

TOLLER PORCORM PARISH COUNCIL

DRAFT Risk Management Register

Updated: 14 May 2025 | Next review date: May 2026 | Last review date: 14 May 2025

Adopted: 11 November 2020

Financial risk

Risk area	Risk identified	Level of risk	Management of risk	Action taken/to be taken
1. Financial records	Inadequate records hiding financial irregularities	HIGH	Responsible Finance Officer (RFO) adheres to council's Financial Regulations. Accounts approved at each council meeting. Signatories have access to bank accounts. Reviewed annually by internal auditor (IA)	Governed by Financial Regulations which are reviewed annually. IA is independent and competent.
2. Budget	Insufficient funds	HIGH	Quarterly actual v estimate reports reviewed and approved at each council meeting. Finance Working Group estimates expenditure for next financial year in October and makes recommendation to council in November when budget is set.	Governed by Financial Regulations which are reviewed annually. Finance Working Group recommends budget to council.
	Precept not applied for	HIGH	RFO aware of Dorset Council deadline. Council approve budget in November and precept applied for in January.	Precept applied for before deadline
	Unexpected expenditure	HIGH	Reserve of £13,000 available	Reserve of £20,000 by 2032
3. Internal audit	Failing internal audit and rectifying errors	HIGH	RFO adheres to council's Financial Regulations and Smaller Authorities Proper Practices Panel (SAPPP)'s Practitioners' Guide. Accounts approved at each council meeting.	Governed by Financial Regulations which are reviewed annually. Internal audit takes place annually.
4. Annual Governance and Accountability Return (AGAR)	Incorrect information	HIGH	RFO adheres to council's Financial Regulations and Smaller Authorities Proper Practices Panel (SAPPP)'s Practitioners' Guide. Submission is approved by IA and council.	Governed by Financial Regulations which are reviewed annually. IA is independent and competent.
	Late submission and fine	MEDIUM	RFO adheres to SAPPP'S Practitioners' Guide and submission deadline	AGAR submitted before deadline
	Rights of inspection	LOW	RFO adheres to SAPPP'S Practitioners' Guide and inspection dates.	Governed by SAPPP's Practitioners' Guide

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			Documents published on website and on village notice board.	
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5. Banking	Inadequate banking practices	HIGH	RFO and councillors adhere to council's Financial Regulations which state payments must be authorised by 2 signatories. Clerk/RFO and two councillors are bank signatories.	Governed by Financial Regulations which are reviewed annually.
	Payments set up for incorrect amounts	MEDIUM	Payments approved in advance at council meeting. RFO sets up payments which are checked and authorised by a councillor.	Governed by Financial Regulations which are reviewed annually.
	Bank balances not reconciling	HIGH	Bank reconciliation done monthly by RFO	Checked by councillor at every meeting
6. VAT	Not meeting HMRC regulations	HIGH	RFO completes and submits VAT 126 claim form based on calculations in Scribe accounting system	Governed by Financial Regulations which are reviewed annually. Reviewed annually by IA.
	Not claiming VAT back	MEDIUM	RFO completes and submits VAT 126 claim form when VAT reaches £200 and at least annually	Governed by Financial Regulations which are reviewed annually.
7. Payroll	Liability of National Insurance Contributions and Income Tax	MEDIUM	Finance Working Group estimates expenditure for next financial year in October and makes recommendation to council in November when budget is set.	Governed by Financial Regulations which are reviewed annually. Finance Working Group recommends budget to council.
	Liability of pension contributions	MEDIUM	Finance Working Group estimates expenditure for next financial year in October and makes recommendation to council in November when budget is set.	Governed by Financial Regulations which are reviewed annually. Finance Working Group recommends budget to council.
	Incorrect salary payments made	MEDIUM	Salary and allowance payments are approved in advance at council meetings. Pay scale changes are recommended by the Staffing Committee and approved by council. Additional hours are approved by the Chair as per the employment contract.	Governed by Financial Regulations which are reviewed annually. Governed by employment contract.

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	Not meeting HMRC regulations	MEDIUM	RFO ensures regulations are met by using HMRC PAYE Basic Tools software to calculate deductions and net salary and payments are made to relevant authorities as required.	Payments reviewed by council at each meeting. Reviewed annually by IA
8. Information Commissioner's Office (ICO)	Fine for non-registration	MEDIUM	Paid annually by direct debit	Paid by direct debit
Risk area	Risk identified	Level of risk	Management of risk	Action taken/to be taken
9. Staff	Integrity of staff	HIGH	Written references required for new staff. Employer's liability insurance is adequate.	Written references acquired. Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA.
	Theft, fraud and embezzlement	HIGH	Clerk/RFO adheres to council's Financial Regulations which state payments must be authorised by 2 signatories. Clerk/RFO and two councillors are bank signatories. Signatories have access to bank accounts. Payments are approved in advance at council meetings and all payments are done online. No petty cash is held. Bank reconciliations done monthly by RFO. Accounts reviewed annually.	Governed by Financial Regulations which are reviewed annually. Bank reconciliations checked by councillor at every meeting. Reviewed annually by IA.
	Compensation and legal fees from staff making a claim against council	HIGH	Appropriate policies in place. Employer's liability insurance is adequate.	Lone Working Policy may be required – 28.04.25: clerk to investigate current Health and Safety policy. Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA.
	Claims against staff for errors arising from performance of their duties	HIGH	Staff to receive adequate training. Employer's liability insurance is adequate.	Clerk achieved Introduction to Local Council Administration (ILCA) qualification in 2024 and is working towards Certificate in

