

TEMPLETON PARISH COUNCIL

ANNUAL BUSINESS RISK ASSESSMENT

IN CONJUNCTION WITH THE

GOVERNANCE AND ACCOUNTABILITY IN LOCAL COUNCILS IN

ENGLAND PRACTITIONERS GUIDE (2024)

PREPARED BY THE RESPONSIBLE FINANCIAL OFFICER

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Business Risk Assessment

This risk assessment is a systematic general examination of financial controls, business risk, working conditions, activities carried out by the clerk, councillors and volunteers and environmental factors that will enable the council to identify any potential risks inherent in its activities and operations. Based on a recorded assessment, the council should then take all necessary steps to eliminate or, where this is not possible reduce the risks, insofar as is reasonably practicable to do so.

This document has been produced to enable the Parish Council to assess the financial, management and other business risks that it faces and to satisfy itself and others that it has taken adequate steps to control them. In conducting this exercise, the following plan was followed:

Identify the areas to be reviewed.

Identify the risks and determine the likelihood and severity.

Eliminate risks where possible by and implement appropriate risk control strategies to manage the residual risks.

Record all findings, regularly monitor and review as necessary.

For purposes of the Business Risk Assessment the Clerk/RFO will be referred to as the Clerk

Risk Matrix: Likelihood (L): 1 rare; 2 unlikely; 3 possible; 4 likely; 5 certain

Severity (S): 1 insignificant; 2 minor; 3 moderate; 4 major; 5 death.

Risk Title	Cause and Effect	Inherent Risk Score	Management of Risk	Residual Risk Score	Any Further Action or Comment
1. Financial					
Inadequate Precept to cover payments. Risk owner: Clerk and Council.	Cause: <ul style="list-style-type: none"> Inadequate Precept requested. Effect: <ul style="list-style-type: none"> Council not able to meet requirements of existing financial commitments. 	L3 x S4 = 12	The Clerk will present the first draft of the budget to the Council in November. The Council will review the draft and consider any projects they wish to see implemented in the forthcoming year and any anticipated income. Adjustments will be made and the budget and precept will be agreed in January.	L1 x S1 = 1	
No Precept received. Risk owner: Clerk.	Cause: <ul style="list-style-type: none"> Precept requirements not submitted to MDDC Effect: <ul style="list-style-type: none"> Council unable to meet commitments. 	L2 X S4 = 8	The Clerk will send the completed form to MDDC by email as soon as the precept has been agreed and ask for receipt of the email to be acknowledged.	L1 x S1 = 1	

<p>The Precept is used before the end of the financial year.</p> <p>Risk owner: Clerk and Council.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Insufficient monitoring of spending compared to budget. <p>Effect:</p> <ul style="list-style-type: none"> • The Council cannot meet financial demands. 	<p>L3 x S4 = 12</p>	<p>Current account balance is reported at each meeting and the Clerk reports on the Council's financial position.</p> <p>Spending against budget is reviewed on a bi-monthly basis. Action is taken if spending is anticipated to exceed budget.</p> <p>Spending not included in the budget is discussed at a Council meeting and councillors decide whether it can be afforded and how it can be paid. i.e. from reserves.</p> <p>No commitment is made for any expenditure that relies on grant funding until the funds have been received by the Council.</p>	<p>L1 x S1 = 1</p>	
<p>Incorrect payment of invoices.</p> <p>Risk owner: Clerk and bank signatories.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Incorrect amounts shown on bank payments set up for authorisation. 	<p>L2 x S3 = 6</p>	<p>Two councillors authorise online payment and both see and check copies of invoices they are being asked to authorise at bi-monthly council meetings.</p>	<p>L1 x S1 = 1</p>	

