FINANCIAL RISK MANAGEMENT 2025-2026				
Subject	**Risks Identified**	**H/M/L**	**Management Control of Risks**	**Review/Assess/Revise**
Councillors	Losing Councillors membership or having more than 4 vacancies at any one time.	L L	When a vacancy arises there is a legal process to follow. This either leads to a by-election or into a co-option process. An election is out of the PC's control. The co-option process begins with an advert, acceptance of applications, consideration of applications and co-option vote at a full PC meeting then appointment. If there is more than 4 vacancies at any one time on the PC it becomes inquorate. The legal process of HDC appointment members takes place.	Existing procedures adequate. Procedures of another body are adequate.
Business Continuity	Risk of PC not being able to continue its business due to an unexpected or tragic circumstance.	L	Business Continuity Plan adopted in March 2020.	Existing procedures adequate.
Precept	Adequacy of precept demand not submitted to HDC in time. Request not received by HDC.	L L L	To determine the precept amount required the PC regularly receives budget updates information and the precept is an agenda item at a full PC meeting. At the precept setting meeting the PC receives a budget update report, including actual position and projected positive to the YE with indicative figures or costings obtained by the Clerk/RFO. With this information the PC maps out the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved to be the precept amount to be requested from HDC. This figure is submitted by the Clerk/RFO in writing to HDC. Precept should be considered by the PC before the deadline – deadline should be ascertained from HDC ASAP. The Clerk informs the PC when the monies are received; approximately April.	Existing procedure adequate.
Financial Records	Inadequate Records; Financial Irregularities.	L	The PC has Financial Regulations which set out the requirements.	Existing procedures adequate. Annual review of Financial Regulations.
Bank & Banking	Inadequate checks. Bank mistakes.	L L L	The PC has Financial Regulations which set out the requirements for online banking and reconciliation of all accounts. The bank does make occasional errors in processing payments which are discovered when the Clerk/RFO reconciles the bank accounts once a month. These are dealt with immediately by informing the bank and awaiting their corrections.	Existing procedures adequate.

	Loss of signatories.	L	The PC would choose replacements but the bank takes time to implement changes. This mostly happens after the Annual Parish Meeting /Elections.	
Cash Loss	Loss through theft or dishonestly.	L	The PC has Financial Regulations which set out the requirements. Cash/Cheques received are banked within 3 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually.	Existing procedure adequate.
Litigation	Potential risk of legal action being taken against the PC.	M	Public Liability insurance covers general personal injury claims where the PC is found to be at fault but spurious or frivolous claims – these cannot be insured against.	Insurance is adequate for requirements but there is still risk of other claims.
Report & Auditing	Information, Communication, Compliance.	L M	A monitoring statement is produced regularly and presented to the PC, discussed and approved at the meeting. This statement includes bank reconciliation, budget update and a breakdown of receipts and payments balance against the bank.	Existing procedures are adequate.
Direct Costs Overheads Expenses & Debts	Goods not supplied but billed. Incorrect invoicing, Payment incorrect, Loss of stock, Unpaid Invoices.	L L L	The PC has Financial Regulations which set out the requirements. At each PC meeting the list of invoices awaiting approval is distributed to Cllrs and considered. The PC approves the list of requests for payment. The PC has minimal or no stocks; these are checked and monitored by the Clerk/RFO if appropriate.	Existing procedures are adequate.
Grants & Support Payments	Power to pay. Authorisation by PC to pay.	L	All such expenditure goes through the required PC process for approval, minuted and listed accordingly if payment is made using S137 power of expenditure.	Existing procedures adequate. PC request S137 rules if required.
Grants Receivable	Receipt of Grant.	L	The PC does not presently receive any regular grants. One off grant would come with terms and conditions to be satisfied.	Procedure would need to be formed, if required.
Charges; Rents payable	Payment of charges; leases, rentals.	L	The PC does not have regular charges payable. Any one-off charge would be dealt with according to appropriate terms and conditions.	Procedure would need to be formed, if required.
Charges; Rents receivable	Receipt of payments. insurance implications.	L M	Pavilion & Playing Fields; The Clerk issues Hire Agreements on behalf of Rotherwick Playing Field Trust CIO scheduling payment terms. Both parties sign the Hire Agreement and the copy is held in the CIO records. All payments are received via BACS only.	Existing procedures adequate.
Best Value; Accountability	Work awarded incorrectly. Overspend on services.	L M	Normal PC practice would be to seek three quotations for any substantial work required to be undertaken or goods purchased. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contractor the Clerk/RFO would investigate the situation, check the quotation/tender, research the problem and report to the PC. This is covered in the Financial Regulations.	Existing procedures adequate.
Salaries & Associated Costs	Salary paid incorrectly. Wrong hours paid. Wrong hourly rate paid. False Employee. Wrong deduction of NI or Tax.	L L L L M	The PC authorises the appointment of all employees through all PC meetings. Salary rates are assessed annual by Employment Committee. Currently there is only 1 employee whose salary is paid by Standing Order approved by full PC. All tax and NI payments are submitted to Inland Revenue Annual Return. The Contract of Employment contains a section on overpayment and recoup.	Existing appointment system adequate. Existing payment system is adequate.

