



Financial Risk Management Record

Notes

Risk is an uncertain event or condition that, if it occurs, will affect the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.

Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. Risk management is an ongoing activity that comprises four elements: identifying risks; assessing risks; addressing risks; and reviewing and reporting. The Parish Council uses the following matrix to assess the likelihood and severity of the risks it manages.

The table below is used by the Parish Council and the risk owners to assess risk.

		SEVERITY			
		ACCEPTABLE Little to no effect on event	TOLERABLE Effects are felt but not critical to outcome	UNDESIRABLE Serious impact to the course of action and outcome	INTOLERABLE Could result in disaster
LIKELIHOOD	IMPROBABLE Risk is unlikely to occur	LOW 1	MEDIUM 4	MEDIUM 6	HIGH 10
	POSSIBLE Risk will likely Occur	LOW 2	MEDIUM 4	HIGH 8	EXTREME 11
	PROBABLE Risk will occur	MEDIUM 3	HIGH 5	HIGH 9	EXTREME 12



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Owner	Subject	Risks Identified	Risk RAG and score	Management control of risks	Review/Assess/Revise
VR	Business continuity	Risk of Council not being able to continue its business due to an unexpected or tragic circumstance.	MEDIUM 4	There is no business continuity plan in place due to the council not having offices. However, the Clerk's email is stored online at our web provider and can be accessed by another councillor. The Clerk's passwords & usernames for access to HMRC, WCC, SDNP etc. are deposited with the Chairman in a sealed envelope. The Clerk's work for the council is now performed on a council owned MacBook and can be recovered; documents are now stored to Icloud a cloud-based server.	<ul style="list-style-type: none">• Add the current provisions for business continuity to Standing Orders.• Set up business continuity work group to compile suitable business continuity plan.
VR	Precept	<ul style="list-style-type: none">• Adequacy of precept.• Requirements not submitted to WCC in time.• Amount not received by WCC.	MEDIUM 6	<ul style="list-style-type: none">• To determine the precept amount required, the Parish Council regularly receives budget update information from the RFO, and the precept is discussed alongside the budget requirements for the following year, at the November and December Full Council Meetings. A budget report is presented which includes the	Existing procedure adequate



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				<p>Council's actual and projected financial position to end the year and indicative costings of new projects obtained by RFO and Councillors. Using this information the Council 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 Winchester City Council. This figure is submitted by the Clerk in writing to WCC. The Precept request should be considered by Council before the deadline - deadline should be ascertained from WCC ASAP. The Clerk informs Council when the</p>	



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				monies are received (circa April/May and September)).	
VR	Financial Records	<ul style="list-style-type: none"> Inadequate records Financial irregularities 	LOW 1	The Council has Financial Regulations which set out the requirements	<ul style="list-style-type: none"> Existing procedure adequate. Review of Financial Regulations Annually
SA/VR	Bank & banking	<ul style="list-style-type: none"> Inadequate checks Bank mistakes Loss Charges Loss of signatories 	MEDIUM 6	<p>The Council has Financial Regulations which set out the requirements for banking checks.</p> <p>The establishment of Direct Debits/Standing Orders and reconciliation of accounts.</p> <p>The Bank Account is reconciled monthly by the Clerk. Most payments are made by bank transfer or direct debit. The Chair of F&GP checks the Quarterly Reconciliation, and an Independent Councillor review takes place annually. Any corrections/mistakes are notified to</p>	Existing procedures adequate.



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				<p>the bank ASAP. Signatories are changed if a member resigns; replacements would be added to the mandate, normally after the AGM/Elections but the Bank takes time to implement changes.</p>	
SA	Cash / Loss	<ul style="list-style-type: none"> Loss through theft or dishonesty 	MEDIUM 4	<ul style="list-style-type: none"> The Council has Financial Regulations which set out the requirements. There are very few cash/cheques transactions as most are performed via electronic banking. However, if received cheques are banked within 3 banking days. There is no petty cash or float. This is audited by the Internal Auditor annually. 	<ul style="list-style-type: none"> Existing procedures adequate.
PA	Litigation	<ul style="list-style-type: none"> Potential risk of legal action being taken against the Council. 	MEDIUM 4	<p>Public liability Insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims</p>	<ul style="list-style-type: none"> Insurance in place. Annual review of insurance cover Risk Assessments are completed where appropriate and reviewed