	<ul style="list-style-type: none"> • Payment set up to wrong person or business. • Incorrect amount shown on cheque or cheque made payable to wrong person or business. <p>Effect:</p> <ul style="list-style-type: none"> • Repayment has to be requested if wrong person or business paid and there is a risk of it not being repaid. • If a person or business is overpaid, a repayment has to be requested and there is a risk of it not being repaid. • Additional work created. 		Two signatures required on cheque, both signatories check invoice against cheque and initial cheque stub and invoice if correct.		
<p>Payments made late or missed resulting in the council being possibly subjected to penalty charges.</p> <p>Risk owner:</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Invoices received between meetings or not presented for payment at a meeting. <p>Effect:</p>	L 2 x S3 = 6	The Clerk checks terms on invoice to see if there are any penalties for late payment or discounts for early payments. The Clerk has delegated DALC authority to authorise the payment of items if a	L1 x S1 = 1	

Clerk.	<ul style="list-style-type: none"> • Council incurs an additional cost. • Possible effect on Council's credit rating. 		payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council. The payment is reported at the next council meeting		
Breakdown of Internal Controls. Risk owner: Clerk and Council.	Cause: <ul style="list-style-type: none"> • Financial Regulations are not being adhered to leading to a possible breakdown in the financial controls of the Council. Effect: <ul style="list-style-type: none"> • More risk of fraud. • Risk of spending more than the budget. • The council cannot answer 'yes' to some of the boxes on the Annual Governance Statement. 	L2 x S4 =8	Financial Regulations are reviewed on a bi-monthly basis and all councillors understand the agreed procedures and the importance of following them. New councillors are given a copy of the Financial Regulations. The Clerk makes councillors aware when correct procedures are not being followed.	L1 x S1 =1	
Financial reports are incorrect. Risk owner:	Cause: <ul style="list-style-type: none"> • Financial Report does not reconcile with 	L3 x S4 = 12	The Clerk and Council agree a robust system of financial reporting.	L1 x S1 = 1	

Clerk and Council.	<p>bank statement and there are inaccuracies.</p> <p>Effect:</p> <ul style="list-style-type: none"> • More risk of fraud. • Risk of over/under spending. • Increased audit costs. • Council does not achieve its aims. 		<p>Financial documents are prepared on a bi-monthly basis, including a bank reconciliation and discussed at a Council meeting.</p> <p>A councillor checks and signs the bank reconciliations bi-monthly. This councillor is not a signatory for the Council's bank accounts.</p>		
<p>Unauthorised expenditure and/or controls for making payments not followed.</p> <p>Risk owner: Clerk and Council.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Councillor commits council to an expenditure not authorised by council or Clerk. • Payments are made without the authorisation of the Council. <p>Effect:</p> <ul style="list-style-type: none"> • More risk of fraud. • Risk of not keeping to budget and over spending. • Poor audit report. 	L3 x S4 = 12	<p>Procedures for payment are set out in the Financial Regulations agreed by the Council. These are adapted from the NALC Model Financial Regulations. Four councillors are agreed as signatories and two of them are required to sign cheques or authorise online payments set up by the Clerk. Authority is removed when a signatory or Clerk leaves the Council.</p>	L1 x S1 = 1	
Council loses data and documentation.	Cause:	L3 x S3 = 9	System is backed up on a regular basis to an external	L1 x S1 = 1	

<p>Risk owner: Clerk.</p>	<ul style="list-style-type: none"> • Data is lost due to software or hardware failure. <p>Effect:</p> <ul style="list-style-type: none"> • Financial information is lost. • Additional work created for Clerk. 		<p>hard drive, either after major input or at least on a weekly basis.</p> <p>Copies of agendas, minutes and statutory documents are stored on the website for the previous 12 months.</p> <p>Reports are emailed to Councillors and can be retrieved.</p>		
<p>Incorrect payment of salary.</p> <p>Risk owner: Chairman.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Clerk's hours and rates of pay not adhered to. • Inaccuracies. <p>Effect:</p> <ul style="list-style-type: none"> • The Clerk could be over or under paid. • Misunderstanding over work above contracted hours. • Possibility of fraud. 	<p>L3 x S3 = 9</p>	<p>The only paid employee is the Clerk. The Clerk is paid monthly (plus any expenses). The Spinal Column Point (NALC/SLCC scales) for the Clerk is agreed by the Council and hours are included on the Contract of Employment. There is a clear procedure for agreeing payment for hours worked over contracted hours. Payment is authorised by the Council. Increases in pay are authorised by the Council. Payslips are checked by bank signatories. The Internal auditor checks that the Clerk is paid at the correct rate, for the correct hours and</p>	<p>L1 x S1 = 1</p>	

