FAIR OAK & HORTON HEATH PARISH COUNCIL
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FINANCE RISK ASSESSMENT

Date Adopted	28 July 26
Review Date	July 2027

FAIR OAK AND HORTON HEATH PARISH COUNCIL
FINANCIAL MANAGEMENT RISK ASSESSMENT

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimize them. In conducting this exercise, the following method was followed: -

1. Identify the areas to be reviewed;
2. Identify what the risk may be;
3. Ascertain the risk level;
4. Evaluate the management and control of the risk; and
5. Action required
6. Identify review date

Activity	Risks identified	Risk level H – High M – L - Low	Management/control of Risk	Review/Assess/Revise
Section One (Insurance to Help Manage Risk)				
Business continuity	Risk of Council not being able to continue its business	**L**	Considered remote. But risk is covered in the Council's approved emergency resilience and business continuity plan.	Review Emergency Resilience and Business Continuity Plan every 2 years.
Property and contents owned by the Council	Loss or damage	**H**	Up-to-date register of assets – adequate insurance cover	Annual review of the schedule of assets and insurance.
Damage by third party or to individuals	Public liability	**L**	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.
Consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party	Public liability	**L**	Annual review of risk and adequacy of cover	The Council has public liability insurance up to 10 million pounds.
Loss of cash through theft or dishonesty	Fidelity Guarantee	**L**	The Council is insured for £800,000 Fidelity Cover	

Legal liability as a consequence of asset ownership	Public liability	**H**	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.
Section Two (Working with others to help manage risk)				
Security for vulnerable buildings, amenities, andequipment		**M**	Where a high risk occurs, the Council has installed CCTV to protect from vandalism and theft.	Any repairs required are carried out as quickly as possible. Maintenance contracts have been awarded in respect of CCTV.
The provision of services being carried out under agency/partnership	Standing Orders and Financial Regulations deal with the award of contracts etc.	**L**	Standing Orders and Financial Regulations are reviewed everyyear or as and when required.	
Banking arrangements	Detect and deter fraud or corruption	**L**	Monthly bank reconciliations are completed. The RFO presents a Financial Statement monthly.	
Ad hoc provision of amenities/facilities for events to local community groups	Public liability	**L**	A copy of the groups public liability insurance is obtained, andprior permission is sought from the Council	
Vehicle or equipment lease or hire		**L**	The Council has an account witha reputable hire company	
Trading units: – Playing fields Pavilion Cemetery Woodland Community Centre Horton Heath Community Centre	Works are completed in house – external contractors are rarely used	**L**	The RFO reviews the existing contracts annually.	
Professional Services (solicitors, planning etc.)	Standing Orders and Financial Regulations deal with the award of contracts etc.	**L**	Standing Orders and Financial Regulations are reviewed every year or as and when required.	

Section Three (Self-Managed Risk)				
Non-availability of RFO/Exec Officer	Ineffective administration of Council	**L**	Deputy Exec Officer to cover Exec Officer or RFO post when needed	Deputy Exec Officer to cover Exec Officer or RFO post when needed
Salaries and associated costs	Salaries paid incorrectly/wrong hours/rate paid/wrong tax deductions/unpaid tax contributions	**L**	Pay slips are produced & checked monthly by the RFO.	The existing payroll system is adequate.
Proper financial records	In accordance with statutory requirements	**L**	Regular scrutiny of financial records and proper arrangements for the approval of expenditure.	Quarterly accounts submitted to Committee and Council. End-of-year budgets are scrutinised by the Council's internal and external auditors. Accounts are easily accessible to the public for viewing.
Budget	Inadequate monitoring	**L**	Budget T&F group set budget in Oct & Nov; final budget agreed by Council in December. Financial reviews conducted on a quarterly basis.	Existing procedure of regular reporting and monitoring by FullCouncil is adequate.
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Salaries and associated costs	Salaries paid incorrectly/wrong hours/rate paid/wrong tax deductions/unpaid tax contributions	**L**	Pay slips are produced & checked monthly by the RFO.	The existing payroll system is adequate.

