



HEADCORN PARISH COUNCIL – FINANCIAL RISK ASSESSMENT – JUNE 2018				
Subject	Risk(s) Identified	H/M/L	Management of Risk	Review/Assess/Revise
Precept	Adequacy of precept	L	To determine the precept amount required, the Parish Council regularly receives budget update information and the precept is an agenda item at full council. The Council will receive a budget update report including actual positions and projected position to the end of the year, as well as costings for projects and standing costs. The Council will then allocate sums to budget headings i.e. open spaces, street lighting, the total of which will be the precept amount requested from Maidstone Borough Council.	Existing procedure adequate. Review as changes to Financial Regulations dictate
	Requirements not submitted to Maidstone Borough Council	L	Precept request submitted by email in accordance with MBC deadlines.	Submission to be reported to Chair.
	Amount not received by Headcorn Parish Council	L	The Clerk to monitor receipt of payment	Receipt of Payment reported to Chair
Financial Records Financial Irregularities	Inadequate records Financial Irregularities	L L	Financial Regulations adopted by Full Council must be adhered to. Annual internal audit.	Existing procedure adequate. Review annually.
Bank and Banking	Inadequate checks	L	Financial Regulations adopted by Full Council must be adhered to. The Parish Council has four accounts:- Unity Trust Current and Reserve Accounts National Westminster Bank Current & Reserve Accounts. For Unity Trust – Electronic Payments require two councillor authorisation. Cheque Payments require two signatures. For National Westminster Bank – all payments require three signatures	Existing procedure adequate. Review bank signatory list annually and revise after any elections/co-options or resignations. Review as changes to Financial Regulations dictate.



Bank and Banking	Bank errors/Losses and Charges	L	The bank accounts are reconciled at the end of each month, so any errors can be found immediately and rectified. Internal Audit	Existing procedure adequate. Review as changes to Financial Regulations dictate
Cash	Loss through dishonesty	L	Any cash received is banked next working day. No petty cash is held.	Existing procedure adequate.
Report and auditing	Communication	L	Detail is produced prior to each Council meeting with the agenda and is discussed and approved at the meeting. This detail will include receipts, payments and a bank reconciliation. Budgets will be reported half yearly.	Existing procedure adequate. Review annually or as changes to Financial Regulations dictate.
Costs/Expenses/Debts	Incorrect Invoicing	L	At each Council meeting the list of invoices awaiting approval is distributed to Councillors and considered. The invoices will have been checked by an agreed Councillor to check accuracy of payment request. Each invoice item will be initialed to show approval.	Existing procedure adequate. Review annually or as changes to Financial Regulations dictate.
	Unpaid invoices	L	Payment should be ideally obtained in advance but otherwise must be pursued on a regular basis	
Rent Receivable	Rental fees for allotments	L	Annual collection of all rents from the Headcorn Allotment Management Association. Agreed payment date of December 31 st .	Existing procedure adequate. Review annually
Rent Payable	Rental fee for Days Green Store	L	Invoiced quarterly and paid upon receipt of invoice.	Existing procedure adequate. Review annually
VAT	Recovery	L	VAT is reclaimed on a monthly basis, if in excess of £100.	Existing procedure adequate. Review annually
Insurance	Adequacy of Cover Cost Compliance Fidelity Guarantee	L L L M	An annual review is undertaken prior to the policy renewal to ensure adequate cover and compliance.	Existing procedure adequate. Review annually or as changes to Financial Regulations dictate



<p>Employees</p>	<p>Loss of Key Personnel</p> <p>Fraud by Staff</p> <p>Health and Safety</p> <p>Employment Contracts</p>	<p>M</p> <p>L</p> <p>M</p> <p>L</p>	<p>Regular staff reviews carried out to highlight any areas of concern so that they can be addressed and employee guidelines reviewed. The requirements of the Fidelity Guarantee insurance to be adhered to with regards to fraud.</p> <p>Provide lone working procedures for Clerk/RFO Lengthsmen must be provided with adequate direction and the appropriate equipment to undertake the role. This will include appropriate training and necessary safety equipment.</p> <p>Provide safe working environment including where appropriate alarms, first aid and fire extinguishing equipment.</p> <p>Contracts of employment in place</p>	<p>Existing procedure adequate.</p> <p>Membership of SLCC</p> <p>All safety requirements to be reviewed regularly.</p> <p>Adequate insurance cover.</p> <p>Review of current legislation.</p>
<p>Salaries</p>	<p>Salary paid incorrectly.</p> <p>Wrong deductions of NI or tax contributions to the Inland Revenue.</p> <p>Incorrect pension arrangements made.</p>	<p>L</p>	<p>Clerk & Responsible Financial Officer:-</p> <p>Salary rates are assessed annually in accordance with NALC published guidelines.</p> <p>Other staff:-</p> <p>Salary rates are reviewed annually in accordance with current legislation and average earnings index</p> <p>All are signed off by Staffing Committee.</p> <p>All salary, tax and National insurance calculations are dealt with by an external accountant, approved by the Council.</p> <p>Nest Pension arrangements are reviewed annually and calculated by external accountant and entered into the NEST Pension system by the accountant and paid by Direct Debit after approval by the Council.</p>	<p>Payment protocols are adequate.</p> <p>Employee Policy and Procedures reviewed annually.</p> <p>Review as changes in legislation dictate.</p>

Author: Caroline Carmichael
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