

HATFIELD PEVEREL PARISH COUNCIL

Operational & Financial Risk Register and Risk Matrix 2026/27

This Operational and Financial Risk Register has been prepared to support the Council's governance, internal control and audit arrangements in accordance with the Accounts and Audit Regulations 2015, Governance and Accountability for Smaller Authorities in England, Financial Regulations and Standing Orders.

1. Risk Scoring Methodology

Score	Likelihood	Impact	Colour Rating
1	Rare	Insignificant	Green
2	Unlikely	Minor	Green
3	Possible	Moderate	Amber
4	Likely	Major	Red
5	Almost Certain	Severe	Red

2. Risk Matrix

Impact \ Likelihood	1	2	3	4	5
1	Low	Low	Low	Medium	Medium
2	Low	Low	Medium	Medium	High
3	Low	Medium	Medium	High	High
4	Medium	Medium	High	High	Extreme
5	Medium	High	High	Extreme	Extreme

3. Detailed Operational and Financial Risk Register

Ref	Service Area	Risk	Existing Controls	Likelihood	Impact	Initial Score	Further Mitigation / Actions	Residual Score	Responsible Officer / Body	Review
1	Insurance	Public liability claims arising from Council land or activities	£10m Public Liability Insurance maintained	2	4	8 (Medium)	Annual review of insurance adequacy	4 (Low)	Council / Clerk	Annual
2	Insurance	Injury to employees whilst undertaking Council duties	£10m Employer Liability Insurance and personal	2	4	8 (Medium)	Maintain H&S risk assessments and training	4 (Low)	Clerk	Annual

			accident cover maintained							
3	Insurance	Damage to property, equipment or assets	Comprehensive insurance cover maintained	3	3	9 (Medium)	Annual review of asset register	6 (Low)	Clerk / Council	Annual
4	Insurance	Business interruption or loss of revenue	Business interruption insurance in place	2	3	6 (Low)	Review adequacy of cover annually	4 (Low)	Council	Annual
5	Governance	Fraud or misconduct by officers or members	Officials Indemnity and Officers Liability Insurance maintained	2	5	10 (High)	Segregation of duties and regular oversight	6 (Medium)	Council	Ongoing
6	Data Protection	GDPR breach or cyber incident	Password controls, restricted access, insurance cover	3	4	12 (High)	Annual GDPR policy review and awareness training	6 (Medium)	Clerk	Annual
7	Financial Records	Loss or corruption of financial records or electronic data	Regular backups and Edge IT support agreement	2	4	8 (Medium)	Periodic recovery testing	4 (Low)	RFO	Quarterly
8	Staffing	Loss of Clerk or key officers	Locum arrangements available; password continuity procedures	3	4	12 (High)	Maintain business continuity arrangements	6 (Medium)	Council	Ongoing
9	Administration	Fraudulent payments or misappropriation of funds	Dual payment authorisation and Council approval process	2	5	10 (High)	Continue internal checks and member scrutiny	5 (Medium)	RFO / Council	Monthly
10	Administration	Banking or reconciliation errors	Monthly reconciliations	2	4	8 (Medium)	Continue independent	4 (Low)	RFO	Monthly

			and councillor review				review arrangements			
11	Governance	Incorrect procedural or legal advice	Membership of support services and Clerk membership of SLCC; legal advice obtained where necessary	2	3	6 (Low)	Continue staff and councillor training	3 (Low)	Clerk	Annual
12	Cemetery	Loss of cemetery contractor	Procurement arrangements available	2	3	6 (Low)	Maintain contractor contingency arrangements	3 (Low)	Council	Ongoing
13	Cemetery	Insufficient burial capacity	Additional burial land previously acquired	1	4	4 (Low)	Continue long-term planning	2 (Low)	Council	Annual
14	Cemetery	Unsafe memorials causing injury	Annual inspections and approval procedures	3	4	12 (High)	Maintain inspection logs and remedial works	6 (Medium)	Clerk / Council	Annual
15	Cemetery	Increase in operating expenditure	Appropriate fee review process	3	3	9 (Medium)	Monitor cemetery budget performance	6 (Low)	Council	Annual
16	Parks	Unsafe or damaged play equipment	Routine inspections and RoSPA guidance followed	3	5	15 (High)	Maintain inspection and maintenance records	8 (Medium)	Clerk / Council	Monthly
17	Precept & Budget	Precept not based on adequate budget planning	Formal budget setting process and mid-year reviews	2	4	8 (Medium)	Continue budget monitoring and reserve analysis	4 (Low)	Council / RFO	Annual

18	Financial Monitoring	Poor monitoring of income and expenditure	Monthly budget monitoring reports to Council	2	4	8 (Medium)	Maintain financial reporting arrangements	4 (Low)	RFO	Monthly
19	Legal Powers	Unlawful expenditure	Expenditure checked against statutory powers	2	5	10 (High)	Continue officer and member training	5 (Medium)	Clerk / Council	Ongoing
20	Accounting	Non-compliant accounting records	Statutory records maintained	2	4	8 (Medium)	Continue internal checks	4 (Low)	RFO	Ongoing
21	Accounting	Failure to meet statutory deadlines	Compliance timetable maintained	2	4	8 (Medium)	Annual review of statutory deadlines	4 (Low)	RFO	Annual
22	Internal Audit	Failure to comply with audit requirements	Internal auditor appointed annually	2	3	6 (Low)	Annual review of audit scope	3 (Low)	Council	Annual
23	Contracts	Failure to obtain value for money	Financial Regulations and procurement rules followed	3	4	12 (High)	Maintain contracts register and tender timetable	6 (Medium)	Council	Annual
24	Contracts	Loss of critical contractor	Alternative procurement arrangements available	3	3	9 (Medium)	Maintain supplier records	6 (Low)	Council	Ongoing
25	Governance & Legislation	Changes to local government structure or parish boundaries	Monitoring of local government reorganisation and governance reviews	2	4	8 (Medium)	Continue strategic monitoring	4 (Low)	Council	Ongoing
26	Governance & Legislation	Failure to comply with new legislation or regulations	Monitoring through support provider, SLCC	3	4	12 (High)	Annual policy review programme	6 (Medium)	Clerk / Council	Annual

			and government guidance							
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4. Key Financial and Governance Controls

- Monthly bank reconciliations completed by the RFO
- Quarterly member review of reconciliations
- Dual authorisation of payments
- Council approval of payments
- Annual internal audit
- External audit and AGAR submission
- Asset register maintained and reviewed
- Insurance reviewed annually
- Budget monitoring reports presented to Council meetings
- Compliance with Financial Regulations and Standing Orders

5. Review and Approval

Approved by Full Council: _____

Approval Date: _____

Next Review Date: _____