BEMBRIDGE PARISH COUNCIL
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FINANCIAL RISK ASSESSMENT

Revised February 2025
Adopted 19th February 2024 Minute No: ……..

Bembridge Parish Council
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Financial Risk Management

Definition of Risk Management Risk is the threat that an event or action will adversely affect an Organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements. *Audit Commission – Worth the Risk: Improving Risk Management in Local Government (2001:5)*

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 minimise them. The Council is aware that although some risks can never be eliminated fully, it has in place a strategy that provides a structured, systematic and focused approach to managing risk, which:

- Identifies the subject
- Identifies what the risk may be
- Identifies the level of risk
- Evaluates the management and control of the risk and records findings
- Reviews, assesses and revises procedures if required.

Risk	Level	Management/Control of Risk	Review/ Assess/Revise
Business Continuity			
Council not being able to continue its business due to external circumstance	L	All files and recent records (both paper and electronic) are kept at the Parish Office. The Council have a secure online backup system that backs up files as they are created or changed. The ability to work off site is provided should the need arise.	Review when necessary
Meeting location			
Adequacy Health and Safety	L	Meetings are held in either: the Village Hall, High Street or the Parish Office for smaller meetings. The Clerk/RFO have keys.	Arrangement re use of VH in place with VHMC
Council Records			
Loss through theft, fire, damage	L	Papers, both current and archived will be held in the Parish Office within a fireproof safe. Keys to the Parish Office are held by the Clerk/RFO. The Chair also has a key.	Insurance cover
Electronic - Loss through damage	M	The Parish Council's electronic records are stored on the Parish Council computers. Accessed through Wight Computers. The Council have a secure online backup system that backs up files on a daily basis.	Review regularly

Assets			
Protection of physical assets	M	Buildings and assets insured. Value increased annually by RPI. Insurance valuation conducted every 3 years, carried out Dec 2021 due 2024 All buildings have appropriate locks.	Insurance renewed on 18th September 2024.
Security of buildings etc.	M	Only authorised staff allowed in the Lengthsmen Hut and Yard to carry out work as directed by the Clerk/RFO. Ensure that the Hut, Compound and Van are always locked up and secure when not in use to ensure that people other than those authorised cannot gain access. Contents insured for Parish Office, Lengthsmen Hut & Compound.	Buildings and contents insurance replacement values. Tree report carried out in 2024, due in 2027.
Maintenance of buildings etc.	M	Maintenance schedule for all assets to be drawn up. Planned programme of electrical testing (annually) and safety equipment maintenance in place.	PAT testing, electric testing, gas boiler test and fire review conducted annually.
Finance			
Fraud	L	The requirements of Fidelity Guarantee insurance must be adhered to. Internal procedures in place.	Fidelity Guarantee Insurance in place for £250k as recommended by Auditor in January 2023.
Actions undertaken	L	Clerk/RFO should be provided with relevant training, reference books, access to assistance and legal advice.	CiLCA qualification gained in 2023.
Salary paid incorrectly	L	Salaries calculated and paid via Community Action Isle of Wight.	Review, when necessary, updated annually in line with NJC/LGA pay agreement.
Payroll - Breach of employment laws including NI and tax	L	Procedures in place. Membership of professional bodies/locums	Annual Audit carried out by Internal Auditor
Banking	L	Investments handled by the Responsible Financial Officer (RFO).	Annual Review
Risk of consequential loss of income	L	Insurance cover. Sum insured £50,000 (to cover loss of income and relocating office). Important documents backed-up via Wight Computers.	Loss of income and relocating office covered within insurance policy. Data drives can be reinstated.
Loss of cash through theft or dishonesty	L	Maximum £100 cash held for petty cash only. Receipts issued. Insured up to £2,500 in locked safe, up to £350 outside safe.	No more than £100 held as petty cash. Any cash paid is banked as soon as practicable.

