



Local Council

Risk Assessment Toolkit

Review log

Last reviewed

~~XXXXXXXXXX~~ JAN 26
~~XXXXXXXXXX~~

Reviewed by

EARLS BARTON PARISH COUNCIL

Next review date

~~XXXXXXXXXX~~ JAN 27
~~XXXXXXXXXX~~

BHIB Councils Insurance – Helping You to Manage Your Risks

As a **manager of risk for your Council** you are required to **identify all relevant risks to your Council** and members of the public and have **control measures in place to protect them**.

This Risk Assessment Toolkit has been designed to provide you with helpful information and guidance on the risks that require assessing and managing. It works as a **best practice, self-audit tool** to help you **identify key risk areas** and **control measures** to mitigate the risks helping you to **protect your Council**.

We have provided some guidance under current control measures. If you see a * - this means that insurance cover is available under the sections of your BHIB Councils Insurance policy along with additional covers and services available through BHIB Councils Insurance. Please do not hesitate to contact us to discuss your existing covers or insurance needs – and how this protects you along with any additional cover requirements you identify as a result of completing the toolkit.

Our 'Risk Management Support for Local Councils' guide also provides lots of helpful risk management advice and may help you with completion of the toolkit – so please see our website for a copy – www.bhibcouncils.co.uk or email us at insurance@bhibcouncils.co.uk.

Financial Control

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
Medium	Likely to occur within the next ten years	Medium	Some public censure or small impact on reserves (<10%), no legal challenge
High	Likely to occur within the next two years	High	Impact on reserves of > 10% or legal challenge or severe public censure

	Low	Medium	High	
Severity				High
				Medium
				Low
Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Actioned	Date completed
					L	S	RAG			
1	Risk of Incorrect invoicing	Financial loss due to settlement of double or false invoices	Payments	Clerk to ensure all goods charged have been supplied. Internal checks.	L	S	G	Maintain Actions	✓	
2	Risk of incorrect payments	Financial loss due to payment made for incorrect amount or payee	Payments	All cheques drawn by Clerk & signed by 2 Cllrs at monthly meeting.	L	L	G	Maintain Actions	✓	
3	Risk of late payments	Late payment could incur a financial penalty	Payments	Payments due before next monthly meeting to be paid by Clerk. 2 Cllrs to check and sign.	L	L	G	Maintain Actions	✓	
4	Incorrect salaries paid	Staff over or underpaid	Payments	2 Cllrs to check prior to signing cheques. Use HMRC online RTI services	L	L	G	Maintain Actions	✓	
5	Incorrect National insurance and PAYE	HMRC over or underpaid	Payments	Use HMRC online RTI services. Internal Auditor, Chair/Vice Chair regular checks	L	L	G	Chair/Vice Chair to check quarterly	✓	
6	Expenses incorrectly claimed	Members over or underpaid, financial loss to Council	Payments	Not applicable	-	-	-	Not applicable		
7	Theft or Dishonesty, including cash and cheques	Financial loss	Payments	*Section 5 Fidelity Guarantee Cover Fidelity Guarantee of £500,000	L	M	A	Annually review and update Fidelity Guarantee.	✓	
8	VAT return is incorrect	Loss of income, HMRC Challenge	Receipts	Clerk/RFO to reclaim VAT at regular intervals. Checked against accounts system and by Internal Auditor	L	L	G	Maintain Actions	✓	
9	Untimely receipt of precept/ Grants	Lack of cash flow	Receipts	Hold three to twelve months of gross expenditure in line with Practitioners Guide	L	L	G	Precept approved by Finance Comm & full PC prior to submission date.	✓	
10	Loss of Cheques	Financial loss	Receipts	* Part A Property damage and Business Interruption. Clerk/RFO to deposit cheques received as soon as possible	L	L	G	Maintain Actions	✓	
11	Loss of income from unpaid invoices	Financial loss	Receipts	Clerk/RFO to monitor invoices to ensure payment	L	L	G	Maintain Actions	✓	
12	Risk of inaccurate or incomplete financial records	Potential financial loss, Internal Auditor would give 'requires improvement' report	Reconciliation	Follow guidelines in Practitioners Guide. Appoint NCALC Internal Auditor	L	M	A	Reappoint NCALC Internal Auditor. Clerk/RFO to follow guidelines of Auditor and NALC	✓	
13	Risk of Bank making errors, not identified	Monthly financial report would not reconcile	Reconciliation	Quarterly Bank Reconciliation & budget report to full PC	L	L	G	Maintain Actions	✓	
14	Annual return is not submitted within time limits	Could end up with qualified accounts	Year end processing	Clerk/RFO to monitor audit timeline and ensure accounts are approved at full PC prior to deadline.	L	L	G	Maintain Actions	✓	
15	Annual return is not submitted within time limits	Could end up with qualified accounts	Year end processing							

