



Dummer Parish Council

Risk Assessment and Internal Control Document

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RISK ASSESSEMENT AND INTERNAL CONTROLS 2026

Risk Level Definitions

Low – Minor disruption with limited financial, legal, or reputational impact.

Medium – Manageable financial, governance, or service impact requiring council intervention.

High – Significant legal, financial, reputational, operational, or health and safety impact.

AREA	RISK	LEVEL	CONTROL OF RISK	MEANS OF CONTROL
Assets	Protection of physical assets	Medium	• Maintain up-to-date asset register. • Assets owned by the Council (which include office equipment, play equipment, bus shelters, fences, public seating and picnic tables, notice boards, Speed Indicator Devices) are all insured. • New assets are added to the insurance policy when acquired.	• Clerk to present asset register and insurance documents to the Full Council annually for review and endorsement. • Clerk to ensure any new assets are adequately insured as soon as they are procured. • The Council reviews insurance annually and the adequacy of controls to be tested by the internal auditor.
	Maintenance of play areas and open spaces	High	• All play areas have a quarterly independent inspection by a registered play inspector.	• Quarterly inspection reports are reviewed by the Parish Council and the Dummer Recreation Ground Chair and actioned accordingly.
Finance	Banking	Medium	• Bank accounts are held with Lloyds Bank. • All funds are protected by the Financial Services Compensation Scheme (FSCS). • Financial Regulations to be followed. • Online Payments are set for two signatories to authorise. • Direct logging in access is via a card and access machine	• Statements are received monthly and the bank reconciliation and statements are verified by a member of the Parish Council at each full meeting. • Financial Regulations and risk assessment for on-line banking to be reviewed regularly.

	Loss of income or need to provide essential services consequent upon critical damage, loss or non-performance of third party	Medium	- Minimal potential impact - no insurance required. - All contractors involved with contracts in excess of £500 to provide proof of public liability cover.	- Clerk to present insurance documents to the Full Council annually for review and endorsement. - Council to ensure that contracts in excess of £500 are suitably worded and relevant insurance documents from contractors are submitted to the Clerk.
	Financial control and records	Medium	- Monthly bank reconciliation to be prepared by the Clerk/RFO, verified by Full Council and signed and dated by a Councillor. - Monthly payments of accounts to be signed and dated by the Clerk/RFO and presented at Full Council meetings, a resolution agreed and then signed by two Councillors - Payments are currently actioned by the Clerk/RFO. The bank account requires that one other signatory authorise payments before they are actioned by the bank. - Internal auditor appointed. - Financial approvals and expenditure to be filed. - All invoices to be filed electronically on the Council's accounting software (Scribe) against the appropriate transaction.	- Internal auditor appointed. - Financial Regulations to be reviewed annually. - Annual review by internal and external auditor and their reports to be presented to the Full Council. - Signatories on the accounts to be reviewed annually. - Clerk to present quarterly the actual to budget expenditure. - Risk assessment for online payments to be approved by resolution of the Council every year. - The use of direct debits is to be renewed by resolution of the Council at least every two years.
	Comply with HMRC regulations	High	- VAT returns are completed by the Clerk at least annually, but preferably every six months. - Payroll to be run by an external payroll provider, submitted monthly online password protected and the employer's annual return is submitted within the prescribed time frame.	Checked by the internal auditor.

	Sound budgeting to underlie annual precept	Medium	All monies spent against the budget to be in accordance with the Financial Regulations.	- Draft budgets for the three-year forecast to be prepared in accordance with the Financial Regulations and a proposal approved at the December meeting. - Salary budgets to be reviewed at least annually in October for the following financial year. - Final budget and proposed precept to be approved by the Full Council during the January meeting. - Clerk/RFO to report expenditure against the budget and explanation of material variances. - Changes in earmarked reserves shall be approved by Full Council. - Appoint an internal auditor and act in accordance with their recommendations.
	Poor procurement decisions, inadequate contractor selection, or failure to demonstrate value for money	Medium	- Financial Regulations and Standing Orders followed. - Quotes obtained in line with financial thresholds. - Conflicts of interest declared. - Major contracts approved by Full Council.	Procurement decisions recorded in minutes. Annual review of contracts and supplier arrangements.
	Loss of council funds through theft, mandate fraud, invoice fraud, impersonation scams, fraudulent banking changes, or dishonesty	High	- Regular payments encouraged via bank transfer only. - No petty cash held. - Online banking requires dual authorisation. - Banking detail changes independently verified.	- Financial Regulations reviewed annually. - Clerk to present insurance documents annually for review and endorsement. - Any suspected fraud reported immediately to Full Council.