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				<p>- these cannot be insured against. The members are covered by officer insurance as long as they act within the powers of council.</p>	<p>annual except where there is a change of risk.</p>
VR/SA	Finance Reporting & auditing	<ul style="list-style-type: none">Information communication Compliance	MEDIUM 6	<ul style="list-style-type: none">Cash in hand balance is presented at each meeting along with bills to pay. The annual budget position is presented to Council Quarterly and F&GP look at the position more closely each month, this includes making the cash book and the monthly budget position available to view.Council should regularly audit internally to comply with the Fidelity Guarantee.The New Accounting System provided by Scribe makes it possible for all Councillors to view the accounts at any time. The new	<p>F&GP to review cash book and full list of bills paid.</p>



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				<p>finance makes the recording of Council financial information easier and more transparent, also reducing entry errors & allows for easier reconciliation of bank accounts and reporting.</p>	
VR	<ul style="list-style-type: none"> • Direct costs • Overhead expenses • Debts 	<ul style="list-style-type: none"> • Goods not supplied but billed. • Incorrect invoicing • Cheque payable incorrect • Loss of stock • Unpaid invoices 	MEDIUM 4	<ul style="list-style-type: none"> • The Council has Financial Regulations which set out the requirements. <p>At each Council meeting the list of invoices awaiting approval is distributed to Councillors and considered. Two Councillors volunteer to check each invoice against the list of bills to pay. Council or F&GP approves the list of requests for payment, the bank payments are prepared for payment by the clerk and authorised by a councillor bank signatory. The</p>	Existing procedure adequate



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				<p>Council has no stocks. Unpaid invoices to the Council are reviewed and followed-up on, as necessary. Payment is often obtained in advance.</p>	
VR/PA	Grants and support -payable	<ul style="list-style-type: none"> • Power to pay. • Authorisation of Council to pay 	MEDIUM 4	<p>All such expenditure goes through the required Council process of approval & is minuted and listed accordingly if a payment is made using the S137 power of expenditure</p>	<ul style="list-style-type: none"> • Existing procedure adequate. • Parish Councillors can request S137 rules if required.
VR	Grants - receivable	Receipts of Grant	MEDIUM 4	<ul style="list-style-type: none"> • The Parish Council receives only one regular grant which is the Boomtown Community Fund. This is paid annually upon application and is subject to availability and approval by Boomtown Fair. 	<ul style="list-style-type: none"> • Procedure would need to be formed, if required – (updated)



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				<ul style="list-style-type: none"> One off grants applications would come with terms and conditions to be satisfied 	
SA	Charges -rentals payable	Payments of charges, leases, rentals	LOW 1	The Parish Council enters into a lease with all organisations wanting to rent pitches. These are reviewed and renewed annually. Income received is reported monthly to FCM on the bills to pay list.	Existing procedure adequate
VR	<ul style="list-style-type: none"> Best value Accountability 	<ul style="list-style-type: none"> Work awarded incorrectly Overspend on services 	MEDIUM 4	Normal Parish Council practice would seek, if possible, more than one quotation for any work required to be undertaken or goods. For major contract services, formal competitive tenders would be sought. If a problem is encountered with a contract the Clerk would investigate the situation, check the quotation/tender, research the	<ul style="list-style-type: none"> Existing procedure adequate. Include when reviewing Financial Regulations Annually.



