



STURMINSTER NEWTON TOWN COUNCIL

2026 – 2027

Risk Management Policy

Legal basis and review

This policy supports the Council's compliance with the Accounts and Audit Regulations 2015, particularly the requirement to maintain a sound system of internal control including arrangements for the management of risk. It also supports the Council's wider duties as an employer and public body under relevant health and safety, employment, data protection, equality and local government legislation. The policy, risk schedule and control measures should be reviewed at least annually, approved by Council, and updated sooner if there are significant changes to the Council's activities, assets, services or legal responsibilities.

- Accounts and Audit Regulations 2015, regulation 3
- Local Government Act 1972, section 111
- Health and Safety at Work etc. Act 1974, sections 2–3
- Management of Health and Safety at Work Regulations 1999, regulation 3
- Local Audit and Accountability Act 2014, sections 26–27
- UK GDPR and Data Protection Act 2018
- Equality Act 2010, section 149

RISK MANAGEMENT POLICY

This policy and assessment considers the main risks that could affect the Council's ability to deliver services, protect public money, manage assets and meet its responsibilities to staff, volunteers, contractors and members of the public. These risks include financial loss, service disruption, damage to Council property, failure to comply with legal duties, and injury or other significant harm arising from Council activities or omissions. The table below is intended to identify the Council's significant risks across its financial, governance, administrative, operational, property and public safety functions.

In the case of each topic:

- the relevant risks are identified;
- the assessed level of risk prior to the application of any control measures is stated; and
- the control measures designed to reduce the level of risk as low as reasonably practicable are described.

		Consequences		
		Minor 3	Moderate 2	Major 1
Likelihood	Probable A			
	Possible B			
	Unlikely C			
		Low Risk	Medium Risk	High Risk

The initial level of risk has been scored as Low, Medium or High based on the likelihood of its happening and the predicted consequences before control measures are applied. The table above illustrates how this scoring works. The following are illustrative examples: Minor consequences include financial losses below £1,000, inconvenience or mild distress to any person, disruption to or suspension of public service delivery that is only partial or which lasts no more than two working days and delay to a project where time is not critical. Major consequences include financial loss exceeding £25,000, death or serious personal injury to any person, complete cessation of a public service for a period exceeding four weeks and the failure of a major project. Moderate consequences include anything between these two.

The control measures are designed to reduce the likelihood of harm occurring, the impact if it does occur, or both. Higher-rated risks require stronger controls and clearer evidence that those controls are being applied in practice. For that reason, the table identifies the responsible officer, committee or Council body for each area.

RISK ASSESSMENT

Key to abbreviations used:

AM	Amenities Committee
C	Clerk
F&P	Finance & Policy Committee
FO	Finance Officer
GM	Grounds Manager
IA	Internal Auditor
MO	Monitoring Officer
P&E	Planning & Environment Committee
R	Receptionist
RFO	Responsible Finance Officer
TC	Town Council

Topic	Risk Identified	Risk Level H/M/L	Control Measures	Responsible Member/Officer
Financial management and internal control				
General	Various	M	• Cllr/Staff training and thorough knowledge of procedures. • Annual Health and Safety Audit • Internal and external audit. • Insurance arrangements reviewed annually alongside the risk assessment to ensure cover remains appropriate for the Council's activities, assets and liabilities.	RFO/TC
Annual Budget	Not set/approved by Council	L	• Budget timetable agreed each year.	RFO/F&P/TC

			- First draft budget presented to F&P in October, second draft budget to F&P in December - Budget recommended by F&P to Full Council in January. - Meeting time allocated until budget is agreed by TC.	
	Inadequate/inappropriate coding structure	L	RFO to continually review suitability of coding structure to ensure fit for purpose.	RFO
	Expenditure exceeds or significantly under-achieves budget	M	- F&P to review quarterly budget comparison including large variances, shortly after each financial quarter (to include earmarked reserves). Recommendation to TC. - Ensure reserves are sufficient for Councils needs in line with NALC recommendations (currently 3-6 months).	F&P/TC
Precept	Not submitted on time	L	RFO to diarise for January.	RFO
	Not paid by Dorset Council	L	RFO to diarise for April & October.	RFO
	Insufficient precept set	M	- RFO to review current financial position when presenting operations budget figures to F&P. - RFO to present known additional expenditure and predicted market variances to F&P for consideration. - Precept levels reviewed at budget setting to ensure appropriate levels for the following financial year.	F&P/RFO
Bank Accounts	Bank Account Access is restricted to authorised officers/members	L	Ensure sufficient numbers of signatories mandated on bank accounts to allow continuity of access if staff/members leave.	TC/RFO
Other income	Inappropriate post handling: - lost - not dealt with - destroyed - stolen	L	Post to be open promptly on arrival and distributed immediately. (Minimal post received).	R