			that deductions are properly administered.		
HRMC – requirements not met. Risk owner: Chairman/Accountants.	CAUSE: <ul style="list-style-type: none"> Failure to account for PAYE and NI and make quarterly payments to HMRC or inform them that there is no liability. Effect: <ul style="list-style-type: none"> financial penalties. 	L3 x S3 = 9	This is completed by external accountants and details overseen by Chairman. The Chairman retains a 'check list' to confirm monthly payslips are correct.	L1 x S1 = 1	
Loss of Insurance Cover	Cause: <ul style="list-style-type: none"> Failure to renew insurance or keep cover up to date. Effect: <ul style="list-style-type: none"> The Council has no cover and there is a risk it might be sued. 	L3 x S4 = 12	The Clerk checks the policy annually in April for renewal on 1 st June to ensure adequate cover is maintained. Quotes are obtained and reported to Council to ensure it is obtaining best value. A report is made to the Council meeting and provider agreed. Payment is made monthly or whole amount.	L1 x S1 =1	
AGAR (Annual Return) and Transparency Code requirements not followed. Risk owner:	Cause: <ul style="list-style-type: none"> AGAR not completed on time and Transparency Code requirements not met. 	L3 x S4 = 12	The Clerk prepares the Annual Return as soon as possible after year end and arranges for an internal audit to be carried out before presenting to Council for	L1 x S1 = 1	

Clerk.	Effect: <ul style="list-style-type: none"> Additional costs for the Council if the External Auditor has to contact the Council to get paperwork. Parishioners are denied their rights. 		approval within the designated timescales. Once approved the relevant documents are supplied for publication on the website.		
2. Business Continuity					
Risks to the working of the Council. Risk owner: Clerk and Council.	Cause: <ul style="list-style-type: none"> Loss of Clerk due to illness, accident or resignation at short notice. Loss of documents due to fire, flood or they are unavailable due to the Clerk being incapacitated. Resignation or death of Councillor. Effect: <ul style="list-style-type: none"> The Council struggles to function effectively. 	L3 x S4 = 12	Documents are stored on a laptop owned by the Council and are always backed up to an external hard drive. Short term absence of Clerk is covered by Councillors. Loss or long term incapacity of Clerk would be covered by Councillors and/or appointment of a Locum Clerk. Devon Association of Local Councils and the Society of Local Council Clerks have details of Locum Clerks. In the event the Clerk is unable to, the laptop can be handed to a councillor. The Chairman holds copies of the 'log ins' and passwords that the Clerk uses to conduct the business	L2 x S2 = 4	

			of the Council in a sealed envelope. Tasks/roles assigned to the departing councillor are reassigned.		
<p>Council is unable to meet in person due to Covid-19 or other pandemic.</p> <p>Risk owner: Clerk and Council.</p>	<p>Cause:</p> <ul style="list-style-type: none"> The Government declares a lockdown and there are restrictions about meeting in person. <p>Effect:</p> <ul style="list-style-type: none"> The Council is unable to meet at the Village Hall. 	L3 x S3 = 9	<p>The Council can meet using a virtual platform (Zoom) while legislation allows. Quorum is three. Documents can be signed following social distancing requirements, washing hands, using face coverings where necessary and following legislation.</p>	L1 x S1 = 1	
<p>The Council pages on the parish website do not meet accessibility requirements.</p> <p>Risk owner: Councillor responsible for website and Clerk</p>	<p>Cause:</p> <ul style="list-style-type: none"> Person publishing information on the website is not aware of the requirements. Some statutory documents that have to be published on the website to meet the 	L3 x S3 = 9	<p>The website platform is provided by IONIS who understand the accessibility requirements and support the Council to meet them. An Accessibility Statement explains that the Council is unable to provide some</p>	L1 x L1 = 1	

	<p>Transparency Regulations have to be scanned and do not meet the accessibility standards.</p> <p>Effect:</p> <ul style="list-style-type: none"> • People with disabilities struggle to access or cannot access information about the Council. • Breach of the Equality Act 2010 and the Disability Discrimination Act 1995. <p>There could be a possible enforcement of the regulations by the Equality and Human Rights Commission (EHRC).</p>		documents in an accessible form.		
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3. Health and Safety