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				<p>problem and report to Council. This is covered in the Financial Regulations.</p>	
SA/VR	Salaries and associated costs	<ul style="list-style-type: none"> • Salary paid incorrectly. • Wrong hours paid/Wrong rate paid • Incorrect NI, Pension or Tax Deductions • Unpaid Tax & NI contributions to the Inland Revenue 	<p>MEDIUM 5</p>	<ul style="list-style-type: none"> • The Parish Council authorises the appointment of employees through council meetings. • The Clerk has a Contract of Employment and Job Description. The Contract of Employment contains a section on overpayment and recoup. • Salary rates are assessed annually by Council and applied on 1 April each year. • Clerk Salary, NI, Tax and Pension is calculated and processed monthly by independent payroll provider and signed off by members at F&GP or Full Council. Salary and Tax are paid manually by BACS, a DD is used to collect Pension payments • All Tax and NI payments are 	<ul style="list-style-type: none"> • Existing appointment system Adequate. • Existing payment system adequate.



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				submitted in the Inland Revenue Annual Return. <ul style="list-style-type: none"> If a meeting is cancelled or is not quorate payments could potentially be late or missed. 	
SA	Employees	<ul style="list-style-type: none"> Loss of Clerk Fraud by Clerk Actions Undertaken by Clerk 	MEDIUM 5	<ul style="list-style-type: none"> Use of a temporary Clerk to be considered immediately to provided essential cover whilst recruitment procedure is being initiated. Business Continuity section of the insurance policy to be initiated if cost/benefit supports that action. Initiate Business Continuity Plan. The Recruitment Procedure should be used in case of loss of key personnel. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to Fraud. 	<ul style="list-style-type: none"> Business Continuity Plan to be developed. Clerk onboarding procedure to be reviewed and documented. Arnold Baker purchased for clerk/Clerk is a full member of the SLCC
N/A	Councillor Allowances	<ul style="list-style-type: none"> Councillors over-paid Income tax deduction 	N/A	No allowances are allocated to Parish Councillors at the present time. Councillors can submit claims for	No procedure required.



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				motor mileage under WCC/HMRC approved scheme.	
PA	Election costs	Risk of an election cost	HIGH 8	Risk is higher in an election year, there has not been a history of calling for a Bye-election for any casual vacancies. When a scheduled election is due the Clerk will obtain an estimate of costs from the Winchester City Council for a full election and an uncontested election. There are no measures which can be adopted to minimise the risk of having elections, as this is a democratic process. The Council has a strategic reserve for these types of situations.	<ul style="list-style-type: none">Existing procedure adequate.Council holds a reserve for unexpected costs such as this.Council working resolve single ward situation to reduce risks associated with election costs.
VR	VAT	Re-claiming/charging	MEDIUM 4	<ul style="list-style-type: none">The Council has Financial Regulations which set out the requirements. VAT is claimed on a 6-monthly basis.	<ul style="list-style-type: none">Existing procedure adequate during normal circumstances.



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				<ul style="list-style-type: none"> • Training provided for RFO 	<ul style="list-style-type: none"> • VAT reclaim process during transition from one Clerk to next to be included in Clerk onboarding procedure review.
VR	Employers Annual Return	Paying and accounting for NI and Tax of employees' salaries	MEDIUM 4	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time frame by our independent payroll provider.	Existing procedure adequate.
SA	Audit - Internal	<ul style="list-style-type: none"> • Audit • Completion within time limits 	LOW 2	<ul style="list-style-type: none"> • The Internal auditor is appointed by the F&GP Committee. The Internal auditor is supplied with the relevant Documents to audit along with the Annual Governance and Annual Return forms to complete and sign for the External Auditor. • Procedures are all covered in the 'Review of Effectiveness of the 	Existing procedure adequate



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				system of Internal Control' which is reviewed annually.	
SA	Annual Governance and Annual Return (AGAR)	Completion/Submission within time limits	MEDIUM 4	Annual Return is completed and signed by the Council, submitted to the Internal Auditor for completion and signing, then checked and sent on to the External Auditor within time limit. Failure to return causes reputational damage and additional costs to Council	Existing procedure adequate.
VR	Legal powers	Illegal activity or payments	MEDIUM 4	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council Meetings, including a reference to the power used if necessary, as the Financial Regulations prescribe.	Existing procedure adequate.