	Improper cash handling	L	- Cash handling to be minimised. - Where cash is received this should be recorded in the finance software and banked promptly.	FO
	Bank reconciliations	L	- FO/RFO to check bank statements and reconciliations monthly - F&P Chair to check bank statements and reconciliations as part of quarterly checks.	FO/RFO/F&P
	Invoices not sent/incorrect	L	- FO to create sales invoices at appropriate times. - Invoices to be checked by RFO as part of the monthly process.	FO/RFO
	Fees charged incorrectly or not at all	L	Fees are reviewed annually by F&P; appropriate rates are set and applied.	F&P
Investment income	Non-receipt	L	Investment income received and recorded correctly in the financial software	FO
Salaries	Wrong salary/hours/rate paid	L	- RFO to run and process payroll. - F&P chair to check actual total spend against budget as part of quarterly checks. - Internal Auditor to check wages in line with NJC Scales and spot check individual payroll.	RFO/F&P
	Wrong deductions – NI and income tax	L	Payroll software kept up to date.	RFO
Assets	Loss, Damage, Theft, etc.	M	- Locks, alarms and CCTV. - Assets Register maintained by RFO and reported to TC annually. - Physical check of items against assets register each year by RFO/GM	RFO/GM/TC
	Inadequate sums insured	L	Insurance schedules checked against the asset register annually to ensure sums insured, property cover and specialist items remain adequate.	RFO

			- Periodic professional revaluations. (minimum 5 yearly) - RFO to review sums insured annually.	
	Non-renewal of insurance	M	- RFO to diarise meeting with insurance rep. - RFO to diarise renewal date. - RFO to confirm renewal TC annually.	RFO/TC
Cash at bank	Loss due to: - loss of account details - bank error or failure “advance fee” - or other types of fraud through improper payment	M	- Records are kept securely. - Diversification of holdings of reserves to maintain entitlement to FSCS protection. - Payment limits recorded in Financial Regulations. - FO to check balances monthly. - Internal Audit to review cash balances at internal audit visits.	FO
Payments made	Goods/services not supplied	L	FO to ensure goods received.	FO
	Invoice incorrectly calculated or recorded	L	- FO to check arithmetic on invoices. - All invoices to be checked and authorised by RFO and/or Grounds Manager before payment.	FO/RFO/GM
	Payment is excessive or to wrong party	L	Payment details are scheduled by FO and then checked by RFO (or R if RFO absent).	FO/RFO/R
Safe custody	Loss, Damage, Theft, etc of critical documents or irreplaceable regalia	L	- Keeping of such items to be minimised. - Small items to be kept in locked safe in the TC office as much as possible. - Electronic backup of documents retained. - Insurance cover for civic regalia, documents and valuables reviewed annually, with secure storage and booking records retained to support any claim. - Only authorised staff to have access to the safe. - Booking system for removal of regalia from site is recorded. - Signature is required to indicate acceptance of responsibility for regalia.	R/FO/RFO

