



Henstead with Hulver Street Parish Council



Parish Council Financial Risk Assessment

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. In conducting this exercise, the following plan was followed.

- Identify the areas to be reviewed
- Identify what the risk may be
- Evaluate the management and control of the risk and record all findings
- Review assess and revise if required.

FINANCIAL AND MANAGEMENT				
Subject	Risk(s) Identified	H / M / L	Management/Control of risk	Review/Assess/Revise
Business continuity	Council not being able to continue its business	L	Short term absence of the Clerk is covered by deputising. Long term incapacity of the clerk would be covered by councillors or a locum.	Existing procedure adequate
Councillors	Losing councillor membership Having 5 or more vacancies at any one time	L L	Council follows the procedure as required and monitored by East Suffolk Council Electoral Officer. If the council has 5 or more vacancies it becomes inquorate. The District Council will appoint members to the vacancies.	Existing procedures adequate
Precept/Income/Reserves	Adequacy of precept Income Reserves	L L L	The clerk prepares a budget forecast based on analysis of previous year's performance and expectation of need which is presented to the November meeting of the council. Budget forecast is reviewed again in December/January for final submission to the District Council. The clerk reports on income received at every meeting of the council. The Council keeps a reserve of at least 75% of the annual precept as a contingency to cover for unexpected events.	Existing procedures adequate
Financial records	Inadequate records Financial irregularities	L L	The Council has Financial Regulations which set out the requirements and are reviewed regularly. The clerk informs the Council of the income and expenditure account and account balances at every meeting.	Existing procedures adequate
Bank and Banking	Inadequate checks Bank mistakes Loss of signatories	L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of accounts. Bank statements are monitored monthly/on receipt. Mistakes are taken up with bank immediately. Council will agree new signatories at the earliest opportunity and in accordance with bank requirements.	Existing procedures adequate
Cash/Petty cash	Loss of cash or unauthorised expenditure	L	There are no cash payments or petty cash activity. The clerk reclaims expenditure for items against a receipt.	Existing procedure adequate

Reporting and Auditing of Finances	Information communication	L	Financial position is reported to Council at each meeting, details of income and expenditure and balances are provided together with a bank reconciliation.	Existing procedure adequate
	Compliance	L	Audits are carried out in compliance with financial regulations	
Best Value Accountability	Work awarded incorrectly	L	Council would seek, if possible, two or three quotations for work it wishes to be carried out. Regular review of contracts is carried out to ensure best value. Major work would be put out to tender. The clerk monitors all services against invoices received, and reports to the council. This is covered by the financial regulations.	Existing procedures adequate
	Overspend on services	M		
Employee/s	Loss of key personnel	L	Refer to business continuity section (page 1)	Existing procedures adequate
Salaries and associated costs	Salary paid incorrectly	L	Council sets salary levels and contract of employment with the clerk. Council agrees pay periods and amounts. The clerk keeps a record of hours worked which can be viewed at any time upon request. Tax and NI and issue of payslips are contracted out to an accountancy firm . Regular reports on pay and deductions are made to the council.	Existing procedures adequate
	Hours of work not completed	L		
	Wrong and unpaid deductions of Tax and NI	L		
VAT	Reclaiming/charging	L	The Council does not charge VAT. It is entitled to reclaim VAT paid on goods and services. This is done as a minimum 3 yearly.	Existing procedure adequate
Annual returns Accounts	Submitting within time limits	L	The Clerk prepares the end of year accounts and submits to the internal auditor for checking and signing. Signed accounts are presented to the council during May of each year for approval and signing by the Chair. The annual return is then sent to the External Auditor within the time limit.	Existing procedure adequate
Legal powers	Illegal activity or payments	L	All activity and payments within the power of the Parish Council is resolved at full meetings and minuted as required by the councils standing orders.	Existing procedure adequate

Minutes/Agendas/ Notices Statutory documents	Accuracy and legality Business conduct	L L	Minutes and Agendas are produced by the Clerk and adhere to the legal requirements. Minutes are approved and signed by the Chair at the next meeting. Minutes and agendas are displayed according to the legal requirements. Business is conducted and managed by the Chair and complies with the Code of Conduct.	Existing procedure adequate Members are provided with copies of the code of conduct. Training programmes are available for the Chair and new councillors through SALC.
Members Interests	Conflict of interest Register of members interests	L M	Members are required to declare interests in any agenda item at the start of all meetings. These are recorded in the minutes. Members are required to update their Register of interest should it change.	Existing procedure adequate Members take responsibility to update their personal register when necessary
Insurance	Adequacy Cost Compliance	L L L	Annual review of policies is undertaken by council before the renewal date. Cost comparisons are undertaken to ensure value for money. Employer's liability insurance is in place Council has adequate public liability and employers liability in place which is regularly monitored. The council uses policies specifically for Parish Councils.	Existing procedure adequate Annual review of all policies as appropriate
Assets	Loss or damage to assets	L	Assets are inspected regularly. Asset register is maintained and reviewed annually for the purposes of insurance. Insurance cover is reviewed annually.	Existing procedures adequate
GDPR	Non compliance Breach of GDPR Legislation Misuse of Data	M	Council registered with ICO as a Data Controller Consents records	GDPR training to be undertaken

Adopted/Reviewed at the meeting of: _____

Signed :

Signed :

Chair

Clerk/RFO