<p>Accident because Risk Assessment not produced.</p> <p>Risk owner: Clerk and Council</p>	<ul style="list-style-type: none"> Cause: Failure to carry out suitable and sufficient risk assessment and ensure that corrective actions are dealt with within agreed timeframes. <p>Effect:</p> <ul style="list-style-type: none"> Risk of injury or worse and claim against the Council. Claim against the Council. 	<p>L3 x S5 =15</p>	<p>Risk Assessment carried out for any Council responsibilities or activities organised by the Council. Regular review of Business Risk Assessment undertaken by the Clerk and Council.</p>	<p>L3 x S2 = 6</p>	
<p>Risks from Clerk (Council employee) providing office facilities/working at home and lone working.</p> <p>Risk owner: Clerk.</p>	<p>Cause:</p> <ul style="list-style-type: none"> The Council does not provide office facilities and the Clerk works from home on a permanent basis. A member of the public asks to meet with the clerk and/or to view Council documents. <p>Effect:</p> <ul style="list-style-type: none"> Risk of workplace injury or conditions 	<p>L2 x S4 = 8</p>	<p>No office is provided by the council and the Clerk accepts that working from home is a condition of the job. The clerk ensures that health and safety guidance is followed whilst working at home for the Council and a checklist has been completed and is reviewed on a regular basis. There is no expectation for members of the public to visit the clerk's office so there is no risk of accidents to members</p>	<p>L1 x S1 = 1</p>	

	<p>caused by incorrect seating or screen use.</p> <ul style="list-style-type: none"> • Violence by member of the public. 		<p>of the public and no risk of spreading Covid -19 through the workplace.</p> <p>Most communication takes place virtually, by phone and email but if the clerk needs to meet anyone outside of the office, personal safety will be taken into account and Covid-19 guidance will be adhered to.</p>		
<p>Possible claim by staff due to poor workstation ergonomics display screen equipment.</p> <p>Risk owner: Council and Clerk.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Display screen equipment regulations not followed. <p>Effect:</p> <ul style="list-style-type: none"> • Clerk experiences headaches or physical discomfort. • Possible claim against the Council 	L1 X S3 = 3	<p>Clerk is training and carries out individual risk assessment of work station as necessary, in line with Display Screen Equipment Regulations.</p>	L1 x S1 =1	
<p>Risk to personal safety of Clerk, Councillor or volunteer working on behalf of the Council in a lone working situation.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Accident with no help nearby. • Attack on person <p>Effect:</p> <ul style="list-style-type: none"> • Injury or death. 	L2 X S4 = 8	<p>Person to make sure someone knows where they are working and how long they are expected to be and to carry a mobile phone.</p> <p>One person meeting with members of the public who</p>	L1 x S1 = 1	

<p>Risk owner: Clerk and Council.</p>			<p>are not known should be avoided whenever possible unless other people are close by. Meetings should not be at the Clerk or Councillors home if that can be avoided. Advice is that two people should go on visits whenever possible. Where not possible, the person making a visit should inform someone where they are going and how long they are likely to be. That person should carry a mobile phone.</p>		
<p>Personal injury claims against the Council.</p> <p>Risk owner: Council and Councillor carrying out inspections.</p>	<p>Councillor or volunteer makes a claim for injuries incurred whilst carrying out duties/work on behalf of the Council.</p> <p>Person makes a claim as a result of injuries caused by work carried out by a Councillor or volunteer.</p>	<p>L2 x S4 = 8</p>	<p>A risk assessment is carried out before any duty/work is carried out.</p> <p>The council ensures that the person is competent for the task and has received training if required. PPE equipment is supplied if necessary.</p> <p>Warning signs and barriers are used when necessary.</p> <p>The Council ensures that it's Employer Liability Insurance is adequate and volunteers are covered. A list of volunteers and their details is kept by the Clerk. The Council ensures</p>	<p>L1 x S2 = 2</p>	

