

Harberton Parish Council

Financial Risk Assessment

This document is produced to enable the Parish Council to assess the risk that it faces and satisfy itself that it has taken adequate steps with control systems to minimise the risks. This will enable the Council to make the required declaration in its return to the external auditors. The Risk Assessment document will be reviewed annually.

1. Finances

1.1. Risk: Accounting errors due to lack of financial control Procedures to address risk:

- 1.1.1. The RFO will check all invoices, payment requests, and expense claims when received and add to the monthly Payment Schedule, reviewed by the Parish Council at each ordinary meeting.
- 1.1.2. Cheque numbers are entered into the accounting system when written.
- 1.1.3. Cheque numbers shall be written on all invoices when paid.
- 1.1.4. Invoices shall be filed sequentially and filed along with the monthly Payment Schedule.
- 1.1.5. Cash and cheques to be entered into the accounting system upon receipt and banked as soon as reasonably practicable.
- 1.1.6. Receipts to be issued for all monies received by the Council.
- 1.1.7. Bank statements to be reconciled with the accounting system monthly.
- 1.1.8. VAT to be reclaimed quarterly
- 1.1.9. Financial Scrutinisers to carry out a review of the accounts at least annually.

1.2. Risk: Budget overspend Procedures to address risk:

- 1.2.1. Budget to be prepared by the RFO annually in November/December for the Finance Committee to review in January and determine the budget for the following financial year. The Finance Committee recommendation will be discussed by Full Council to determine the Precept.
- 1.2.2. The RFO shall provide quarterly statements of receipts and payments to date under each budget heading comparing actual expenditure with the planned budget and reviewed by the Finance Committee at each meeting.
- 1.2.3. All invoices will be scrutinised to ensure payment is as quotation provided.
- 1.2.4. Clerk to seek competitive quotations for all major purchases.
- 1.2.5. Contracts of Employment and salaries of employees will be reviewed annually in line with the NALC salary scale recommendations prior to setting the Precept.

1.3. Risk: Loss of funds due to misappropriation of public money Procedures to address risk:

- 1.3.1. All accounts for payment to be authorised at a Council meeting and noted in the minutes unless the expenditure relates to addressing an urgent health, safety or security risk, such expenditure being delegated to the Clerk under Standing Orders.
- 1.3.2. Expenditure relating to long term agreements (such as rental agreements) do not require further authorisation, but do require noting in the minutes if cheques have been paid between meetings.
- 1.3.3. All cheques to be signed by two Councillors authorised by Bank Mandate.
- 1.3.4. Those two Councillors initial the Payment Schedule and invoices having checked the invoices tally.
- 1.3.5. No member of staff is authorised to sign cheques.
- 1.3.6. Councillors are to declare an interest as is set out in the Code of Conduct.

- 1.3.7. Year-end accounts to be prepared by the RFO for circulation to the Finance Committee and then the Full Council following the financial year end on the 31st March.
- 1.3.8. Appointment of an Independent Internal Auditor is to be reviewed annually at the Annual Council Meeting in May of each year.
- 1.3.9. The Council has its accounts audited each year by external auditors if it is required.

2 Insurance

2.1 Risk: Under-insurance of Parish Council Assets

Procedures to address risk:

- 2.1.1. Insurance cover to be reviewed annually to ensure adequate cover is maintained and value for money achieved. Damage to Playground equipment is covered by South Hams District Council.
- 2.1.2. Asset Register is to be maintained by the Clerk and updated at the time assets are added or removed.

2.2 Risk: Liability to the Public to Provide a Duty of Care

Procedures to address risk:

- 2.1.1. Public Liability insurance will be in place and reviewed annually to ensure adequate cover is maintained.
- 2.2.2. Annual inspection of the play areas will take place and reports circulated to village playground committees for action.

2.3 Risk: Compensation Claim from Employees for Malpractice or Injury

Procedures to address risk:

- 2.3.1. Contracts of Employment issued to employees within 2 months of commencement of employment.
- 2.3.2. Job descriptions of employees reviewed annually
- 2.3.3. Appraisals carried out annually
- 2.3.4. Matters relating to employees to be discussed in confidence (public and press to leave the meeting room) and minutes recorded as confidential.
- 2.3.5. Appropriate training to be provided for all identified training needs necessary to carry out role
- 2.3.6. Appropriate equipment to be provided to ensure that employees can carry out role effectively and safely.

Adopted by Harberton Parish Council on 14th April 2015