



SOMERCOTES PARISH COUNCIL

RISK MANAGEMENT SCHEME 2026 - 2027



It is important to ensure that all identified risks have been formally assessed and that written assessments are completed and kept on record, as this will assist and may be used in evidence in case of any claims against the council.

The register should ideally specify and describe the risk, assess numerically the likelihood and the severity of the risk, which when multiplied together give a total risk score. The council should then look at any risk mitigation measures that are already in place, and any further measures that would further reduce the risk.

To reduce risk, Somercotes Parish Council has adequate public liability insurance in place, which transfers the financial risk to an insurance company who would seek to defend any loss or claims. Key areas of risk that should be covered through insurance by the council include:

- Public Liability
- Employers' Liability
- Property – Buildings and Contents
- Business Interruption
- Libel and Slander
- Motor
- Fidelity Guarantee

If the council is in doubt about any aspect then it should consult and discuss its policy with its insurance broker or insurance company; it is good practice to review the cover and sums insured annually. Insurance Premium Tax cannot be recovered by the council.

Risk Levels calculated using risk management score:

		Impact				
		Negligible (1)	Minor (2)	Moderate (3)	High (4)	
Likelihood	Highly likely (4)	L (4)	M (8)	M/H (12)	H (16)	• H = High Risk (score 13-16) • M/H = Medium to High Risk (score 10-12) • M= Medium Risk (score 6-9) • L = Low Risk (score 1-5)
	Likely (3)	L (3)	M (6)	M (9)	M/H (12)	
	Unlikely (2)	L (2)	L (4)	M (6)	M (8)	
	Very unlikely (1)	L (1)	L (2)	L (3)	L (4)	

SPECIFIC RISKS ASSESSMENTS AND MANAGEMENT 2026/2027

Subject	Risk identified	Risk Level	Risk Management/Mitigation	Review/Assess/Revise
MANAGEMENT				
Business Continuity	Council not being able to continue its business due to an unexpected or tragic circumstance (fire, flood, etc).	M (8)	- All electronic files are held centrally on the cloud/laptop. - Log on codes for computers/banking kept secure.	Review annually or when necessary.
Document Control	Risk of inadequate document control.	M (8)	Document retention policy in place.	Reviewed annually or when necessary.
Council Records (paper)	Loss through - Fire - Theft - Damage	L (4) L (4) L (4)	- Parish Council records stored at Somercotes Village Hall. - Records include historical correspondences, minutes, insurance, financial records etc. - The documents are stored in locked offices and archived in the roof space.	- Loss through fire/theft/damage is unlikely - Existing procedures adequate
Council Records (electronic)	Loss through fire, theft, damage or corruption of computers.	M (8)	- All records are stored on electronic files held in the computers and website. - Regular backups of data to cloud storage system. - Computers/phone access password protected.	- IT policy in place and is reviewed annually. - Existing procedures adequate
Meeting Location	Suitability of meeting venue from a Health and Safety and Accessibility standpoint	L (3)	- Meetings are held in the Parish hall - Premises and facilities are considered satisfactory from a health and safety, accessibility and comfort perspective, (disabled access and accessible toilet).	Clerk to consider suitability of alternative meeting venues if necessary
FINANCE				
Precept/Budget	Adequacy of Precept Council unable to meet financial commitments or statutory duties.	M (8)	- Sound budgeting to underlie annual precept. - Draft budget to be prepared by RFO in December. - Council considers and approves the budget/precept in January and precept request submitted to Amber Valley BC ahead of deadline. - Precept amount to be recorded in minutes.	- Reviewed annually as part of budget process. - Budget process reviewed by Internal Auditor

Budget monitoring	Inadequacy of monitoring budget spend throughout financial year.	M (8)	RFO to prepare budget monitoring report to Council on a quarterly basis.	- Financial Regulations reviewed annually or when necessary. - Reviewed by Internal Auditor
Reserves	Inadequate amount of reserves/Council unable to meet financial commitments.	M (8)	- Council has reserves policy in place and reviews its level of general fund/earmarked reserves a part of the budget process. - Level of Earmarked/General Reserves monitored as part of quarterly budget monitoring process. - Council should maintain minimum general fund reserve of 4 months worth of precept.	- Reviewed annually as part of budget process. - Reserves policy reviewed annually - Levels of General fund/Earmarked reserves reviewed by Internal Auditor
Financial Controls and Records	Risk of inadequate financial records/checks and balances.	L (4)	- Transactions recorded in Scribe accounting software and checked against monthly bank statements. - Bank accounts reconciled at the end of each month and reconciliation presented to the Council. - Monthly list of payments and receipts presented to Council for approval.	- Financial Regulations reviewed annually or when necessary. - Internal Controls reviewed by Internal Auditor
Banking	Inadequate checks/financial controls Payment of incorrect amounts Loss of cash through theft or dishonesty.	M (8)	- The Council follows its Financial Regulations which sets out the arrangements for banking. - RFO checks invoices/payment details for accuracy before setting up online payments. Dual authorisation for online payments/cheque payments.	- Financial Regulations reviewed annually or when necessary. - Bank and cheque signatories/online banking arrangements reviewed annually or when necessary.
Fraud	Loss through theft or dishonesty.	M (8)	- Control measures in place for double checking of payments/receipts/monetary transactions. - Bank accounts reconciled at the end of each month by RFO. - Internal/external audit would uncover any irregularities - The requirements of the Insurance Fidelity Guarantee to be adhered to.	Financial Regulations reviewed annually or when necessary.
Credit Card	Loss of cash through theft or dishonesty	M (8)	Credit card to be kept in Council safe and issued to authorised users as required, once used card to be returned to safe.	- Monitor on ongoing basis - Financial Regulations reviewed annually