	Complying with borrowing restrictions	Low	No borrowing at present.	
Contractors	Inadequate contracting arrangements and poor contractors' performance	High	- Procedures to be defined in Council Standing Orders. - All contracts to be authorised by the Council and reviewed annually. - Performance to be monitored by Councillors or Clerk as appropriate.	- Procedures to be reviewed annually by the Council. - Contracts to be reviewed annually by the Clerk and reported to the Council prior to renewal. - Inadequate performance to be reported to the Council immediately following detection for a resolution.
Liability	Risk to third party, property or individuals	Medium	- Insurance cover for public liability in place and is reviewed annually. - Risk assessments carried out and reviewed when required. - Ensure all contractors have adequate insurance.	- Health and safety matters to be reported to Full Council. - Clerk to present insurance renewal documents to the Full Council meeting each year for review and endorsement. - Clerk to request insurance documents from all contractors.
	Legal liability as consequence of asset ownership	High	- Insurance is in place. - Quarterly checks are in place for the play equipment. - Trees investigated when damage reported. - Well houses to be kept adequately maintained and locked if necessary.	- Clerk to present insurance renewal documents to the Full Council meetings annually for review and endorsement. - An independent Inspector to carry out inspections on the play areas. Reports are reviewed, work actioned if needed and records files.
Employer Liability	Compliance with the law	Medium	- As a member of Hampshire Association of Local Councils (HALC), National Association of Local Councils (NALC) and Society of Local Council Clerks (SLCC) their advice can be sought. - All members of staff to be given a contract of employment on appointment. - Employer's liability insurance cover to be in force.	- Annual renewal to these organisations to be presented to the Council. - Staff contracts to be updated when required. - Insurance documents to be reviewed and endorsed annually by the Full Council.

	Comply with HMRC requirements	Medium	- Regular advice is issued by HMRC. - Internal and external auditor to carry out annual checks. - Payroll to be maintained as required by the Inland Revenue.	- Report from the auditors to be presented to the Council. - Checked by the internal auditor.
Legal Liability	Ensuring activities are within legal powers	High	Clerk to clarify legal position on any new proposals when required.	Legal advice to be sought where necessary.
	Proper and timely reporting via the minutes	Medium	The Full Council meets every month (with the exception of August and December). Committees meet as per the meeting schedule. Minutes of all the previous meetings are always received, approved and signed by the Chairman of the Council/Committee.	Draft minutes are added to the website when circulated to Councillors and updated when approved. Hard copies of the approved minutes and appendices are stored with the Clerk and archived as needed
Council	Councillors obligation to declare DPI's	High	- Councillors to complete Declaration of Pecuniary Interests (DPI) forms which are returned to BDBC and should be updated by Councillors as and when required. - DPI's to be declared at meetings when necessary. - Councillors to inform the Clerk of any gifts and hospitality received.	- Councillor DPI forms available on BDBC's website. - DPI's to be noted in the minutes. - Records to be kept by the Clerk of gifts and hospitality received.
	Council acting improperly	High	- Councillors are to follow the adopted Code of Conduct. - Procedures to be followed as detailed in Standing Orders, Financial Regulations and all other approved policies. - All Council decisions are recorded in the meeting minutes.	- The approved Code of Conduct should be followed and updated regularly. The document should be reviewed annually at the Annual Parish Council meeting to ensure they are in line with current BDBC and best practice. - Standing Orders, Financial Regulations, Complaints Procedure and all other policies are reviewed and approved annually.

				- Minutes are kept for future reference. - Insurance documents to be reviewed and endorsed annually by the Full Council.
	Discrimination – the Council or its employees acting in a discriminatory and/or illegal manner	Medium	The Council will act in accordance with current law and best practice.	The Council will endeavour not to discriminate in any of its dealings and actions.
	Data Protection	Medium	The Council is registered with the Information Commissioners Office and has a Data Protection Policy.	Annual renewal of registration to be confirmed at a Council meeting along with approval of the policy.
	Freedom of Information Act	Medium	The Council has a publication scheme published on the website.	The Clerk will report to the Council any requests made under the FOI Act and the scheme is to be reviewed annually.
	Loss of records	Medium	The Council's records are stored either on paper, electronically or both	- Electronic files are stored in the Cloud. - Council documents are held according to the Document Retention Policy.
	Loss of key staff	Low	Holidays should be booked to avoid the Parish Council meetings wherever possible. In the absence of staff, a Councillor or Locum Clerk will provide cover.	All holiday requests to be made with notice.
	Council unable to function due to staff absence, emergency or system failure	Medium	- Locum Clerk arrangements identified where possible. - Key passwords and access information securely recoverable. - Emergency contacts maintained. - Banking and urgent payment access arrangements documented.	Annual review of continuity arrangements by Full Council. Chairman and Clerk to maintain emergency contact information.

	Slandorous / libellous statements by employees / Councillors	Low	Insurance is in place for libel and slander.	The Clerk will present the insurance renewal documents to the Full Council meeting each year for review and endorsement.
Information Security / Cyber Risk	Loss of data, fraudulent payments, cyber-attack, phishing, ransomware, email compromise, or unauthorised access to council systems	High	- Strong passwords and Multi-Factor Authentication (MFA) used where available. - Banking detail changes independently verified before payment. - Regular backups maintained for accounting and council records. - Access restricted to authorised users only. - Antivirus and device security maintained. - Councillors and staff reminded not to authorise payments from email requests alone.	- Annual review of cyber security arrangements. - Financial Regulations include fraud prevention controls. - Clerk to report suspected incidents immediately to Full Council. - Access permissions reviewed annually.
	Website	Medium	- The website is held remotely with access by the Parish Council. - Access is password protected.	- Website is backed up three times and day and documents daily - Access is password protecting with access for only administrators.
Grant Awarding	Improper award of grants or challenge to fairness, transparency, or eligibility	Medium	- Grant Awarding Policy adopted and reviewed annually. - Applications assessed against published criteria. - Decisions made by Full Council resolution. - Grants recorded in minutes and financial records.	- Annual review of grant awards by Full Council. - Clerk to ensure policy compliance and record keeping.