Employees	Loss of Clerk/RFO Fraud by Clerk Actions undertaken by Clerk/RFO Health & Safety	M L L L	Requirement of Business Continuity Plan should be made in case of loss of key personnel. The requirement of the Fidelity Guarantee insurance to be adhered to with regards to fraud. The Clerk/RFO should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	New procedure/plan adopted. Renew Clerk's members of SLCC annually (as per employment contract). Monitor working conditions, safety requirements and insurance regularly.
Councillor Allowances	Councillors over paid Income Tax deduction	L	All Councillor allowances are approved at a full PC meeting and covered in Standing Orders and Financial Regulations.	Existing procedures adequate.
Election Costs	Risk of an election cost	H	Risk is higher in an election year. When a scheduled election is due the Clerk/RFO will obtain an estimate of costs from the District Council for a full election and un-contested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process.	Existing procedure is adequate. PC should consider saving each year to cover all costs of a full election.
V.A.T.	Reclaiming/Charging	L	The Council has Financial Regulations which set out the requirements. V.A.T. is claimed regularly.	Existing procedures are adequate.
Employers Annual Return	Paying and accounting for NI and Tax of employees' salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue withing the prescribed time frame by the Clerk/RFO.	Existing procedures are adequate.
Audit – Internal	Audit complete within time limits	L	Internal Auditor is appointed by the PC. Internal Auditor is supplied with the relevant documents to audit and the AGAR to complete and sign for the External Auditor. Procedures are all covered in the 'Review of Effectiveness of the system of internal Audit which is reviewed annually.	Existing procedures are adequate.
Annual Return (AGAR)	Completion and Submission within time limits	L	The AGAR is completed and submitted to the Internal Auditor and then to the PC for completion and signing before being sent off to the External Auditor within the time limited	Existing procedures are adequate.
Legal Powers	Illegal activity or payments	L	All activity and payments within the power of the PC to be resolved and minuted at full PC meetings. As per the Financial Regulations	Existing procedures are adequate.
Minutes/Agenda Notices Statutory Documents	Accuracy and Legality Business Conduct	L	Minutes & Agendas are produced in the prescribed method by the Clerk/RFO and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following PC meeting. Minutes & Agendas are displayed according to the legal requirements. Business conduct at PC meetings should be managed by the Chair.	Existing procedure adequate. Guidance/Training to Chair should be given (if requited). Members adhere to the Codes of Conduct.
Members Interests	Conflict of interest	L	The agenda request all members to declare any interests relating to any agenda item(s) during each PC meeting. These interests are noted in the minutes and the declaring Member is excluded from comment and/or discussions and subsequent voting.	Existing procedure adequate.
Insurance	Adequacy Cost Compliances	L L L	An annual review is undertaken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee Liability insurance is a necessary and must be paid for. Ensure compliance measure are in place.	Existing procedures adequate. Review insurance provision annually. Review of compliance.

Date Protection	Policy Provision	L	The PC is registered with the Information Commissioners Office	Ensure annual renewal of registration.
Freedom of Information	Policy Provision.	L	The PC has a Model Publication Scheme for local councils in place. The Clerk is aware that if a substantial request arrives then this may require many hours of additional work. The PC is able to request a fee if the work will take more than 5 hours but the applicant also has the right to re-submit the request broken down into sections, thus negating the payment of a fee.	Monitor and report any impacts of requests made under FOI Act.
Assets	Loss or Damage. Risk/Damage to 3rd Party(ies) property.	L L	An annual review of assets is undertaken for insurance provision, storage and maintenance provisions.	Asset Register to be updated annually.
Maintenance	Poor performance of assets or amenities. Risk to 3rd Party(ies).	L	All assets owned by the PC are regularly reviewed and maintained. All repairs and relevant expenditure for these repairs are actioned/authorised in accordance with the correct procedures of the PC. All assets are insured and reviewed annually. All public amenity land is inspected regularly by parish employee or Lead Councillor.	Existing procedure adequate. Ensure inspections are conducted.
Noticeboards	Risk/Damage/injury to 3rd Party(ies). Roadside safety.	L	The PC has two noticeboards sited around the village. Both locations have approval of relevant parties, insurance cover, inspected regularly by the Clerk/RFO – any repair/maintenance requirements brought to the attention of the PC.	Existing procedures adequate.
Street Furniture	Risk/Damage/Injury to 3rd Party(ies).	L	The PC is responsible for various benches, bins, bus shelter and phone box which are covered by insurance. These are inspected regularly by the PC – all reports of damage or faults are reported to the PC and/or dealt with.	Existing procedures adequate.
Meeting Location	Adequacy. Health & Safety.	L	The PC meetings are held at the Village Hall. The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health & Safety and comfort aspects.	Existing procedures adequate.
Council Records; Paper	Loss through theft, fire damage.	L	The PC records are stored in 2 locations - historic records are with Hampshire County Council. Records between 2000 and 2024 are in storage at the Clerk's house in robust storage containers with current/most recent records at the Clerk's house within various filing systems.	Damage (apart from fire)f ad theft is unlikely and so provision adequate. Review storing more records with HCC.
Council Records; Electronic The Parish	Loss through theft, fire, damage, corruption of computer.		The PC electronic records are stored on the Clerk's computer. Back ups of the files are taken at regular intervals to the cloud.	Existing procedures adequate.

Reviewed at the PC meeting held on 18 June 2025

Signed by: ………………………………………………………………………………………………. Clerk & Responsible Financial Officer