			that it's Public Liability insurance is adequate.		
<p>Contractor employed by the Council causes an accident</p> <p>Risk owner: Clerk.</p>	<p>An accident occurs when a contractor has been contracted by the Council to carry out work on its behalf.</p>	<p>L2 x S4 = 8</p>	<p>The Clerk ensures the contractor (including employees) is competent to carry out the work they have been contracted to carry out and, if necessary, the relevant qualifications. Ensure they have adequate public liability and employer's liability insurance to the work they are contracted to do. Ensure risk assessments are carried out before the work is started. Ensure warning signage will be displayed when necessary.</p>	<p>L2 x S2 = 4</p>	

4. Legal

<p>Libel claim from correspondence or social media.</p> <p>Risk owner: Clerk and Council.</p>		<p>L1 x S3 = 3</p>	<p>Letters should normally be written by the Clerk which is insured against such issues.</p> <p>Councillors are aware that they cannot speak on behalf of the Council unless that it has been agreed by the Council.</p> <p>If a Councillor expresses a view they should make it clear that this is their personal view and not that of the Council.</p>	<p>L1 x S1 = 1</p>	
<p>The Council acts beyond its legal powers or Councillors might contravene regulations.</p> <p>Risk owner: Clerk and Council.</p>	<p>Cause:</p> <ul style="list-style-type: none"> The Council makes an unlawful decision or one in which they had no power to do so. <p>Effect:</p> <ul style="list-style-type: none"> The Council would have to put a 'No' response in Box 3 of the Annual Governance Statement and provide an explanation 	<p>L1 x S4 = 4</p>	<p>Clerk to ensure, as far as possible, that legislation permits action. Where there is doubt, no action is taken until professional advice is provided in writing or by email. The Council is a member of DALC and receives advice on legislation changes. The Council has Standing Orders, Financial Regulations and a Code of Conduct which are regularly reviewed.</p>	<p>L1 x S1 = 1</p>	

<p>Council fails to follow Contracts and Best Value Principles.</p> <p>Risk owner: Clerk and Council.</p>	<ul style="list-style-type: none"> • The Council could be held to account by parishioners. • The Council could be held to account by the External Auditor and there would be a cost implication. • Councillor reported to the Monitoring Officer. <p>Cause:</p> <ul style="list-style-type: none"> • The Council fails to follow procedures contained in Financial Regulations or within the principles laid down for Best Value. <p>Effect:</p> <ul style="list-style-type: none"> • The Council could be held to account by parishioners. • The Council could be held to account by the External Auditor and there would be a cost implication. 		<p>Continued Professional Development of the Clerk. The Clerk provides Councillors with details of DALC training courses.</p> <p>Prior to any negotiations taking place that involves new, or the renewal of contracts, the Financial Regulations appertaining to contracts should be read and guidance followed. The Council should, as far as possible, follow the principles of best value in all its purchases. In doing this, it is understood that there will be certain specialist services where the full principles of best value cannot be adhered to. Such instances should be noted in the minutes with the reasons clearly given.</p>		
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<p>Council exceeds maximum amount per elector on a payment permitted under Section 137 LGA 1972</p> <p>Risk Owner: Clerk.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Council unaware that Section 137 payments are subject to a maximum amount per elector which cannot be exceeded. <p>Effect:</p> <ul style="list-style-type: none"> • Council held to account by parishioners. • Council held to account by External Auditors and there is a cost implication. 	L1X S4 = 4	<p>RFO to ensure that the Section 137 limit is not exceeded.</p>	L1 x S1 = 1	
<p>Data breach by Clerk or Councillors.</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Failure to comply with GDPR and the Data Protection Act 2018. <p>Effect:</p>	L2 x S3 = 6	<p>Audit of data held by the Council carried out to identify areas of risk and procedures put in place.</p> <p>Data Protection Policy, Privacy Statements and Consent Forms agreed. Clerk will receive training about</p>	L1 x S1 = 1	

	<ul style="list-style-type: none"> • Council is reported to the ICO with possible penalty. • Additional work created for Clerk and Councillors. 		<p>GDPR and will check regularly for legislation updates. Councillors will be briefed about GDPR.</p>		
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