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VR PA/SA/CL/DW/ DS/SJ/CJ/PM/JB	<ul style="list-style-type: none"> Minutes Agendas Notice Statutory documents 	<ul style="list-style-type: none"> Accuracy and legality Business conduct 	LOW 2	<ul style="list-style-type: none"> Minutes and agenda are produced in the prescribed method by the Clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the following Council/Committee meeting. Minutes and agenda are displayed according to the legal requirements. Business conducted at Council/Committee meetings should be managed by the Chair. 	Existing procedure adequate. Guidance/training to Chair should be given (if required). All Members to adhere to Code of Conduct
PA	Members Interests	<ul style="list-style-type: none"> Conflict of interest Register of Members interests 	LOW 2	<ul style="list-style-type: none"> Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind Councillors of their duty and should remain on the agenda. 	<ul style="list-style-type: none"> Existing procedure adequate. Members take responsibility to update their Register



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				<ul style="list-style-type: none"> Members must declare a personal interest if there a topic under consideration - where a Councillor or a member of their family or close associate might benefit, to a greater extent than the majority of those in the Parish from a Council decision but does not affect the Councillor's judgement of the public interest. Register of Members Interest forms should be reviewed annually by Councillors and submitted to WCC. 	
VR	Insurance.	<ul style="list-style-type: none"> Adequacy of cover Compliance Fidelity Guarantee 	MEDIUM 5	<ul style="list-style-type: none"> An annual review is undertaken (before the time of the policy renewal) of all insurance. Ensure compliance measures are in place. Ensure Fidelity checks are in place. 	Existing procedure adequate.



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				<ul style="list-style-type: none"> Employers and Employee liability insurance is a necessity and must be paid for 	
DW/DS/VR	Data protection	Policy Provision	MEDIUM 4	<ul style="list-style-type: none"> The Council is registered with the Information Commissioner Office Registration is on an annual DD 	<ul style="list-style-type: none"> GDPR is on the Workplan and unless informed of legislation change GDPR policy will be reviewed every two years to ensure it is complying with current legislation Brexit may cause data protection rules to change. Review Policy as necessary. All Councillors must comply with GDPR regulations. Complete annual GDPR Audit. Add to F&GP Calendar
DW/DS/VR	Data security	Loss of data Data capture Denial of service		<ul style="list-style-type: none"> Data is held in cloud servers and automatically synchronized. 	<ul style="list-style-type: none"> A majority of data is in the public domain.



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DW/VR	Website Accessibility	Policy Provision	LOW 2	The Council must comply with Government Website Accessibility Regulations as set out in the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018	<ul style="list-style-type: none">Council has issued Website Accessibility Statement. Webmaster and Clerk working towards compliancy. Accessibility Statement must be reviewed and updated whenever elements of plan are completed.
DW/DS/VR	Freedom of Information Act	Policy Provision	MEDIUM 6	<ul style="list-style-type: none">The Council 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 Council can 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 the Freedom of Information Act.



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				<ul style="list-style-type: none"> The Council have adopted to follow the Guidance of the Smaller Authority Transparency Code and have procured a website facilitating greater publication of Council Data. 	
CL	Assets	Loss or Damage or malfunction Risk/damage to third party(ies)/property	MEDIUM 4	An annual stocktake of the assets for their existence, condition with any suggested work and insurance cover.	Asset Register to be checked/updated annually.
VR	Council records: paper	Loss through theft/fire/damage	MEDIUM 4	<ul style="list-style-type: none"> The Parish Council records are stored in 2 locations – historical records are with Hampshire County Council. Records between 2021 to date are stored at the clerk’s residence. All minutes are available online at the Parish Council web site. 	<ul style="list-style-type: none"> Damage (apart from fire) and theft is unlikely. Clerk to move historic records to HCC records office annually.



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VR	Council records: electronic	Loss through theft, fire, damage/corruption of computer	LOW 1	Council's electronic records are stored on the Clerks computer, Icloud and the Website.	Back up of electronic files stores in the 'Cloud'.

Reviewed at:

Agreed at: 13/03/2025

Minute Number: FCM 13th March 7.b)

Signed by: To be signed by Chairman _____