

## Ulcombe Parish Council Financial Risk Assessment - Adopted May 2016

Subject	Risk(s) Identified	H/M/L	Management/Control 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.
	Requirements not submitted to Maidstone Borough Council	L	The request is sent via e-mail and post to Maidstone Borough Council.	To be checked by the Finance Representative
	Amount not received by Ulcombe Parish Council	L	The clerk will check that the monies have been received and inform the Council.	
Financial Records Financial irregularities	Inadequate Records Financial irregularities	L L	The Council has Financial Regulations which set out requirements and a regular independent internal auditor.	Existing procedure adequate Review Annually.
Bank and Banking	Inadequate Checks	L	The Council has Financial Regulations which set requirements for banking, cheques and reconciliation of accounts. The Parish Council has two accounts Community Account and High Interest Account which require two councillor signatures.	Existing procedure adequate. Review bank signatory list annually and revise after any elections/co-options.
	Bank Mistakes/Loss/Charges	L	The bank accounts are reconcilled immediately on receipt of statements, so any errors can be found immediately and rectified. Also checked via Internal Audit	
Cash	Loss through theft or dishonesty	L	Cash received is banked within 3 days. Any Petty cash is kept to £100 and is documented and receipted.	Internal Audit carried out quarterly and review procedures annually,
Report and auditing	Communication	L	Statements are produced regularly before each Council meeting with the agenda and is discussed and approved at the meeting. The statement will include bank reconciliation, budget reviews and breakdown of receipts and payments.	Existing prodecure adequate. Review Annually.
	Compliance	M	The accounts are subject to a quarterly internal audit to comply with Fidelity Guarantee.	Independent Auditor appointed.

Direct Costs/Overhead expenses/debts	Incorrect Invoicing	L	At each Council meeting the list of invoices awaiting approval is distributed to councillors and considered. Each signatory will check the invoice before signing the cheque and sign the remittance advice.	Existing procedure adequate. Review Annually.
	Unpaid Invoices	L	Payment should be ideally obtained in advance but otherwise must be pursued on a regular basis	
Charges -Rent Receivable	Rent payments for allotments	L	Annual collection from holders. Final Deadline is set and if payment is not received allotment is reallocated	Existing procedure adequate. Review Annually.
VAT	Reclaiming	L	This is reclaimed on a semi annual basis	Existing procedure adequate
Annual Return	Submit within time limit	L	The clerk completes the Employers Annual return online and submits to the Inland Revenue within the time frame given.	Existing procedure adequate
Employees	Loss of key personel	M	Annual staff review carried out to highlight any areas of concern so that they can be addressed and employee guidelines reviewed. Contingency plans in place.	Existing procedure adequate, membership of SLCC and to monitor safety requirements and insurance regularly.
	Fraud by staff	L	The requirements of the Fidelity Guarantee insurance to be adhered to with regards to fraud.	

Salaries	Salary paid incorrectly Wrong deductions of NI or tax contributions to the Inland Revenue	L	Salary rates are assessed annually in accordance with NALC. Salary analysis is provided by the clerk monthly together with a schedule of payments to the Inland Revenue for Tax and NI. These are signed off by the Council. The tax and NI is worked out using the Inland Revenue supplied computer programme. All tax and NI payments are submitted in the Annual Return to the Inland Revenue	Payment system is adequate. Employee Policy and Procedures reviewed annually.	
Insurance	Adequacy Compliance Fidelity Guarantee	Cost L M	L	An annual review is undertaken (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 is in place and Fidelity checks are in place.	Existing procedure adequate Insurance provision and compliance reviewed annually.