Legal liability	Liability for compensation or costs arising from public liability, employer's liability, etc.	L	- Public liability, employer's liability and other relevant legal liability insurance reviewed annually by TC to ensure cover remains fit for purpose and recorded in the minutes. - Staff and members are aware of Councils insurance cover. - Staff and members are aware of all health and safety procedures for all Council business through training.	TC/RFO
Grants	No power to pay or no evidence of Council agreement to pay	L	- Power agreed in advance. - Grants considered by F&P and approved by TC and recorded in minutes.	F&P
	Conflict of interest	M	- Maintaining Electronic Register of Members' Interests. - Members to declare interests at any meeting where grant applications are received.	F&P/TC
	Conditions either not imposed or not monitored	L	FO to implement grants policy criteria that evidence is received that grant money is spent as per application form.	FO
VAT	Incorrect analysis	L	Ensure relevant staff are adequately trained.	RFO
	Failure to charge on sales	L	Ensure relevant staff are adequately trained.	RFO
	Incorrect claim submitted for project	M	- Ensure relevant staff are adequately trained. - If necessary, seek professional advice.	RFO
	Claims not submitted on a regular basis.	L	FO to submit digital VAT return on a quarterly basis.	FO
Reserves - General	Inadequate	L	- Ensure sufficient general reserves exist. 3-6 months expenditure held in reserve.	TC

Reserves - Earmarked	Are not regularly reviewed	L	F&P to consider earmarked reserves quarterly for TC approval.	F&P/TC
Governance, administration and compliance				
Staff	Loss of key personnel	M	Governance review in progress to be concluded in 2026.	TC
	Fraud by staff	L	Fidelity Guarantee/Internal Crime cover to be set appropriately and reviewed annually by TC.	TC
	Breach of employment contract	M	- Employ service of HR support - Staff handbook available and up to date. - Compliance with employment contracts regularly reviewed	RFO
Legal Powers	The Council act ultra vires	M	- Council work under the LGA1972 and Accounts and Audit Regulations 2015. - Councillors are clear about roles and responsibilities, duties and powers.	TC
Financial Records	Loss, Damage, Theft, Failure to keep, etc.	M	- Council adopts a records retention policy. - Records are stored securely.	F&P/RFO
Minutes	- Inaccurate or illegal - Loss, Damage, Theft, Failure to keep, etc.	L	- Paper copies of minutes stored securely. - Electronic copies stored remotely and backed up regularly by IT support provider.	RFO
Planning	Failure to comment effectively (or at all) on important planning applications	M	- Regular committee meetings. - Committee terms of reference to be followed. - Training offered on material planning considerations	P&E/TC/C

Service Level Agreements	The TC fails to meet contractual obligations to other organisations. Reputational risk.	M	- Service level agreements exist to formalise arrangements with third parties. - Contracts to be renegotiated at appropriate intervals. - AM receives regular reports from the GM.	FO/RFO
Councillors	Members do not adhere to the standards of public life which may damage the reputation of the Council	M	- Council adopt the NALC code of conduct and civility and respect policies. - New councillors receive a member induction pack and are offered regular training. - Appropriate contact with MO if required.	TC/C
	Lack of understanding of role leading to Councillors acting on behalf of the body corporate.	M	- New Councillor and regular additional training to be offered. - C employed as Proper Officer to advise TC.	TC/C
IT equipment	Loss of data/Business interruption	M	- Back-up arrangements. - IT support available	RFO
	Unauthorised access – - staff personal data, confidential information about contracts, members of the public - Access to passwords to payment systems, Payroll, - destruction of data, loss of service	M	- Use of encryption and strong passwords - Antivirus protection and firewall in place - IT Policy for regular changes of password. - Data management policy in place - Ensure access to systems is revoked immediately upon staff/member leaving.	RFO
Grounds Operations				
Open spaces and recreation areas	Failure to identify defects, hazards or damage to land, paths, seating, bins, signs or other public assets.	M	- Routine inspections carried out and recorded. - Defects made safe, repaired or referred to contractors as appropriate. - Public liability insurance reviewed annually against the Council's open spaces, recreation areas and public-facing assets as listed in the asset register.	GM/AM

