Oving Parish Council

Financial Risk Assessment and Internal Control Framework

This document identifies the key financial risks faced by Oving Parish Council, the control measures in place to mitigate those risks, and the level of risk based on a simple risk matrix. The Council banks with Barclays, maintains its accounts using the Scribe accounting system, and employs a bookkeeper to assist with financial record keeping.

Area of Activity	Risk Identified	Control Measures	Likelihood	Impact	Risk Score	Responsible
Banking	Loss or misuse of council funds	Oving Parish Council holds its accounts with Barclays. Online banking access is restricted and payments are approved in accordance with Financial Regulations.	Low	High	Medium	Clerk / RFO
Accounting System	Inaccurate or incomplete financial records	All accounts are maintained using the Scribe accounting system. Financial reports are produced regularly and presented to Council.	Low	Medium	Low	Clerk / RFO
Bookkeeping	Errors in financial entries	The Council employs a bookkeeper who maintains financial records in Scribe. The Clerk/RFO oversees this work.	Low	Medium	Low	Bookkeeper / Clerk

Bank Reconciliation	Failure to detect discrepancies	Bank reconciliations are completed regularly using Scribe and checked against Barclays statements.	Low	High	Medium	Bookkeeper / Clerk
Payments	Unauthorised payments	Payment schedules are approved by Council and recorded in the minutes. Payments are processed in accordance with Financial Regulations.	Low	High	Medium	Council / Clerk
Budget Setting	Inaccurate budget planning	An annual budget is prepared and approved by the Council prior to setting the precept.	Low	Medium	Low	Council / Clerk
Budget Monitoring	Overspending against approved budget	Budget monitoring reports are produced using Scribe and reviewed by Council throughout the year.	Low	Medium	Low	Clerk / RFO
Income	Loss or mis-recording of income	All income is recorded in Scribe and banked promptly. Records are reconciled to bank statements.	Low	Medium	Low	Clerk / Bookkeeper
VAT	Failure to reclaim VAT	VAT claims are prepared periodically and submitted to HMRC with supporting documentation.	Low	Medium	Low	Clerk / Bookkeeper

Asset Register	Inaccurate record of assets	The Council maintains an Asset Register which is reviewed annually and submitted as part of the AGAR.	Low	Medium	Low	Clerk / Council
Insurance	Inadequate insurance cover	The Council reviews its insurance cover annually to ensure assets and activities are adequately protected.	Low	High	Medium	Council / Clerk
Internal Audit	Weaknesses not identified	An independent Internal Auditor reviews the Council's financial systems and controls annually.	Low	High	Medium	Council
External Audit	Failure to comply with AGAR requirements	The Council completes the Annual Governance and Accountability Return (AGAR) in accordance with statutory requirements.	Low	High	Medium	Clerk / Council

Risk Matrix

The Council uses the following simple risk matrix to assess financial risk.

Impact ↓ / Likelihood →	Low	Medium	High
Low	Low	Low	Medium
Medium	Low	Medium	High

High	Medium	High	High

Internal Control Statement

Oving Parish Council is responsible for ensuring that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and includes arrangements for the management of risk.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The Council's system of financial control includes the following measures:

- Adoption of Financial Regulations and Standing Orders
- Use of the Scribe accounting system to maintain financial records
- Use of Barclays bank accounts with controlled online access
- Employment of a bookkeeper to maintain accounting records
- Regular bank reconciliation and financial reporting to Council
- Annual review of the Council's Financial Risk Assessment
- Independent Internal Audit review of financial controls
- Completion of the Annual Governance and Accountability Return (AGAR)

This document should be reviewed annually by Oving Parish Council.

Date: March 2026