

LYDIARD MILLICENT PARISH COUNCIL FINANCIAL AND MANAGEMENT RISK REGISTER

Introduction

The risks listed in this register have been assessed using the following risk matrix and impact definitions.

Likelihood	Highly Likely (3)	Medium (3)	High (6)	High (9)
	Probable (2)	Low (2)	Medium (4)	High (6)
	Unlikely (1)	Low (1)	Low (2)	Medium (3)
		Negligible (1)	Moderate (2)	Severe (3)
		Impact		

Impact Definitions	Negligible	Moderate	Severe
Financial	Loss < £1,000	Loss between £1,000 and £10,000	Loss greater than £10,000
Data Security	Minor inconvenience or embarrassment	Moderate negative impact on an individual	Severe impact on an individual or moderate impact on multiple people
Legal	Minor contractual dispute	Major contractual dispute or legal infraction resulting in censure from public body	Legal infraction resulting in fines or other penalties
Reputational	Minor embarrassment to Council	Reputational damage covered by local and regional news	Reputational damage covered by national news
Physical	Minor injury to individual	Minor injury to multiple people	Major injury

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	Risk	Impact	Likelihood	Severity	Control Actions- Internal Controls	Review Frequency	Responsible Person
1	Lack of forward planning and budgetary controls, leading to: - Lack of direction - Poorly managed resources - Services not provided - Lack of confidence in Council - Insufficient funds for contingencies	Moderate (financial)	Probable	Medium	- Regular review of Financial Regulations - Financial Business plans for all projects - Preparation of precept as detailed in Financial Regulations - In year budget reviews and reports to meetings	Annually Quarterly	Clerk Chairman V-Chairman
2	Poor reporting to Council leading to poor quality decision making	Moderate (financial, reputational)	Probable	Medium	- Timely and accurate reporting in line with Financial Regulations and Standing Orders - Regular project reports	At each meeting	Clerk Chairman V-Chairman
3	Loss of Clerk leading to failure in budgetary controls and correspondence and research backlog	Moderate (financial, reputational)	Probable	Medium	- Succession Planning - Clearly documented admin and budgetary procedures - Up to date job descriptions - Up to date contact lists and booking information	Updated annually or as required	Clerk
4	Failure to respond to electors' wish to right of inspection leading to loss of reputation and confidence in the Council	Moderate (legal)	Unlikely	Low	- Clear Standing Orders and operating protocols - Freedom of Information Policy	Annually	Chairman Clerk
5	Poor document control leading to: - Information not being passed on in a timely manner - Deadlines missed - Lack of achievement - Poor audit trail	Moderate (financial)	Probable	Medium	- Clear Standing Orders - Clear Job Description - Regular back up of information - Clear objectives and regular reviews	Annually Annually Daily	Chairman Clerk Chairman of Personnel Committee
6	Failure of Council to comply with the Law in particular: - Health and Safety - Equal Opportunities - General Data Protection Regs	Severe (legal)	Probable	High	- Clear policies and procedures - Regular review of Law	All annually	Chairman Clerk Chairman of Personnel Committee

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	Risk	Impact	Likelihood	Severity	Control Actions- Internal Controls	Review Frequency	Responsible Person
	- Human Rights - Disability and - Discrimination - Employment Law - Freedom of Information Act						
7	Business activities may exceed legal powers as described in the Local Government Act 1972, including illegal expenditure	Severe (legal)	Unlikely	Medium	- Recording in the minutes the precise power under which expenditure is being approved for items over £500 to organisations or individuals - Regular reviews of Financial Regulations and Standing Orders - Training for all new Councillors	In line with Council meetings	Chairman Clerk Councillors
8	Lack of proper, timely and accurate reporting of Council business in minutes leading to - Confusion and misunderstandings - Actions not accurately reflecting the intentions of the Council	Moderate (legal)	Probable	Medium	- Approval by Council - Minutes to be published on the Council website	In line with Council meetings	Chairman V-Chairman Clerk
9	Timetables not met when responding to consultation invitations leading to: - Affected reputation - Ineffectual involvement - Poor corporate influence	Moderate (reputational)	Probable	Medium	- Documented procedures - To deal with responses to consultation requests	Annually	Council Chairman Clerk
10	Council lacking relevant skills and commitment impacting its ability to deliver on commitments and providing poor value for tax payers	Severe (financial)	Probable	High	- Training for Clerk and Councillors - Review of Councillor attendance - Proper budget allocation for training	Annually At Councillor appointment After election	Chairman Clerk Councillors

