



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
RAD	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 PC and can be recovered; documents are now stored to 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.
RAD	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.</p> <p>The Precept request should be considered by Council before the deadline - deadline should be ascertained from WCC ASAP.</p> <p>The Clerk informs Council when the</p>	



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				monies are received (circa April/May and September)).	
RAD	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
YR/RAD	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. 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 the bank ASAP. Signatories are</p>	Existing procedures adequate.



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				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.	
YR	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. The clerk holds the Council Multi Pay Card to perform credit card purchases on behalf of the council. The monthly limits on expenditure are set and expenditure categories are specified	<ul style="list-style-type: none">Existing procedures adequate.



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				to prevent fraud. All transactions on the card are reported to council monthly.	
PA	Litigation	<ul style="list-style-type: none"> Potential risk of legal action being taken against the Council. 	MEDIUM 4	Public liability Insurance covers general personal injury claims where the Council is found to be at fault, but not spurious or frivolous claims - these cannot be insured against. The members are covered by officer insurance if they act within the powers of council.	<ul style="list-style-type: none"> Insurance in place. Annual review of insurance cover part of F&GP work plan Risk Assessments are completed where appropriate and reviewed annual except where there is a change of risk.
RAD/YR	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. 	F&GP to review cash book and full list of bills paid.



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				<ul style="list-style-type: none"> Council should regularly audit internally to comply with the Fidelity Guarantee. The New Accounting System provided by Advantedge makes it possible for all Councillors to view the accounts at any time. The new 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. 	
RAD	<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 & F&GP meeting the list of invoices awaiting approval is distributed to Councillors and considered. Two Councillors</p>	Existing procedure adequate



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				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 Council has no stocks. Unpaid invoices to the Council are reviewed and followed-up on, as necessary. Payment is often obtained in advance.	
RAD/PA	Grants and support -payable	<ul style="list-style-type: none">• Power to pay.• Authorisation of Council to pay	MEDIUM 4	All such expenditure goes through the required Council process of approval. It is minuted and listed accordingly if a payment is made using the S137 power of expenditure	<ul style="list-style-type: none">• Existing procedure adequate.• Parish Councillors can request S137 rules if required.



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RAD	Grants - receivable	Receipts of Grant	MEDIUM 4	<ul style="list-style-type: none">The Parish Council receives one regular grant from Boomtown Fair and occasional grants from HCC for footpaths.The grant from Boomtown is established as the Boomtown Community Fund. This is paid annually upon application and is subject to availability and approval by Boomtown Fair.Payments are not approved until grant funds are received.One off grant applications would come with terms and conditions to be satisfied	<ul style="list-style-type: none">Procedure would need to be formed, if required – (updated)
YR	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	Existing procedure adequate



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				received is reported monthly to FCM on the bills to pay list.	
RAD	<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 problem and report to Council. This is covered in the Financial Regulations.	<ul style="list-style-type: none"> Existing procedure adequate. Include when reviewing Financial Regulations Annually.
YR/RAD	Salaries and associated costs	<ul style="list-style-type: none"> Salary paid incorrectly. Wrong hours paid/Wrong rate paid 	MEDIUM 5	<ul style="list-style-type: none"> The Parish Council authorises the appointment of employees through council meetings. 	<ul style="list-style-type: none"> Existing appointment system Adequate. Existing payment system adequate.



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		<ul style="list-style-type: none"> Incorrect NI, Pension or Tax Deductions Unpaid Tax & NI contributions to the Inland Revenue 		<ul style="list-style-type: none"> 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 submitted in the Inland Revenue Annual Return. If a meeting is cancelled or is not quorate payments could potentially be late or missed. 	
YR	Employees	<ul style="list-style-type: none"> Loss of Clerk Fraud by Clerk 	MEDIUM 5	<ul style="list-style-type: none"> Use of a temporary Clerk to be considered immediately to provide 	<ul style="list-style-type: none"> Business Continuity Plan to be reviewed annually or when there is a change of risk.



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		<ul style="list-style-type: none"> Actions Undertaken by Clerk 		<ul style="list-style-type: none"> essential cover whilst the recruitment procedure is being initiated. The Business Continuity section of the insurance policy is to be initiated if the 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 to be a member of the SLCC
N/A	Councillor Allowances	<ul style="list-style-type: none"> Councillors over-paid Income tax deduction 	N/A	<p>No allowances are allocated to Parish Councillors at the present time.</p> <p>Councillors can submit claims for motor mileage under WCC/HMRC approved scheme.</p>	No procedure required.
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	<ul style="list-style-type: none"> Existing procedure adequate. Council holds a reserve for unexpected costs such as this.