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				Local Council Administration (CILCA).
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10. Borrowing	Unable to make repayments	HIGH	Repayments considered in expenditure. Finance Working Group estimates expenditure for next financial year in October and makes recommendation to council in November when budget is set.	Governed by Financial Regulations which are reviewed annually. Finance Working Group recommends budget to council.
11. Grants	Incorrect powers used to provide grants	LOW	Grants are given under specific powers: Local Government Act 1972 (LGA 1972), s137 or General Powers of Competence.	Grants currently given under LGA 1972, s137. Reviewed annually by IA.
12. Contracts	Not obtaining value for money	MEDIUM	Clerk/RFO adheres to council's Financial Regulations which state three quotes must be obtained	Governed by Financial Regulations which are reviewed annually. Contracts are awarded by approval of council.

Property risk

Risk area	Risk identified	Level of risk	Management of risk	Action taken/to be taken
13. Property owned by council	Loss or damage	HIGH	An up-to-date register of assets. Public liability insurance is adequate.	Asset Register reviewed annually by council in May and by IA. Asset Register published annually on website with finance documents. Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA.
	Loss or damage to office equipment	HIGH	An up-to-date register of assets. Public liability insurance is adequate. Office equipment is kept at the clerk's home in a dry and safe environment. Printer is kept at the Vice Chair's home in a dry and safe environment.	Asset Register reviewed annually by council in May and by IA. Asset Register published annually on website with finance documents.

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				Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA.
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	Loss or damage to files and documents	HIGH	Files and documents relevant to the current financial year are kept at the clerk's home in a dry and safe environment. Archived files and document are kept in a locked filing cabinet in the Village Hall. Digital files and documents for 10 year period are stored in a password secured Microsoft One Drive cloud storage and on a solid hard drive.	Solid hard drive to be transferred to the Chair for safe keeping when last financial year is updated.
	Damage to third party property or individuals	HIGH	Property maintenance and inspection regime. Public liability insurance is adequate.	Inspection regime annually by councillors and quarterly by paid inspectors. Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA.
	Asset Register out of date	MEDIUM	An up-to-date register of assets. Changes minuted. Assets recorded as purchase value until disposed of as per BDO Audit Feb 2011. Came & Co advise column of replacement value (new for old) to avoid under-insuring	Asset Register reviewed annually by council in May and by IA. Assets recorded as advised.

Policy risk

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14. Standing Orders	Inadequate or out of date	HIGH	Based on National Association of Local Councils (NALC) model standing orders adjusted accordingly. Reviewed annually or when updates are made by NALC.	Reviewed by council annually in May and by IA.

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15. Financial Regulations	Inadequate or out of date	HIGH	Based on National Association of Local Councils (NALC) model financial regulations adjusted accordingly. Reviewed annually or when updates are made by NALC.	Reviewed by council annually in May and by IA.
16. Councillors Code of Conduct	Inadequate or out of date	HIGH	Based on Local Government Association (LGA) model code of conduct and adjusted accordingly. Reviewed annually or when updates are made by LGA.	Reviewed by council annually in May and by IA.
17. All other policies	Inadequate, out of date or missing	HIGH	Policies in place as required by legislation	All policies reviewed annually or bi-annually as required or when updated due to changes in legislation. 28.04.25: clerk to investigate required Data Protection policies and bring to council for approval.

General risks

Risk area	Risk identified	Level of risk	Management of risk	Action taken/to be taken
18. Councillors	Failing to declare an interest	HIGH	Councillors aware of responsibilities under Code of Conduct. Declaration of interests is on all agendas and declarations are minuted.	Councillors review Code of Conduct annually. Training on Code of Conduct is actively encouraged.
	Claims against councillors for errors arising from performance of their duties	HIGH	Councillors receive adequate training. Liability insurance is adequate.	Councillors actively encouraged to take training courses and a training record is kept by the clerk
	Register of Interests (ROI) not up to date	LOW	Councillors updated ROI within 30 days of acceptance of office. Councillors aware of their responsibility to keep ROI up to date.	Upon request, clerk informs councillors how to update ROI
	Gifts and hospitality not declared or recorded	LOW	Councillors aware of their responsibility to declare gifts and hospitality to the clerk	Clerk reports gifts and hospitality to the Monitoring Officer

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19. Legal powers	Making decisions that are ultra vires (without legal authority)	HIGH	Clerk ensures actions and decisions are lawful by consulting legislation	Clerk is working towards CiLCA to gain General Powers of Competence for council
20. Professional services	Unethical or irresponsible services providers	HIGH	Standing Orders and Financial Regulations dealing with the award of contracts. Dorset Association of Parish and Town Councils (DAPTC) provides legal advice and service provider recommendations.	Hiring of IA reviewed regularly. Other services hired based on best available advice.
21. Ad hoc provision of activity to community	Injury to public	LOW	Public liability insurance is adequate. Providers of activity are risk assessed.	Insurance held with Hiscox, renewal date 1 June, reviewed by council annually in May and by IA. Copies of providers' public liability insurance obtained.
22. Business continuity	Epidemic or pandemic	MEDIUM	Follow government advice. Follow guidance from DAPTC/NALC/Dorset Council for operation of council if unable to meet in person. Emergency delegation of payments to the clerk.	Council is prepared to conduct council meetings online