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11	Council becomes dominated by one or two individuals or cliques form leading to pursuit of personal interests and impacting the Council's ability to perform effectively	Moderate (financial, reputational)	Unlikely	Low	• Clear Code of Conduct and Standing Orders regarding conduct at meetings and conflicts of interests	Annually	Chairman V-Chairman Clerk Councillors
12	Councillors benefitting from being on the Council, affecting the Council's reputation	Moderate (financial, reputational)	Unlikely	Low	• Clear Code of Conduct and Standing Orders • Open system of payment • Transparent decision-making process • Procedures in place for recording and monitoring members interests	• Annually • At all meetings	Councillors Clerk
13	Damage or loss to Council owned property or assets to high cost of repair or replacement, disruption to services and potential legal liability	Severe (legal, physical, financial)	Probable	High	• Insurance cover • Maintain an up to date asset register for review prior to insurance renewal • Regular maintenance of physical assets • Annual review of risk and adequacy of cover	Annually	Clerk Councillors Handyman
14	Damage to third party property or individual due to service or amenity provided	Severe (physical, legal, financial)	Unlikely	Medium	• Public liability • Insurance • Comprehensive event planning • Regular check of facilities • Ensure all amenities are maintained	As required	Chairman Clerk
15	Loss of money through Fraud, or dishonesty leading to reduction in available funds or loss of reputation	Severe (financial, reputational)	Unlikely	Medium	• Clear financial procedures • Adequate insurance cover (Fidelity Guarantee) • Councillor checks	Annually Annually Quarterly	Clerk Chairman V-Chairman Councillors
16	Financial mismanagement, e.g. with inappropriate borrowing or investment, leading to reduced funds being available	Moderate	Unlikely	Low	• Clear Standing Orders and Financial Regulations • Prepare, adopt and adhere to codes of practice for procurement and investment	Annually	Council Clerk

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					- Investment Policy - General Reserves Policy		
17	Failure to use grants (e.g. Area Board grants or CILs) for intended purpose, or inappropriate use of S137 grants, leading to lack of funds for other projects and potential investigation into use of funds	Moderate (financial, legal)	Probable	Medium	- Ensure funds properly ring fenced - Clear financial procedures - Follow up on use - Maintain a separate record for S137 expenditure - Recorded clearly in minutes	Annually	Chairman V-Chairman Clerk
18	Failure to keep proper financial records leading to inadequate financial control and poorly managed resources	Moderate (financial, legal)	Probable	Medium	- Regular scrutiny of financial records and proper arrangements for the approval of expenditure - External Audit - Internal Audit	Monthly Annually	Chairman V-Chairman Clerk
19	Failure to maintain accurate and complete burial records	Severe (reputational)	Probable	High	- Secure storage area for records - Training for the Parish Clerk - Regular review of burial register in line with audit requirements - Copy of data held on online system	Annually	Chairman V-Chairman Clerk
20	Risk of Council not being able to continue its business due to an unexpected or tragic circumstances	Severe (reputational)	Unlikely	Medium	Develop and maintain business continuity plan	Annually	Chairman V-Chairman Clerk
21	Loss of funds due to Council being invoiced but not supplied with services	Moderate (financial)	Probable	Medium	- Regular checks on work provided, e.g. grounds maintenance - Signoff controls included in procurement procedure	Annually	Clerk Parish Handyman Chairman V-Chairman

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22	Loss of money due to administrative error (e.g. uncashed cheques)	Moderate (financial)	Probable	Medium	• Clear Financial Regulations and Standing Orders • Cheques to be logged against booking register and paid in within 5 working days	Annually	Clerk Chairman V-Chairman
23	Issues with the children's play area, resulting in injury and/or litigation	Severe (physical, legal, reputational)	Probable	High	• Regular checks by the Handyman • Yearly RoSPA checks • Clear signage indicating that children must be supervised	Weekly Annually	Handyman Clerk Chairman V-Chairman
24	Trees or branches posing a safety problem to the public where unrestrictive right of access is available	Severe (physical, legal, reputational)	Unlikely	Medium	• Register of trees maintained • Regular checks by the Handyman • Hazard reporting process	Annually	Handyman Clerk Chairman V-Chairman

Adopted by Lydiard Millicent Parish Council Meeting XXX