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				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"> Council is working to resolve single ward situation to reduce risk associated with election costs.
RAD	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. Appears on F&GP workplan to ensure regular claim. Training provided for RFO 	<ul style="list-style-type: none"> Existing procedure adequate. VAT reclaim process during transition from one Clerk to next to be included in Clerk onboarding procedure review.
RAD	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	Existing procedure adequate.



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				prescribed time frame by our independent payroll provider.	
PA	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 system of Internal Control' which is reviewed annually. Preparation for year end and the internal audit is recorded on the F&GP work plan. 	Existing procedure adequate
PA	Annual Governance and	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	Existing procedure adequate.



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	Annual Return (AGAR)			on to the External Auditor within time limit. The return appears on the F&GP work plan. Failure to return causes reputational damage and additional costs to Council	
RAD	Legal powers	Illegal activity or payments	MEDIUM 4	All activity and payments within the powers of the Parish Council are to be resolved and minuted at Full Parish Council Meetings and include a reference to the power used, if necessary, as the Financial Regulations prescribe.	Existing procedure adequate.
RAD PA/YR/CL/DR/SP	<ul style="list-style-type: none"> Minutes Agenda 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. 	<p>Existing procedure adequate.</p> <p>Guidance/training to Chair should be given (if required).</p> <p>All Members to adhere to Code of Conduct</p>



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				<ul style="list-style-type: none">Minutes and agenda are displayed according to the legal requirements.Business conducted at Council/Committee meetings should be managed by the Chair.If there are physical meeting restrictions due to emergency measures, the minutes will be signed in retrospect by the respective Chairman before end of financial year.	
PA	Members Interests	<ul style="list-style-type: none">Conflict of interestRegister 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.Members must declare a personal interest if there a topic under consideration - where a Councillor	<ul style="list-style-type: none">Existing procedure adequate. Members take responsibility to update their RegisterAnnual renewal of Register of Members Interest recorded on F & GP work plan



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				<p>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.</p> <ul style="list-style-type: none"> Register of Members Interest forms should be reviewed annually by Councillors and submitted to WCC. 	
RAD	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. Employers and Employee liability insurance is a necessity and must be paid for 	Review of insurance cover forms part of F&GP workplan



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DW/RAD	Data protection	Policy Provision	MEDIUM 4	<ul style="list-style-type: none">The Council is registered with the Information Commissioner OfficeRegistration is on an annual DD & on F&GP workplan.	<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 legislationBrexit 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/RAD	Data Security	Loss of Data Data capture Denial of service		<ul style="list-style-type: none">Documents and emails are held in separate servers.Documents are held in a cloud-based server and automatically synchronized across several devices.Access to files can be blocked by device name.	<ul style="list-style-type: none">To be reviewed as part on Business Continuity Plan and Clerk onboarding procedure review.



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				<ul style="list-style-type: none"> Most data is subject to public access and in the public domain. 	
DW/RAD	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/RAD	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 	Monitor and report any impacts of requests made Under the Freedom of Information Act.



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				<p>into sections, thus negating the payment of a fee.</p> <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	<p>Loss or Damage or malfunction</p> <p>Risk/damage to third party property</p>	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.
RAD	Council records: paper	Loss through theft/fire/damage	MEDIUM 4	<ul style="list-style-type: none"> Historical records are stored with Hampshire County Council. The Parish Clerk is responsible for documents that are not in storage. All minutes are available online at the Parish Council web site. 	<ul style="list-style-type: none"> Clerk to move historic records to HCC records office annually. The records retention schedule is to be reviewed. Only paper records that are required to be held by law are to be retained.



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					<ul style="list-style-type: none">The Clerk is to minimize the volume and reliance on paper records as appropriate..
RAD	Council records: electronic	Loss through theft, fire, damage/corruption of computer	LOW 1	Council's electronic records are stored on the Clerks computer, One Drive, the Website and External Hard Drive	Back up of electronic files stores in the 'Cloud'.

Reviewed at:

Agreed at: FCM on 7 July 2022 at MWVH

Minute Number: 5 iii

Signed by: To be signed by Chairman _____