Financial Management

Likelihood		Severity	
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	Low	Medium	High	
Severity				High
				Medium
				Low
Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Resp.	Date completed
					L	S	RAG			
1	Inadequate Budget	Budget does not balance at year end	Budgeting	Quarterly Bank Reconciliation & budget report to full PC	L	S	RAG	Maintain Actions	✓	
					L	L	G			
2	Precept does not deliver budget	Budget does not balance at year end	Budgeting	Budget and Precept approved by Finance Comm and full PC. Reserves held.	L	L	G	Maintain Actions	✓	
3	Precept rules change, e.g. capped, restricting delivery of required services	Either services reduced or impact on reserves	Budgeting	Clerk/RFO to monitor regulations and advise PC accordingly.	L	L	G	Maintain Actions	✓	
4	Cemetery income does not achieve budget	Impact on reserves, run out of burial space ahead of plan	Budgeting	Review and update fees annually	L	L	G	Registrar to monitor	✓	
5	Necessary expenditure on allotments exceeds budget	Budget does not balance at year end. Council reserves depleted below recommended level	Budgeting	Ensure that the allotment rents cover the basic maintenance costs involved	L	L	G	Clerk/RFO to monitor	✓	
6	Financial Regulations are not aligned with current legislation or do not deliver best value	Council acts illegally or does not deliver best value	Improvement	Clerk/RFO to ensure that Financial Regs are inline with model regs provided by NALC	L	L	G	Maintain Actions	✓	
7	Council takes on more services with no supporting funding	Either increased precept or impact on reserves	Community Engagement	Community Engagement considered before services taken on	L	L	G	Consult with community about services/assets to take on.	✓	
8	Unable to recover costs from 3rd party insurers for damaged assets	Financial Loss	Receipts	*Section 10 Legal Expenses Cover Ensure that Insurance is up to date and appropriate cover is provided.	L	L	G	Annually review insurance cover	✓	
9	Lack of regular review of fees and services	Financial Loss	Budgeting	Review services and associated fees annually.	L	L	G	Monitor services delivered and fees charged.	✓	
10	Bank Insolvency	Financial Loss	Budgeting	Use well established financial institutions. Look at savings protection limits. Check insurance	L	L	G	Review insurance	✓	
11	Investments	Financial Loss	Investments	Use well established financial institutions. Look at savings protection limits. Check insurance	L	L	G	Review insurance	✓	

Governance

Likelihood		Severity	
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Severity				High
				Medium
				Low
Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Actioned	Date completed
					L	S	RAG			
1	The Council acts illegally / does not comply with current regulations	The Council suffers loss or reputation or legal challenge	Decision Making	Clerk to ensure that regulations are up to date and insurance in place.	L	S	RAG	Training for Clerk to keep up to date with regulations.	✓	
2	The Council does not comply with Standing Orders	The Council suffers loss or reputation or legal challenge	Decision Making	Annual review of Standing Orders in line with NALC model	L	L	G	Maintain actions.	✓	
3	The Council does not make decisions in the best interests of its residents.	The Council suffers loss of reputation	Decision Making	Creation of Strategic Plan. Community Engagement. Budget reports	L	L	G	Finalise and adopt Strategic Plan after elections		
4	Members act illegally or do not comply with current regulations	The Council and member(s) concerned suffer(s) loss of reputation	Decision Making	Clerk to ensure Cllrs are up to date with current regulations.	L	L	G	Maintain actions	✓	
5	The Council does not act in a professional manner	The Council suffers loss of reputation or legal challenge	Decision Making	<small>*Section 8 Officials Indemnity Cover</small> Cllrs to sign Code of Conduct Adequate insurance cover.	L	L	G	Maintain actions	✓	
6	Changes to legislation affect Council decision making or operations	Council not able to deliver services	Decision Making	Ensure up to date with legislation. Adequate reserves held to carry out service.	L	L	G	Maintain actions.	✓	

Assets and Liabilities

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Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Actioned	Date completed
1	Assets are not adequately covered by insurance	Financial loss	Asset management	*Rebuild Cost Assessment Service Available Ensure insurance costs are adequate for the cover required.	L	S	RAG	Clerk to arrange valuation of assets. Advise insurers of any changes.		
2	Liabilities are not adequately covered by insurance	Financial loss	Liability management	*Trustees Indemnity and Professional indemnity Cover Ensure that liability cover is adequate.	L	L	G	Annual review of insurance requirements.	✓	
3	The Council does not meet insurance or legal buildings requirements	Financial loss, legal challenge	Asset management	Ensure that insurance cover is adequate.	L	L	G	Annual review of insurance requirements.	✓	
4	Civic regalia is lost, damaged or stolen	Financial loss	Asset management	*Section 1 Property Damage Cover N/A	-	-	-	N/A		
5	Damage injury to third parties due to lack of maintenance of council assets	Financial loss, loss of reputation	Asset management	*Section 4 Public and Products Liability Cover Public Liability insurance. Annual inspection and report. Weekly site inspections.	L	M	A	RoSPA approved inspection and report. Keep log of weekly inspections.	✓	
6	Damage injury to third parties due to health and safety risks	Financial loss, Injury to Staff or members of public	Building management	*Section 3 Employers Liability & Section 4 Public and Products Liability Cover Employers Liability and Public Liability. Regular inspections.	L	M	A	Maintain actions	✓	
7	Damage to or loss of Council assets due to poor housekeeping	Financial loss, Injury to Staff or members of public	Building management	*Section 3 Employers Liability & Section 4 Public and Products Liability Cover Employers Liability and Public Liability. Regular inspections.	L	M	A	Maintain actions	✓	
8	Inappropriate meeting venue causes risk to members of Council and or public	Injury to People Loss of reputation	Meeting management	*Section 3 Employers Liability & Section 4 Public and Products Liability Cover Ensure meeting venue has appropriate access. Public Liability cover.	L	M	A	Maintain actions.	✓	
9	Assets are devalued due to lack of regular inspection / monitoring	Financial loss, not able to realise value of asset	Building management	Regular inspections and repairs carried out where necessary	L	L	G	Maintain actions	✓	