			- Monthly limit in place for transactions. - Receipts for all transactions to be kept and checked against statements by RFO. - Credit Card policy in place	- or when necessary - Credit card policy to be reviewed annually - Reviewed by Internal Auditor
Charges and rents receivable	Non-payment of room hire/rents due to the council Loss of revenue	M (6)	- Bookings Administrator invoices for hire of village hall through Scribe accounting software and RFO records receipts when received and banked. - Council invoices Allotment associations and Tenants at Druken Close for rent due. - RFO monitors outstanding invoices that become overdue and flags to Bookings Administrator to chase outstanding payments.	Monitor on ongoing basis
Valuables and Cash	Loss through theft	M (8)	- Safe in office for cash and valuables limited to Clerk and/RFO - Bar float held in safe - Village hall secured by alarms connected to monitoring station. - Cash deposits made by RFO at regular intervals and not allowed to exceed £1000.	- Financial Regulations reviewed annually or when necessary. - Existing procedures adequate
Insurance	Failure to obtain adequate insurance with regards to public liability, cost, compliance and fidelity guarantee.	M (8)	- An annual review is undertaken of all insurance requirements and cover is adjusted as necessary. - Annual premium is reported to the Council. - Employers and Public Liability Insurance are required. - The requirements of the Insurance Fidelity Guarantee are adhered to.	- Insurance requirements are reviewed annually by Clerk/RFO ahead of insurance renewal at end of May or when necessary. - Insurance reviewed by Internal Auditor
Payroll, Tax & Pension contributions	Breach of employment laws including tax	M (8)	- Payroll managed by third party payroll provider. - Tax due to HMRC paid by RFO each month. - Pension contributions paid to DCC by RFO each month	- Review annually or when necessary. - NALC provides regular employment updates, along with HMRC and ACAS. - Reviewed by Internal Auditor
Election Costs	Risk of election costs to fill a casual vacancy.	M (8)	Election costs of up to £3,000 are held in earmarked reserves.	Review annually or when necessary.

VAT	Re-claiming, re-charging incorrectly.	L (4)	• Transactions (inc VAT amounts) are checked against invoices and recorded in Scribe accounting software. • VAT is recovered at least quarterly according to HMRC requirements.	• Review annually or when necessary. • Reviewed by Internal Auditor
Grants	Ensuring grants awarded to community organisations are genuine and awarded using correct legal powers.	L (4)	• Grants policy and application procedures in place • Council to have satisfied that any monies granted are to the benefit of the residents of the parish. • Clerk to minute any grant awarded and legal powers used. (e.g. S137, GPC etc).	• Grants policy reviewed annually. • Reviewed by Internal Auditor
Borrowing	Not complying with legislation/borrowing requirements	L (4)	• Internal Controls and Standing Orders set out requirements for borrowing. • Any decision by Council to borrow money through PWLB to be clearly minuted and any loan repayments to be budgeted for.	• Reviewed by Internal Auditor
GOVERNANCE AND ACCOUNTIBILITY				
Internal Audit	Internal Audit not being completed in time	L (4)	• RFO to prepare documents/accounting statements for Internal Audit at end of financial year. Internal Audit Report is completed and signed by the Internal Auditor.	• Internal Auditor appointed by Council annually.
Annual Governance and Accountability Return	AGAR not being completed/submitted within statutory time limits.	L (4)	• The Internal Audit Report, Annual Governance Statement and Accounting Statements are approved by Council, signed by Chair/Clerk/RFO and minuted. • Information is forwarded to the External Auditor within the time limits. • The External Auditors Report is reported to the Council one received and Notice of Conclusion of Audit is published within the required timeframes.	• Clerk and RFO prepare a timetable for Council. • Review annually or when necessary.
Rights of inspection	Non-compliance with Public Rights of Inspection period.	L (4)	• Clerk/RFO ensures that legal obligations with regards to public notices of inspection are adhered too.	• Reviewed by Internal Auditor

Legal powers and legal liabilities	Risk of illegal activity or payments	M (8)	• All activity and payments made within the powers of the Council are to be resolved and clearly minuted. • Standing Orders and Financial Regulations are kept up to date. • Terms of Reference for any committees/sub-committees • Clerk to clarify legal position on proposals and seek advice if necessary.	• Ongoing training for staff to ensure up to date with all legislation. • When establishing any new committee clear terms of reference are provided at the appointment by the Council. • Review annually or when necessary.
Compliance with Transparency Code	Non-compliance with Transparency Code	L (4)	• Clerk and RFO ensure that legal obligations with regards to the Transparency Code are adhered too.	• Reviewed by Internal Auditor
Minutes/Agendas/ Notices/Statutory Documents	Risk of being inaccurate and illegal. Non-compliance with statutory requirements for publication of documents.	L (4)	• Minutes and Agendas are produced published in the required time frames. • Agendas displayed on notice boards/website according to legal requirements • Minutes are approved and signed by the Chair at the next meeting. • Business conducted at meetings to be managed by the Chair according to Standing Orders.	• Reviewed annually or when necessary. • Standing Orders and Financial Regulations are reviewed annually. • Members adhere to Code of Conduct and Standing Orders.
ASSETS				
Land/Property and contents owned/managed by the council	Loss or damage to council property.	M (6)	• Council maintains an up to date register of property/assets for insurance, storage or maintenance purposes. • An annual review of all the Councils assets is undertaken for insurance purposes. • Any items to be disposed of follow the correct process (clearly minuted, compliance with legal requirements etc).	• Asset register reviewed annually and records kept up to date. • Insurance requirements are reviewed annually.
Maintenance	Poor maintenance of Councils assets leading to injury/claims.	M (8)	• Assets owned by the Council are regularly inspected and maintained. • Budgets held for maintenance/repair of Council's assts and monitored as part of budget process. • Any repairs and relevant expenditure is	• Existing procedures adequate

			authorised in line with the Council's Financial Regulations.	
LIABILITIES				
Data protection	GDPR breach.	M (8)	- Sensitive information stored on password protected computers. - Council only keeps information for as long as necessary as per GDPR. - Council is registered with the Information Commissioners Office	- Data protection policy reviewed annually to ensure compliance with legislation. - Annual renewal of ICO registration
Freedom of Information Act/Subject Access Requests	Risk of additional work imposed by any matters submitted under FOI/SAR.	M (8)	- The Council has a Freedom of Information policy and model publication scheme in place. If a substantial request is received, it may require many hours of additional work. - The Council can request a fee if printed copies are required.	- Freedom of Information policy and publication scheme reviewed annually. - Monitor and report any impacts under the FOI Act.
Public Liability	Risk to third party, property or individuals	M (8)	Insurance is in place. Risk assessments of every individual event undertaken.	Reviewed annually or when necessary.
MEMBERS RESPONSIBILITIES				
Members Interests	Conflict of Interests	M (6)	Councillors have a duty to declare any interest at the start of the meeting or during a meeting if an interest becomes apparent.	Review annually or when necessary.
	Risk of not maintaining Register of Interests	L (4)	Declarations of Interest recorded in minutes where appropriate.	Register of interest forms to be reviewed at least on an annual basis, in addition to when anything changes.
Councillor Propriety	Risk of not declaring gifts or hospitality	L (3)	Register of gifts and hospitality to be declared to the Clerk.	Review annually or when necessary.
	Bringing the Council into disrepute	M (6)	Councillor Code of Conduct adopted and reviewed annually.	Councillors to identify any training needs.
EMPLOYEES, VOLUNTEERS AND CONTRACTORS				
Staff	Loss of key members of staff though resignation, illness or suspension.	M (8)	A contingency fund should be kept to cover locum and recruitment/training costs in the event of loss of key members of staff.	- Review annually or when necessary. - Purchase reference books where necessary.
	Risk of injury etc.	M (8)	- All employees provided adequate direction and safety equipment need to undertake their roles. - Risk assessments are carried out for specific	- Membership of the SLCC and NALC. - Monitor working conditions through yearly appraisals.

			activities.	
Contractors	Risk of non-compliance with terms of contract	M (8)	- Contracts are reviewed annually. - Contractors public liability insurance checked when required.	Review annually or when necessary.
Volunteers	Risk of injury etc.	M (8)	Risk assessments are carried out on all activities where volunteers are used.	Review annually or when necessary.

Reviewed by Council – Date: 18/09/2026 Minute Ref: 59/26 (a)

Signed..... (Chair) Signed..... (Clerk) Signed..... (RFO)