

Hirst Courtney Parish Council – Financial Risk Assessment.

This document has been produced to enable Hirst Courtney Parish Council (the Council) assess the risks it faces and satisfy itself that it has taken adequate steps to minimise them.

Subject	Risk(s) Identified	High, Medium or Low	Management/Control of Risk	Review/Assess/Revise
Precept	Inadequate Precept	L	Budget Monitoring Records are maintained by the clerk. The record shows the opening balance for each area of the budget at the start of the financial year (1 st April). Expenditure for each area is entered monthly and show the amount spent and amount remaining in the budget as monetary and percentage figures. The Budget Monitoring Record is shared with the Finance Committee at regular intervals and significant areas of over or under spend are identified and explained. This enables the Council to make an informed decision about budgetary requirements and agree the Funding Requirement (Precept) for the forthcoming financial year.	
	Notification of Funding Requirement not submitted to North Yorkshire Council (NYC)	L	The Local Authority notify the clerk of the deadline for the submission of the Notification of Funding Requirement Form. When the deadline falls before the next Meeting of the Council the Local Authority are informed of the date of the meeting when the Funding Requirement will be considered and approved. The form will be submitted the next day.	
	Precept not received by the Council	L	The clerk, as Responsible Finance Officer (RFO), checks the bank account in April/May and September to ensure the half yearly precept payment has been made and notifies the Local Authority if not. Council is informed of the receipt.	

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Financial Regulations	Not adhering to policy and procedures as set out in the Financial Regulations	L	<p>The clerk/RFO and Council follow the revised and adopted Financial Regulations as set out by the National Association of Local Councils (NALC).</p> <p>The Regulations are reviewed annually by the clerk and Council and are adopted as soon as is possible after the Annual Meeting of the Council (held in May) or two weeks after the date of an election in an election year.</p>	
Financial records	Inadequate recording of financial transactions.	L	<p>A Receipts and Payments Record is maintained by the clerk. Income received is recorded and cross referenced to Minutes. Expenditure is recorded as a net payment, VAT and total payment and cross referenced with the cheque number or debit card receipt and minute reference.</p> <p>The Receipts and Payments Record is checked against the Budget Monitoring Record.</p> <p>Income and Expenditure are cross referenced against the bank statements and cheque book (if used). Invoices are numbered and the corresponding cheque number is written on it.</p>	

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Banks and Banking	<p>Current Account errors</p> <p>Current Account Charges</p> <p>Savings Account errors /loss of funds</p>	<p>L</p> <p>L</p> <p>L</p>	<p>All items of income and expenditure are cross-referenced against the bank statement. Problems/irregularities are dealt with by informing the bank and awaiting their correction.</p> <p>Signatories check during the internal controls checking procedure</p> <p>A monthly reconciliation of the current account from the date of the last statement to the date of the meeting is presented to the Council. A monthly reconciliation of the current account after the approval of payments has been made is presented to the Council with a request to vire monies from the Savings Account (if utilised), as necessary.</p> <p>If a savings account is used, the Council's Savings Account is reviewed upon receipt of statements. Interest paid is record in the Receipts and Payments Record. Problems/irregularities are dealt with by informing the bank and awaiting their correction.</p>	
Internet Banking	Incorrect Use/ Dishonesty	M	<p>The clerk (RFO) is the Service Administrator. The Council uses the BACS system to make payments and the following measures are in place to minimise risks in this process: BACS Payments Authorisation Forms are signed by Councillors that are cheque signatories before payments are made. Signatories check during the internal controls checking procedure.</p>	