People

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Severity				High
				Medium
				Low
Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Actioned	Date completed
					L	S	RAG			
1	Loss of Executive Officer	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) NALC Membership Locum Service & advice	L	M	A	Maintain membership to NALC	✓	
2	Loss of Assistant to EO	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) N/A	-	-	-	N/A		
3	Loss of registrar	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) Clerk to take over Registrar role	L	L	G	No further action	✓	
4	Executive Officer is long term sick	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) NALC Membership Locum Service	L	M	A	Maintain membership to NALC	✓	
5	Assistant to EO is long term sick	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) N/A	-	-	-	N/A		
6	Registrar is long term sick	The Council is unable to fulfil its legal obligations, Financial loss	Contingency Planning	* Section 2 Business Interruption. Key Person Cover (optional cover) Clerk to cover role	L	L	G	No further action	✓	
7	Actions of Staff bring council into disrepute	Financial loss, loss of reputation, legal challenge	People management	* Section 8 Officials Indemnity Cover Clerk to take qualifications Insurance cover	L	L	G	Clerk's training and qualifications to be undertaken.	✓	
8	Current or ex employee brings claim against Council	Financial loss due to upheld unfair or constructive dismissal claim	People management	NALC Membership. Insurance cover	L	L	G	Maintain actions	✓	
9	Temporary staff, or contracted resources do not fulfil obligations	Financial loss, loss of services	People management	Put in place policy to cover absence of staff	L	L	G	Clerk to look into policy		

Systems and Processes

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Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
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Severity				High
				Medium
				Low
Likelihood				

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					L	S	RAG			
1	Council not being able to continue its business due to an unexpected or tragic circumstance	Suppliers not paid, services not delivered, debts not recovered	Record keeping	NCALC Membership for advice.	L	L	G	Clerk to look into contingency/emergency policy		
2	Loss of paper records through theft, fire or damage	Suppliers not paid, services not delivered, debts not recovered	Record keeping	* Section 1 Property Damage Cover Insurance Cover. Fireproof filing systems. Electronic back up.	L	L	G	Maintain current action. Contingency/Emergency policy		
3	Loss of electronic records through damage, fire or corruption of computer	Suppliers not paid, services not delivered, debts not recovered	Record keeping	* Section 1 Property Damage Cover & BHIB Cyber For Councils Insurance Policy Up to date electronic protection/Firewall Regular back up of files.	L	M	A	Look into specialist insurance cover.		
4	Loss of data held by the council, in any format, that could identify individuals to a third party	Loss of reputation, legal challenge	Record keeping	* BHIB Cyber For Councils Insurance Policy Up to date electronic protection/firewall Regular back up of files. Retention Policy.	L	M	A	Maintain actions	✓	
5	Financial or resource requirements of responding to FOI requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	Model Publication Scheme	L	M	A	Maintain and review records.	✓	
6	Financial or resource requirements of responding to DSAR requests has material impact	Financial cost (overtime) or lack of delivery of other services	People management	Model Publication Scheme	L	L	G	Maintain and review records.	✓	
7	Data protection breach	Financial loss	Record keeping	Policy relating to GDPR Register for NCALC Data Controller service. Register with ICO	L	L	G	Maintain actions.	✓	
8	Loss of access to premises	Suppliers not paid, services not delivered, debts not recovered	Contingency planning	* Section 1 Property Damage Cover Clerk remodel for premises.	L	L	G	Maintain actions	✓	

Procurement

Likelihood		Severity	
Low	Unlikely to occur within the next ten years	Low	Limited inconvenience, no impact on reserves, no legal challenge
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	Low	Medium	High	
Severity				High
				Medium
				Low
Likelihood				

Ref	Risk	Hazard/Consequence	Process	Current Control Measures	Current Risk Rating			Revised/further actions	Mitigated	Date completed
					L	S	RAG			
1	Poor procurement decisions	Council makes poor financial decisions that result in financial loss or unmet requirements	Procurement	* Section 8 Officials Indemnity Cover Follow procurement regulations	L	M	A	Clerk to investigate Procurement Policy		
2	Contractors are not insured	Third Party liability	Procurement	Contractors to provide copies of insurance.	L	M	A	Maintain actions.	✓	
3	Supplier / Contractor failure	Lack of services	Procurement	Monitoring by PC/Committees	L	M	A	Maintain Actions.	✓	