

Thornhackett Parish Council

Risk Management Policy and Risk Register

This policy outlines the action to be taken by Thornhackett Parish Council in relation to Audit and Risk management

Risk Management is the process whereby an assessment is made of the potential risks that could adversely affect the Council's ability to achieve its objectives and successfully implement its strategies and services.

The stages in the process are as follows:-

- Identify all the potential risks that could arise;
- Classify them into associated areas;
- Evaluate each risk in terms of its potential impact to adversely effect the Council's ability to achieve its objectives, so a risk will be classified as either Low, Medium or High;
- Identify what policies or processes are in place to eliminate completely or reduce each the impact of each risk to an acceptable level;
- The Council recognises that some risks can never be totally eliminated, and where such a risk is identified then to put in place what can be done to mitigate or reduce as much as possible that risk;
- To tabulate the results of this Risk Assessment exercise into a register to evidence that a formal review has occurred and to act as a reference point for subsequent periodic reviews.

The following Risk Register identifies the risks and the corrective and / or mitigating actions to reduce the potential impacts to the Council of these risks.

The register is divided into three separate areas of concern:

- Financial Risk – the risk to financial operation and our ability to continue to provide services to our residents and to the safeguarding of our financial resources;
- Operational Management – the risk relating to how we operate and how we are governed;
- Physical Equipment – the risk to our physical assets and those items in the public domain which are the responsibility of the Council.

FINANCIAL RISK

CONCERN	IDENTIFIED RISK	RISK LEVEL (H,M,L)	MANAGEMENT and/or MITIGATION of RISK	REVIEW & REVISE PERIODICITY
Business Continuity	Risk of Council not being able to continue functioning due to an unexpected or unprecedented circumstance.	L	Loss of Clerk or Loss of Council papers / electronic records. A business continuity plan holding simple key information is in place and is held by the Clerk, Chairman and Vice-Chairman.	Ensure adequate & regular back-up arrangements are in place; review every 2 years.
Precept	Is precept adequate for needs?	L	At the appropriate council meeting the precept amount is agreed, bearing in mind the current years actual expenditure profile and future expected needs.	Annually
	What if requirements are not submitted to Dorset Council?	L	Once the amount is formally agreed by the council, the clerk submits this to the Dorset Council.	Annually
	What if the amount is not received from the Dorset Council?	L	The clerk informs the council when the precept is received.	Every 2 years
Financial Records	Are the financial records adequate?	L	The council has Financial Regulations which set out the requirements for reporting financial information to the council.	Annually
	Could fraud or financial irregularities occur?	L	Those regulations include procedures designed to prevent fraud and irregularities.	Annually
Bank & Banking	Payments & Receipts, Bank Charges & Mistakes	L	The Clerk reconciles the bank accounts monthly to ensure transactions are correctly reflected in the financial statements reported to the council.	Annually, PLUS review signatory list after each Annual Meeting & election
Cash	Loss through theft or dishonesty	L	The council has Financial Regulations which set out the requirements for cash; no permanent petty cash or float is held by officers or staff.	Every 2 years

Reporting & Auditing	Provision of monitoring information	L	The council is presented by the clerk with a draft budget annually for the future year, plus a breakdown of current year receipts and payments (balanced to the bank statement) is presented at relevant ordinary Council meetings.	Adequacy of information is reviewed every 2 years
Purchase Orders & Suppliers Invoices	Goods billed but not received; Incorrect invoicing	L	The council is provided with details of payments and receipts for the preceding month for consideration and approval. Any anomalies are pursued by the clerk.	Adequacy of information is reviewed every 2 years
Debts & Stocks	Unpaid Invoices & Loss of Stock	L	Unpaid invoices are pursued by the Clerk with escalation to Small Claims court if necessary. Minimal stocks are held, and monitored regularly by the clerk.	Adequacy of information is reviewed every 2 years
Grants Payable	Is authorisation properly recorded?	L	All requests for such expenditure are considered by the Council in meeting and the decision is minuted accordingly.	Adequacy of information is reviewed every 2 years
Grants Receivable	Receipt of Grants	L	The Council does not routinely receive any regular grants. Any "one-off" grants would be dealt with within the specifically defined terms and conditions, and noted in the financial reports presented to the Council.	Receipt of such grants will be specifically mentioned in council meeting minutes.
Rents Payable	Payments of charges, leases and rentals	L	Any rents payable are reflected in the future payments due information presented by the clerk monthly to the council.	Adequacy of information is reviewed every 2 years
Rents Receivable	Receipt of Rents	L	Any rents due are reflected in the future payments receivable information presented by the clerk monthly to the council.	Adequacy of information is reviewed every 2 years