Payments Approval	Inadequate checks	**L**	A monthly finance statement is reviewed and approved by Council. This includes bank reconciliation and a breakdown of receipts and payments. Payments are agreed by Full Council and signed by 2 bank-mandated councillors. A hard copy is stored in the minute book for internal audit and public scrutiny.	Existing procedure of regular reporting and monitoring by Full Council is adequate.
Annual Returns	Return submitted late	**L**	Annual returns completed by the RFO every April. Annual return approved by full Council before submission.	Reviewed annually.
Business activities	Ensuring they are within the legal powers applicable toLocal Councils	**L**	Recording in the reports presented to the council of theprecise powers under which expenditure is being approved.Checks made by the Internal Auditor.	
Borrowing	Complying with restrictions	**L**	The Council has no borrowings or loans	
Employment Law and Inland Revenue regulations	Ensuring all requirements are met	**L**	The Council is a member of the South East Employers and has adopted the green book policy. The Council administers its own payroll internally managed by theRFO.	
VAT	Ensuring all requirements are met under Custom and Excise regulations and that VAT is recovered.	**L**	Regular returns of VAT are made quarterly. The Council is now VAT registered. VAT claims submittedquarterly as part of budget monitoring.	

Reserves & Precept	Inadequacy of existing funds and precept levy, preventing the Council from carrying out its statutory duties and services	**L**	Council expenditure is monitoredby senior officers reporting to the Finance Committee and Full Council. The Council has a policy to maintain reserves, in its public sector fund account not less thanhalf the annual precept amount. The Council determines its precept amount required for the next year by examining the previous year receipts and payments data,a forecast for the year, and a draftbudget for the forthcoming year reflecting ongoing costs, financialcommitments, proposed changesto expenditure, and corporate projects. Money is then allocated to certain cost centres (headings)by the RFO. Consideration is alsogiven to any income sources. The level of precept amount is then agreed with Eastleigh Borough Council	Monitoring of the budget and review of forthcoming budget requirements is undertaken regularly by officers and members.
Grants to local community bodies	Ensuring the proper use of funds granted under specific powers or under s.137 and that the allocation of funds is transparent	**L**	All requests and monitoring of grants are made to the Finance Committee annually.	
Council Minutes	Proper, timely and accurate reporting of council business in the minutes	**L**	Minutes are properly numbered with a master copy kept in safekeeping – minutes are periodically sent to the Archive Office in Winchester.	
Rights of inspection	Responding to electors wishing to exercise their rights of inspection	**L**	Adoption of the revised Freedom of Information Act Dec 2008	As and when there are relevant changes in legislation

Consultation invitations	Failure to respond appropriately to consultations	**L**	Procedures in place to deal with responses to consultation requests via relevant committees and/or officer delegation.	
Document control/electronic records	Proper systems in place safeguarding potential loss of vital documents	**L**	Documented procedures for document receipt, circulation, response, handling and filing. Computer records are stored online using Microsoft 365. Accounts system held in supplier server, updated daily.	
Website/social media	Inadequate or outdated information and lack of public engagement with use of website, email and Facebook.	**L**	Virus checks and website security updates are in place.	Virus software purchased annually
GDPR	Ensure that the Council meets its statutory obligations	**M**	Necessary corporate documents relating to Data Protection and privacy are adopted and reviewed annually. Council undertakes data audits annually and seeks consent from individuals where data is retained.	GDPR compliance reviewed on anongoing basis by senior officers.
Section Four (Councillors Propriety)				
Register of Members' Interests and Gifts and Hospitality	In place, complete and up to date	**L**	Procedures in place for recording and monitoring Members' interests etc.	Revised as recommended by IA
Member Interests	Conflict of interest	**M**	Councillors have a legal duty to declare any interest at the start of meetings.	Existing procedures adequate. Members to take responsibility to inform the Exec Officer to any updates totheir interest form/register.

	Register of Members' Interests	**L**	Register of Members of Interest form to be reviewed at least on an annual basis.	Existing procedures adequate. Members to take responsibility to inform the Exec Officer to any updates totheir interest form/register.