Play equipment	Injury to users arising from defective play equipment, surfacing or inadequate inspection records.	M	- Regular visual inspections undertaken and recorded. - Annual independent play inspection arranged and findings actioned. - Dangerous equipment isolated or removed from use until repaired. - Public liability insurance.	GM/AM
Allotments	Injury, site deterioration, water issues, boundary problems or failure of volunteer management arrangements.	M	- Volunteer group manages day-to-day operation on behalf of the Council, robust management agreement in place. - Annual review to check, insurance cover, audit procedures, health and safety. - Council spot check inspection undertaken and recorded. - Issues requiring Council action reported to the relevant officer or committee.	GM/C/AM
Sturminster Newton Mill	Risk of injury, deterioration of a historic building, service interruption or financial liability arising from maintenance and restoration needs. Failure of management agreement.	M	- Volunteer group manages the Mill under robust management agreement. - Maintenance and restoration requirements monitored and reported to Council. - Insurance, lease responsibilities, maintenance obligations and restoration risks reviewed with the Mill working group and reported to TC where required.	C/RFO/AM/TC
Industrial unit – grounds storage	Fire, theft, damage, unsafe storage, unauthorised access or inadequate lease and insurance arrangements for the grounds storage area.	M	- Storage area kept secure and used only for appropriate Council equipment and materials. - Fire safety, access, security and storage arrangements reviewed. - Lease terms, property/contents cover, equipment insurance and security arrangements reviewed annually.	GM/RFO/AM
Industrial unit – youth club area	Building safety, safeguarding, insurance, service failure or unclear responsibilities where the youth club area is operated by a provider. Reputational risk.	M	Provider responsible for day-to-day youth club delivery under agreed robust service level arrangement.	C/RFO/AM/TC

			- Council checks provider insurance, safeguarding arrangements and reporting routes where appropriate. - Building safety, lease responsibilities and maintenance issues reviewed and reported.	
Trees	Injury, property damage or obstruction arising from unsafe trees or fallen branches.	M	- Visual checks undertaken as part of routine grounds inspections. - Professional tree inspections arranged where risk, age, condition or location requires it. - Urgent works commissioned where trees present an immediate safety risk.	GM/AM
Cemetery memorials	Injury or distress caused by unstable, damaged or unsafe memorials.	M	- Memorial safety inspections undertaken and recorded. - Unsafe memorials made safe in line with cemetery procedures. - Public liability insurance maintained for cemetery responsibilities.	GM/C/AM
Cemetery operations	Injury, service failure or legal liability arising from grave digging, interments, ashes interments, records or contractor activity.	M	- Cemetery regulations reviewed every two years. - Cemetery records maintained accurately and securely. - Contractors required to provide appropriate insurance and safe working arrangements. - Operational issues reported to the relevant officer or committee.	C/GM/RFO/AM
Grounds maintenance	Injury to staff, volunteers or public arising from mowing, strimming, manual handling, chemicals, weather or working near roads.	M	- Task-based risk assessments and safe working procedures maintained. - Staff training, PPE and supervision provided where required. - Accidents, incidents and near misses recorded and reviewed. - Public and Employers Liability Insurance reviewed annually.	GM/C/AM
Vehicles, plant and tools	Theft, damage, breakdown, injury or uninsured use of	M	- Equipment maintained, inspected and stored securely. - Use restricted to trained or competent staff.	GM/RFO/AM

	Council vehicles, machinery, tools and equipment.		- Fleet insurance, equipment cover and asset register reviewed annually. - Driving licence checks done annually	
Contractors	Poor workmanship, injury, non-compliance, lack of insurance or failure to deliver agreed grounds services.	L	- Contractors selected in line with financial regulations and procurement requirements. - Insurance, competence, risk assessments and method statements checked where appropriate. - Work monitored by the relevant officer and issues reported where needed.	GM/RFO/AM
Lone working	Staff working alone may be injured, become unwell or be unable to obtain assistance quickly.	M	- Lone working arrangements in place and reviewed. - Staff use agreed communication and check-in arrangements. - Higher risk activities avoided or subject to additional controls.	GM/C/AM
Accident reporting and insurance	Failure to record incidents, review causes or maintain insurance appropriate to operational risks.	L	- Suitable Risk Assessments carried out for all Council activities. - Accidents, incidents and near misses recorded and reviewed. - Public liability, employer's liability, property and equipment insurance checked annually. - Insurance levels reviewed against current activities, assets and services.	GM/RFO/AM/TC

We have checked and agree that:

- The table above includes all significant risks that should be considered in 2026-2027
- The control measures described in the table above are appropriate in 2026-27; and

Approved on:

Review due: