

## **Froyle Parish Council – Financial Risk Management Record**

	<b>Risk Area</b>	<b>Risk Identified</b>	<b>Impact of Risk (H/M/L)</b>	<b>Frequency of Occurrence (H/M/L)</b>	<b>Management of Risk</b>	<b>Action Required</b>
1	Property and content owned by the Council	Cost of repair or replacement if lost, stolen or damaged. May impact on available funds to complete annual programme	M	L	Play equipment: frequent checks by FPC for obvious problems, check by RoSPA approved consultant three times a year and FPC reviews consultant's insurance cover  War memorial: regular checks to ensure no risk from overhanging trees	Continue regular equipment and site checks and prompt attendance to maintain. Provision included in annual budget/earmarked reserves for maintenance costs
2	Cyber security	Parish Council data and accounts are compromised or lost due to cyber attack	M	L	Any data loss in an attack may not be critical to the continued operation of PC, but could nonetheless impede the smooth running of the PC for some time.	Adhere to cybersecurity best practices for systems and accounts used for PC. Ensure regular backups of PC data and testing of restoration.  Review level of cyber risk annually
3	Damage or harm to third party property or individuals working on Council business	Successful claim against Council by third party for compensation reduces funds available to complete annual programme	L	L	Ensure contractors are aware of risk to third party property when working on Council business.  Ensure Council and contractor insurance cover in place before work commences	Adequacy of insurance cover reviewed annually by FPC and with Internal Auditor (IA) prior to renewal date.  Review Contractor policy cover level adequate and in place as

	Risk Area	Risk Identified	Impact of Risk (H/M/L)	Frequency of Occurrence (H/M/L)	Management of Risk	Action Required
						condition of contract prior to start of work; file copy
4	Consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party	Additional unbudgeted expenditure required to complete annual programme	L	L	<p>Council income limited to magazine advertising to defray production costs</p> <p>Insure against losses if part of existing policy</p> <p>Losses through non-performance of a third party could be significant for a major project e.g. ditch clearance. Due diligence of strength of counterparties pre award. Availability of funds to cover such occurrences and allow the work to be completed must be considered when budgeting.</p>	<p>Exposure amounts to c.2% of annual precept. Covered by standard insurance terms re consequential loss. Annual review of cover by FPC &amp; IA</p> <p>Undertake due diligence of prospective contractors as part of tender evaluation. Include contingency funds in project budget</p>
5	Loss of PC funds through cybersecurity breach, theft or dishonesty	Council funds may be insufficient to pay for agreed programme	H	L	<p>Internal controls and financial authorities associated with contracts and payments.</p> <p>Maintain security of bank accounts' access and passwords</p>	Annual review of procedures by FPC and IA. Loss covered by insurance and/or bank if fraud
6	Legal liability as a consequence of asset ownership	Third party claim against Council following an incident on Council property	M	L	Property maintenance and public liability insurance cover in place	Adequacy of insurance cover reviewed annually by FPC and with Internal Auditor (IA) prior to renewal date

	<b>Risk Area</b>	<b>Risk Identified</b>	<b>Impact of Risk (H/M/L)</b>	<b>Frequency of Occurrence (H/M/L)</b>	<b>Management of Risk</b>	<b>Action Required</b>
7	Security for vulnerable buildings, amenities or equipment	War memorial damaged and piece falls on someone	L	L	War memorial regularly inspected for risk of falling trees etc (ref 1 above). Public liability insurance in place	Ensure adequate insurance cover in place
	Provision of services being carried out under agency/partnership agreements with principal authorities				Not applicable	No action proposed
8	Banking arrangements including borrowing or lending	Council funds may be insufficient to pay for agreed programme	H	L	FPC to regularly review cash flow forecasts and remaining funds	FPC to review expenditure programme and determine areas for cutback. If none available investigate sourcing of additional financing
9	Ad hoc provision of amenities/facilities for events to local community groups	Liability to member of public in case of accident when using Council facilities if not properly maintained  Risk for Froyle considered to be limited to ad hoc public use of	M	L	Property maintenance of Council facilities  Ensure adequate insurance in place and maintained	Regular review of facilities Annual review of level of insurance cover by FPC and IA

