

Nature of Risk	Size H/M/L	Likely H/M/L	Explanation and Action Required
The Council decides to spend money outside of its powers.	L	L	The Council employs a trained Parish Clerk to monitor spending projects and advise Members. Members must be aware that they could be held liable and subject to surcharge. For small parishes with small precepts, large overspending would be limited.
The Council does not have resources to meet its obligations or commitments.	L	L	The Council employs a trained Parish Clerk to monitor spending projects and advise Members. The Council budgets carefully for future projects and to set the precept accordingly. The Council maintains a reserve policy equal to 50% of the precept. For small parishes with small precepts, the Council could easily overspend. Members are aware of current bank account balances and expenditure within set budget limits.
The Council decides on a spending programme that results in a very large increase in the precept.	L	L	There is a political risk for Councillors and it should be prepared for political consequences which could result in adverse publicity. A parish meeting could be called for residents' views.
Fraudulent expenditure by the Chair and/or some other Members exerting pressure on the Parish Clerk.	L	L	All expenditure is to be authorised at Council meetings only. Fraudulent activity should be picked up at the annual audit.
Theft or fraud by the Parish Clerk.	L	L	All cheques should be signed by two signatories and the counterfoils initialled. The Parish Clerk should not be a signatory to the bank accounts. Risk is covered by fidelity insurance and audit.
Unexpected outgoing costs are incurred without the realisation of the Council. For example, a large capital investment is acquired with use of grants but no allowance is made for the running costs each year.	L	L	All such projects must be properly thought through, budgeted and dealt with on a risk basis. Councillors should consider whether any decisions made during the meeting involve risk which should be taken into consideration. Any large project undertaken is to be intensively managed during its progress as part of risk management.
There is inadequate insurance cover.	L	L	Insurance cover should be reviewed annually.
Fixed assets are lost through theft and vandalism.	L	L	An assessment should take place on each asset's health and safety assessment.
The Council fails to identify a risk.	L	L	The Council budgets for sufficient training for its Councillors and Parish Clerk.