OPERATIONAL MANAGEMENT

CONCERN	IDENTIFIED RISK	RISK LEVEL (H,M,L)	MANAGEMENT and/or MITIGATION of RISK	REVIEW & REVISE PERIODICITY
Salaries & Associated Employment Costs	Salary Paid incorrectly	L	The Council authorises the remuneration level of all employees in line with national recommendations on terms and conditions.	Reviewed in line with changes to Employment legislation.
	Wrong deductions of NI or Income Tax	L	HMRC software templates are used for payroll calculations.	Reviewed in line with changes to Employment legislation.
	What if Tax & NI contributions are found to be unpaid to the Inland Revenue	L	Tax & NI is calculated using the HMRC Basic Tax computer programme updated annually. Payments are advised to the Council in the usual statement of payments presented for each meeting.	Reviewed in line with changes to Employment legislation.
Councillor Allowances	What if overpayments occur?	L	No allowances are paid to Councillors.	Policy Adequate
Election Costs	Financial risk to the council of an election	L	Risk is higher in an election year, however this is mitigated by the presence of financial reserves being held and carried forward year to year, that are more than sufficient to cover election costs.	Policy Adequate
VAT	Claiming back and charging	L	The Council has processes and suitable software which calculates and records VAT inputs & outputs.	Reviewed in line with any changes to VAT legislation.
Annual Audit	Submit within time limits	L	All necessary documents and statements are forwarded to the External Auditor in good time so that deadline time limits are respected.	Policy Adequate
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Council to be resolved and minuted at Full Council meeting.	All powers appropriately considered and minuted.
Minutes / Agenda / Notices / Statutory Documents	Accuracy and legality	L	Minutes and agenda are produced in the prescribed form by the Clerk and adhere to legal requirements. Minutes are approved and signed at the next Council meeting. Minutes and agenda are accessible to the public in compliance with the legal requirements.	Reviewed in line with any changes to the appropriate legislation on the conduct of local authority activities.

	Business conduct	L	Business conducted at Council meetings is managed lawfully by the Chairman in accordance with Standing Orders and with the advice and guidance of a qualified Clerk.	Members must adhere to the Code of Conduct.
Members Interests	Conflict of interest	L	The declaration of interests by members at meetings is a standing item to remind Councillors of their duty.	Policy Adequate
	Register of Members Interests	M	The register of members interests forms should be reviewed regularly by Councillors.	Every 2 years
Insurance	Adequacy	L	An annual review is undertaken at the time of policy renewal) by the Clerk of all insurance arrangements.	Periodicity Adequate
	Cost	L	Employers and Employees liability insurance is a necessity.	Annually
	Compliance	L	Ensure compliance measures are in place.	Annually
Data Protection	Policy	L	The Council is registered with the Information Commissioner.	Ensure annual review of registration
Freedom of Information Act	Policy	L	The council uses the model publication scheme for Local Councils in place.	N/A
	Provision	M	Ensure the Clerk is aware that if a substantial request arrives, then this may require many hours of additional work; (however the Council is able to request a fee if the work will take more than 15 hrs).	Monitor and report to the Council any requests made under the Freedom of Information Act

PHYSICAL EQUIPMENT

CONCERN	IDENTIFIED RISK	RISK LEVEL (H,M,L)	MANAGEMENT and/or MITIGATION of RISK	REVIEW & REVISE PERIODICITY
Assets	Risk of loss or damage to Assets; Risk of damage to third parties and/or property caused by Assets	L	An annual review of assets is undertaken for insurance provision, storage, and maintenance purposes.	Periodicity Adequate
Maintenance of Assets	Poor performance of Assets or amenities	L	All Assets owned by the Council are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the procedures agreed by the Council.	Policy Adequate
	Risk to third parties	L	All assets are insured and reviewed annually. The Asset register is reviewed as part of the annual audit process. All public amenity land is inspected regularly by parish officers.	Periodicity Adequate
Notice-Boards	Risk of damage or injury to third parties	L	All locations for the notice-boards have insurance cover and are inspected regularly by the Clerk who recommends to the Council any essential repairs/maintenance.	Policy Adequate
Street Furniture	Risk of damage or injury to third parties	L	The Council is responsible for a number of benches around the village. All locations have insurance cover and are inspected regularly by the Clerk who recommends to the Council any essential repairs and maintenance.	Policy Adequate
Meeting Location	Adequacy in terms of Health & Safety	L	The Council meetings are held at Thornford Village Hall. The premises and facilities are considered to be adequate for those who attend from both a Health & Safety, DDA, and comfort perspective.	Existing location Adequate
Council Records - In Paper	Loss through theft, fire or damage	L	The Council's current records are stored at the clerk's home address on the council laptop computer. Historic records (historical correspondence, minute books, and other records) are stored at the village hall ?	Damage (apart from fire) and Theft are considered unlikely and so current provisions are considered adequate.
Council Records - Electronic	Loss through theft, fire, damage or corruption of computer	L	The Council's electronic records are password controlled and stored on the council's laptop computer. File back-ups are made weekly and	Damage (apart from fire) and Theft are considered unlikely and so current

			stored off-site on external hard drives. Computer maintenance is undertaken annually with latest anti-malware and anti-virus software available.	provisions are considered adequate.
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Review Date: within 3 years of adoption by Council
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