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Debit Card	<p data-bbox="400 292 593 355">Incorrect Use/dishonesty</p> <p data-bbox="400 938 548 962">Loss of Card</p>	<p data-bbox="701 292 725 316">M</p> <p data-bbox="701 938 725 962">L</p>	<p data-bbox="904 292 1675 499">Restricted to use by the Clerk only and used in line with the policy and procedure set out in the Financial Regulations. The Clerk has delegated authority to use the bank card (if the facility is utilised), for purchases up to £500 unless authorised by Council or Finance Committee in writing before any order is placed.</p> <p data-bbox="904 547 1675 643">All purchases made using the debit card are checked against the bank statement and recorded in the Receipts and Payments Record and Budget Monitoring Record.</p> <p data-bbox="904 691 1675 786">All purchases made with the debit card are included on the Council's meeting agenda for approval and recorded in the Minutes.</p> <p data-bbox="904 834 1675 898">Signatories check during the internal controls checking procedure.</p> <p data-bbox="904 946 1675 1042">The debit card is kept in a secure place when not in use. The bank and the Council are informed immediately there is a loss of card.</p>	
Cash	<p data-bbox="400 1086 622 1150">Loss through theft and/or dishonesty</p>	<p data-bbox="701 1086 725 1110">L</p>	<p data-bbox="904 1086 1675 1182">The Council's Financial Regulations set out the requirements. The Council does not pay cash for any items, all payments are made by BACS, cheque, or debit card.</p> <p data-bbox="904 1230 1675 1326">Where the Council receives cash, the amount received is counted in front of the payee. The cash is placed in a sealed envelope and kept in a secure place. The cash is banked within 5 working days.</p>	

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Grants /S106	<p>Not receiving grant funding or S106 funding when successfully applied for.</p> <p>Not following the grant claims procedure</p>	<p>L</p> <p>L</p>	<p>The clerk is to ensure that all grant payments/S106 payments are made accordingly and at the correct time. If they are not received the clerk is to follow up with NYC and/or any other relevant organisation.</p> <p>The clerk ensures that the grants policy is adhered to. The clerk ensures that there is a Power to pay the grant before payments are presented for approval. The clerk ensures that all annual grants are budgeted for.</p>	
Best Value Accountability	<p>Work awarded incorrectly.</p> <p>Charges made on the Council are too high.</p>	L	<p>The clerk will always seek to obtain at least two quotes/estimates for any work undertaken by contractors on behalf of the Council as set out in the Financial Regulations. All quotes/estimates are then to be agreed and approved by the Council and recorded in the Minutes.</p>	
VAT	<p>Failure to re-claim VAT</p>	L	<p>The Council reclaims VAT as set out in the Financial Regulations. VAT is reclaimed regularly. The Council does not charge VAT on any of its services.</p>	
Employers Annual Return	<p>Failure to pay and account for National Insurance and PAYE of employees.</p>	L	<p>The Council has appointed a payroll company to undertake all payroll and pension duties/tasks. The company provide the Employers Annual Return Statement, and all records associated with employee salaries. The Council should review the service provider bi-annually.</p>	
Salaries	<p>Salary and expenses paid incorrectly.</p>	L	<p>The Council is a member of NALC who advise on rates of pay. A payroll company is employed to undertake all payroll duties/tasks. The Council is presented with the clerk's wage and expenses claims each month for approval. All payments are recorded in the Minutes.</p>	

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Internal Audit	Internal Audit is not completed within the set deadline.	L	An appointment is made with an Internal Auditor for April/May. The clerk prepares year end accounts, the AGAR, and supporting documents/evidence for the Internal Auditor to assess and sign for the External Auditor.	
AGAR	External Audit is not completed within the set deadline. Documents relating to AGAR are not published on the website/ noticeboard.	L L	AGAR is completed and signed by the Council, submitted to the Internal Auditor for audit and signing, and then submitted to the External Auditor within the required time limit. The clerk publishes all AGAR documents on the website and noticeboard within the set timeframes.	
Election Costs	Risk of an election cost	H	Risk is higher in an election year. When a scheduled election is due the clerk will obtain an estimate of costs from the Local Authority.	
Insurance	Inadequate cover	L	An annual review is undertaken prior to the renewal of the insurance policy. The Council has a Fidelity Guarantee, Public Liability Insurance and Personal Accident Insurance. Risk Assessments are undertaken before major events.	
Asset Register	Asset Register is not up to date for AGAR.	L	The asset register is reviewed annually and when new equipment is purchased. Where appropriate the insurance company is informed.	