	<b>Risk Area</b>	<b>Risk Identified</b>	<b>Impact of Risk (H/M/L)</b>	<b>Frequency of Occurrence (H/M/L)</b>	<b>Management of Risk</b>	<b>Action Required</b>
		Recreation ground and play area?				
	Trading units (Leisure centres, playing fields, burial grounds etc.)				Not applicable	No action
10	Professional services (architects, accountancy, design etc)	Unsuitable contracts and tendering procedures			Follow approved procedure for award of contracts; CALC for legal review;	FPC and IA review Financial regulations annually; other reviews as required
11	Proper financial records	Records not kept in accordance with statutory requirements	L	L	Ensure form of record keeping meets reporting, control and statutory requirements e.g. HMRC	Review at least annually by FPC and IA
12	Business activities	Ensure within legal power of Council	L	L	Regular reference to legislation and guidance from HALC etc as required	IA review of activities and identification of any incidents of procedures not being followed
13	Borrowing	Unauthorised borrowing entered into	L	L	Standing orders and Financial regulations	IA review annually to confirm any borrowing follows approved processes
14	Employment Law and	Grievance raised by employee.	L	L	Any grievance would be handled in accordance with the dispute procedure as defined in the Contract and Statement of Particulars of Employment	IA review annually

	<b>Risk Area</b>	<b>Risk Identified</b>	<b>Impact of Risk (H/M/L)</b>	<b>Frequency of Occurrence (H/M/L)</b>	<b>Management of Risk</b>	<b>Action Required</b>
15	HMRC regulations inc PAYE	Submissions not made or don't comply with HMRC requirements	L	L	Follow HMRC guidelines	IA review annually
16	VAT	Returns not consistent with HMRC regulations	L	L	Follow HMRC guidelines	IA review returns annually
17	Annual precept	Level of precept challenged by residents or insufficient to carry out annual programme	L	L	Council sets precept vs spending programme using sound budgeting principles	IA reviews process in year end audit and signs off
18	Monitoring of performance	Overspend of budget leading to insufficient funds to complete annual programme	M	L	Quarterly financial reports of expenditure vs budget	Councillors review expenditure vs budgets at least quarterly
19	Grants awarded	Ensure proper use of funds granted to local community bodies	L	M	All grants based on formal application with supporting information; approval minuted	IA review of grants awarded and process used
20	Council Minutes	Accurate, timely and proper reporting of Council business in minutes to reduce possibility of	M	M	Clerk properly trained of legal requirements for minute taking	Posted in public domain with residents aware of where to find; IA & External Audit review

	<b>Risk Area</b>	<b>Risk Identified</b>	<b>Impact of Risk (H/M/L)</b>	<b>Frequency of Occurrence (H/M/L)</b>	<b>Management of Risk</b>	<b>Action Required</b>
		resident challenge to decision taking process				
21	Rights of inspection	Public right to inspect documents which must be available	M	L	Maintain all records in public domain on a timely basis	Ensure information location is known and easily accessible.  Develop effective Communications strategy supported by website and social media platform which are regularly updated
22	Document control	Risk of losing key documents that may be required leading to legal challenge	L	L	Ensure proper systems in place that comply with Statute of Limitations; Ensure security of archived data both hard copy and electronic	Processes to be developed and approved
23	Register of Members Interests and Gifts and Hospitality	Councillors identified as benefiting from a decision due to personal interest	L	L	Declaration at start of Council meetings  Raise awareness that any offers of gifts and hospitality should be recorded and referred to Clerk before accepting	IA and District Council review declarations and register
23	Compliance with Transparency Code	Risk of Freedom of Information request creating significant effort to collect information and ultimately defend	L	M	Maintain all records in public domain on a timely basis  Councillors use Parish Council email addresses	Ensure information location is known and easily accessible.  Councillors to stop using personal email addresses for Council business

	Risk Area	Risk Identified	Impact of Risk (H/M/L)	Frequency of Occurrence (H/M/L)	Management of Risk	Action Required
		<p>against legal challenge in worst case.</p> <p>Encourage use of Parish Council email accounts only as FOI request could extend to accessing all records in a personal email account</p>				

*Reviewed and approved by Froyle Parish Council at its meeting on 9 March 2026*