

St Dennis Parish Council - Financial Risk Assessment

Financial and Management				
Subject	Risk identified	H/M/L	Management and Control Risks	Review / Asses /Revise
Precept	Adequacy of precept Requirements not submitted to CC in time Amount not received by PC	L L L	Regular Budget Review by Finance Committee. 4 per year. Precept should be considered by Council before the deadline – deadline should be ascertained from CC asap. The clerk informs Council when monies are received.	Existing procedures adequate 2-year budget forecasting to be implemented.
Financial Records	Inadequate records Financial Irregularities	L L	The Council has financial regulations which set out the requirements	Existing procedure adequate Review of Financial Regulations Annually
Bank and Banking Internet Banking	Inadequate Checks Bank Mistakes Loss Charges Loss of signatories	L L L L L	The Council has Financial Regulations which set out the requirements for banking, cheques and reconciliation of the accounts. The clerk reconciles the bank accounts once a month when the statement arrives, any problems/irregularities are dealt with immediately by informing the bank and awaiting their correction. Monitor bank statements monthly Council will add a new signatory when an old signatory is removed. The Council Financial Regulations set out the requirements for the use of internet banking.	Existing procedures adequate
Cash / Loss	Loss through theft or dishonesty	L	The Council has financial Regulations that set out the requirements A record is kept of all petty cash used this is reviewed by the internal auditor	Existing Procedures adequate.
Litigation	Potential risk of legal action being taken against the Council	M	Public Liability insurance covers general personal injury claims where the council are found to be at fault, but not spurious or frivolous claims – these cannot be insured against.	Insurance is adequate for requirements but there is still the risk of other claims
Reporting and Auditing	Information communication compliance	L M	A clerk's report is produced monthly and presented to the council, discussed and approved at the meeting. This report	Existing procedures are adequate.

			includes bank balances and a breakdown of receipts and payments for the month.	
Grants and support - payable	Power to pay Authorisation of the Council to pay	L	All such expenditure goes through the required Council process for approval, minutes and listed accordingly if a payment is made using a S137 power of expenditure. Grant application has been approved to keep a record of all applications.	Existing procedures are adequate. Each activity will be assessed on an individual basis.
Grants - receivable	Receipts of Grant	L	Grant applications/procedures are followed, and decisions shared with members as and when relevant.	Existing procedures are adequate.
Best Value accountability	Work awarded incorrectly Overspend on services	L M	Normal Parish Council practice is to where possible seek more than one quotation for any substantial work required to be undertaken or goods. For larger contract services formal competitive tenders would be sought. If a problem is encountered with a contract the clerk would investigate the situation check the quotation / tender, research the problem and report to Council. All procedures are covered in the financial regulations	Existing procedures adequate, financial regulations reviewed annually.
Salaries and associated costs	Salary paid incorrectly i.e. Wrong Hours Paid Wrong rate paid False employee Wrong deductions of NI or TAX Unpaid Tax & NI contributions to the inland revenue	L L L L	The Parish Council authorises the appointment of all employees. Salary rates are assessed annually by council. The clerks report details payments to the Inland revenue for Tax & NI. These are inspected by the Council at meetings and signed off. The tax and NI is worked out using appropriate payroll software and updated annually. All Tax & NI payments are submitted to HMRC annually. Salaries are paid in arrears but if a meeting is cancelled or moved then payments could be late or missed.	Existing appointment system is adequate. Independent internal checks are carried out by councillors during the year.
Employees	Loss of the clerk Fraud by clerk / admin staff	L L	Reference to a continuity plan should be made in case of loss of key personnel. The requirements of the insurance to be adhered to with regard to fraud. The clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Membership with SLCC and Cornwall ALC. Business continuity plan needs to be drawn up. Monitor working conditions, safety requirements and insurance regularly
Councillor allowances	Councillors' over-paid income tax deduction	Negative	No allowances are allocated to Parish Councillors	No procedure required

Election costs	Risk of an election cost	H	Risk is higher in an election year. When a scheduled election is due the clerk will an estimate of costs from Cornwall Council. There are no measures that can be adopted to minimise the risk of having elections, as they are a democratic process.	Allocated funds included within the budget each year.
VAT	Re-claiming	L	The council's financial regulations set out the requirements. VAT is re-claimed regularly.	Existing procedures adequate
Employers annual return	Paying and accounting for NI and TAX of employees' salaries	L	Employer's Annual Return is completed and submitted online to the Inland Revenue within the prescribed time by the clerk.	Existing procedures adequate
Audit Internal	Audit completed within time limits	L	Internal Auditor is appointed by the council. Internal auditor is supplied with the relevant documents to audit and the form to complete and sign for the external auditor.	Existing procedures adequate. Advise second internal audit for October.
Annual Return	Completion/ submission within time limits	L	Annual Return is completed and signed by the Council, then checked and sent to the external auditor.	Existing procedures adequate
Legal Powers	Illegal activity or payments	L	All activity and payments within the powers of the Parish Council to be resolved and minuted at Full Parish Council meetings, including a reference to the power used.	Existing procedures adequate.
Minutes agendas notices and statutory documents	Accuracy and legality Business conduct	L L	Minutes and agendas are produced in the prescribed method by the clerk and adhere to the legal requirements and best practice guidelines. Minutes are approved and signed at the next council meeting. Minutes and agendas are displayed according to the legal requirements. Business conducted at Council meetings should be managed by the Chair.	Existing procedures are adequate. Guidance / training to Chair should be given (if required). Members to adhere to Code of Conduct.
Members interests	Conflict of interest Register of members interests	L M	Although not a requirement, the declaring of interests by members at a meeting should be an obvious process to remind councillors of their duty and should remain on the agenda. Register of Members interests' forms should be reviewed regularly by Councillors.	Existing procedures adequate Members take responsibility to update their register.
Insurance	Adequacy Cost Compliance Fidelity Guarantee	L L L	An annual review is taken (before the time of the policy renewal) of all insurance arrangements in place. Employers and Employee liability insurance is a necessity and must be paid for. Ensure compliance measures are in place	Existing procedure adequate Review insurance provisions annually. Review of compliance

Council Records – Electronic The Parish	Loss through: Theft, Fire, Damage Corruption of the computer	L M	Councils electronic records are stored on the clerk’s computer. Back-ups of the files are taken at regular intervals and a copy held in the clerk’s possession.	Existing procedures adequate
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