details for reporting faults</p>	Maintenance Committee	5
21. Street Furniture	<p>Unsuitably located and loss or damage</p> <p>Risk of damage or injury to third parties.</p>	20	<p>Annual review of assets undertaken.</p> <p>Regular notifications on social media and in The Newsletter regarding where to report damage.</p> <p>Documented maintenance schedule to be developed.</p> <p>All items fully insured.</p>	Maintenance Committee	5
22. Meetings	Inadequate locations	8	<p>PC meetings currently held in the QEII Pavilion and regular meeting events booked 12 months in advance.</p> <p>Some committee meetings held in the parish office.</p>	Clerk	4

	Breaches of Health and Safety regulations		Venues to be risk assessed and the findings complied with and covered by Insurance.		
23. Council records	Loss through fire or theft Computer failure	20	Important paper records (leases) scanned and electronic records held on PC laptop. Monthly back-ups taken and external hard-drive held at alternative premises Development of a Business Continuity Policy/Procedure	Clerk	5
24. Reputation of the Council	The work of the Council is not understood leading to negative feedback from parishioners and dissatisfaction with the way services are carried out	12	Regular use of communication channels including web site, social media and newsletters to explain the Council's activities. Strategy and Annual Action Plan for the Council setting out future plans and objectives Annual Report published and public meeting held Residents work with the Council on working parties as appropriate on specific issues Public forum at monthly meetings	Community Engagement Committee	6
25. Poor stakeholder relationships	Perceived or real breakdown in communications between tiers of local government or between the PC and other public providers	12	PC to understand the services provided by others and to discuss areas of joint interest periodically. The PC to respond to consultations to put its point of view across adequately.	Council	6

4. Authorisation

5. Review

This risk assessment will be reviewed after any incident, potential incident or concern and when significant changes in personnel or work practices occur.

V3.0

24 January 2023