Financial controls and records	L	Monthly reconciliation and transaction list prepared by RFO and reported to Council/Committee. Two signatories on cheques one must be a Cllr. Internal and External audit carried out.	Annual Audit carried out by Internal Auditor

Comply with Customs and Excise regulations	L	VAT payments and claims calculated by RFO.	Annual Audit carried out by Internal Auditor
Sound budgeting to underlie annual precept request	M	RFO and Council prepare a three-year Business Plan to inform annual precept request. Expenditure against budget reported to Full Council quarterly.	Finance Committee to review budget in detail and report back to Full Council. Budget and precept agreed by the end of January.
Complying with borrowing restrictions	M	Current borrowing and payments checked by internal and external audit.	New borrowing to be agreed by Full Council.
Insurance – adequacy, cost, compliance and fidelity guarantee	L	An annual review is undertaken of all insurance arrangements in place. Employers Liability, Public Liability and Fidelity Guarantee are a statutory requirement.	Review provision and compliance annually
Liability			
Risk to third party, property or individuals	M	Insurance in place. Open spaces checked regularly. Hazards investigated when reported.	Public/Products and Employers Liability covered (up to £10,000,000) by insurance policy.
Legal liability as a consequence of asset ownership (especially burial ground, playgrounds and skate park)	M	Insurance in place. Weekly checks of playgrounds and skate park undertaken by Lengthsmen and reported to Clerk/RFO. Written records kept. Annual checks by ROSPA of playground, skateboard park and Steyne park.	ROSPA inspection conducted annually in June and recommended actions undertaken.
Employer Liability			
Comply with employment law	M	Membership of various national and regional bodies including Employers Link, SLCC and Council organisation IWALC/NALC.	Advice taken from and implemented accordingly.

Comply with Inland Revenue requirements	M	Regular advice from Inland Revenue. Internal and external auditors carry out annual checks. HMRC calculations and payments via Community Action IoW.	Annual Audit carried out by Internal Auditor
Safety of staff and visitors	M	Annual H&S risk assessments carried out. One off risk assessment carried out particularly before public events or one-off events.	Renewed Staff H & S Handbook produced in 2024, risk assessment reviewed annually.
Legal Liability			

Ensuring activities are within legal powers	M	Clerk/RFO clarifies legal position on any new proposal. Legal advice to be sought where necessary. Regular updates circulated to Councillors for information. New Councillors to attend effective councillor skills training. Property Solicitor appointed for all lease renewals and land acquisitions.	New Councillors who have not attended effective councillor skills training should do so within 12 months of taking office. Legal advice sought as required and circulated to Councillors.
Proper and timely reporting via the minutes	M	Council meets monthly and receives and approves Minutes of meetings held prior. Minutes made available to press and public via the web site.	Minutes approved by Cllrs
Proper document control	M	Leases and legal documents held in Parish Office locked within a fireproof safe or with solicitors in the strong room. Other data storage complies with Data Protection Act.	Documents kept within locked fireproof safe and solicitors' strong room for properties.
Freedom of Information and Data Protection			
Policy Provision	L-M	The Council has a Privacy Policy in place and holds up to date Data Protection Registration Certificate from ICO.	Monitor and report any impacts made under the Freedom of Information Act & GDPR. Regular policy reviews.
Councillor Propriety			
Register of interest and Gifts and Hospitality	L	Register of Members Interests form to be reviewed at least on an annual basis. Gifts and Hospitality forms to be sent and filed in the Parish Office	Reviewed at Annual Council meeting. Councillor's responsibility to update their register upon changes in circumstances.
Conflict of interest	M	Councillors have a duty to declare any interest at the start of the meeting or when a conflict becomes apparent during a meeting.	Existing procedures adequate

Council Reputation			
Councillor and Staff bringing the Council into disrepute	M	Councillors understand and receive training on the Code of Conduct. A professional approach is undertaken on all Parish Council matters.	Councillors to identify any training needs.
Business Continuity			
Village Hall Management Committee Charity dissolves	M	If the Management Committee were to dissolve a minimum of 3 Parish Councillors would be appointed to form a new Management Committee. Parish Staff to ensure day to day activities continue and new members sought.	Loss on income included within VHMC insurance policy. Parish Council to step in to ensure day to day activities continue.
BYCC Management Committee Charity dissolves	M	If the Management Committee were to dissolve a minimum of 3 Parish Councillors would be appointed to form a new Management Committee. Parish Staff to ensure day to day activities continue and new members sought.	Loss on income included within BYCC insurance policy. Parish Council to step in to ensure day to day activities continue.
Parish Office staff unavailable from sickness or holiday	M	Parish Councillors can cover the office for short periods of time.	Short term cover could be provided by Parish Councillors.