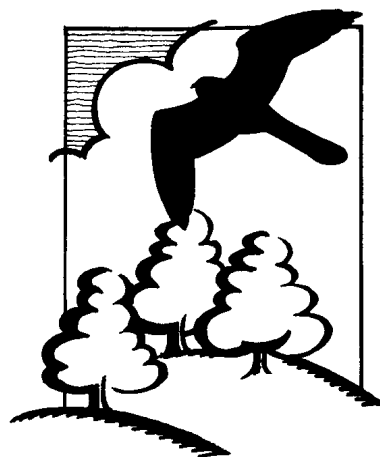


# HAWKHURST PARISH COUNCIL



## RISK REGISTER

Reviewed 14.05.2018

## Hawkhurst Parish Council – Risk Register

Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
<b>Income/Expenditure</b>				
Low	Cash from hall hire and allotment rents.	Occasionally some hirers pay by cash.	Cash recorded separately in bank paying in book. Internal audits sample check receipts against payments. Regular hirers receive monthly invoices, casual hirers receive invoices as necessary. Minimum standards monthly check on paying in book. Audit trail maintained.	When possible request payment by cheque. SCRIBE and account book to be amended to clearly show when cash has been received. Aim to pay cash into bank same day where possible.
Low	Cheques made payable direct to staff.	Hall hire amounts not put into hall account.	Internal audit has a higher number of checks on hall accounts and systems. Random check of diary dates to see that paperwork matches	System in Access lists credit/debits for all hires. A Hall Bookings Diary is kept in Word for each Booking Year April-March.
Low	Payment to fictitious staff	Additional staff added to payroll.	Internal audit check plus minimum standards check every time cheques are signed.	Recommend an annual check against salary expenditure.
Medium	Payment for fictitious goods	Fictitious invoices submitted.	Random checks during internal audit.	All payments require pre-authorisation by either Full Council or Committee. This check is viewed as sufficient.
Low	Direct Debits and Standing Orders	Fictitious payments	Invoices are taken to meeting for checking, details included in the payment lists clearly showing that they are a Direct Debit (DD) or Standing Order (SO). Random checks on DDs or SOs included in internal audit. Only established for obvious companies such as Gas and electricity.	List of authorised DDs and SOs to be kept with invoices for payment to allow for spot checks.

### Hawkhurst Parish Council – Risk Register

Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
Low	Unauthorised payment for time served in excess of contracted hours.	Unauthorised payment.	Additional hours to be listed, explained and formally approved by the Chair of the Personnel Committee before payment is made.	Printed copy of the Extra Hours Checker excel sheet and email trail of approval be kept in the Salaries Folder each month.
Low	Unpaid invoices	Invoice remains at credit in Scribe without the appropriate receipt having been banked.	Regular review of unpaid items to be carried out by F&GP Committee.	Clerk or RFO to present unrepresented receipts report to each F&GP Meeting.
Medium	Unauthorised withdrawals from accounts	Money being withdrawn.	No blank cheques to be signed by councillors. 2 signatories required, Clerk is not a signatory. Any bank to bank transfers requires 2 signatories, companies have it noted that Clerk can only administer an account and everything else requires two signatories. Minimum standards checks (monthly) of statements reduce some risk of forgery. Internal audit has random checks on the accounts. Bank mandates to amend or add any signatories to be completed at meetings in front of other members. Loss of cash through theft or dishonesty covered by fidelity insurance.	Continue monthly checks on statements. C heck to ensure that cheques that are issued in order so that no stubs and cheques can be removed. Regularly remind councillors that no blank cheques must be signed and only authorised letters moving amounts between accounts can be signed. Maintain a clear audit trail and have different councillors to sign cheques etc.
<b>Minimum Standards Checks</b>				
High	Not following laid-down financial procedures	Saying you have when you haven't.	Chair and Vice-Chair already alternate.	Another Member to double-check.
Low risk if followed	Introduced as a requirement for increasing the fidelity insurance	Invalid if not undertaken regularly.	Regular checks on statements, invoices against cheques and cheque payment lists, regular payments into accounts of cheques and cash.	Financial statement and payments list to be circulated to all Members at PC meeting.

### Hawkhurst Parish Council – Risk Register

<b>Internal Audit</b>				
Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
Low risk if followed	Councillors internal check to see the financial and accounting systems are professional and that there is no fraud.	Domineering/fraudulent Clerk controlling what is checked	Clerk 'books' different councillors. 3-4 internal checks per year with clear records to show what is checked. Checklist has been produced which has more checks on areas at higher risk of fraud. Checklist clearly states that councillors can increase the number of checks on any item and may question any part of the financial and accounting system. Report has to be given to Council after each internal audit and kept for an audit trail.	Copy of last internal audit to be given in advance to councillor prior to undertaking the next internal audit. Internal audits to continue.
<b>Insurance Cover</b>				
Low risk if followed	Insurance helps 'manage' risks.	Under or over insured or no insurance.	Annual review of insurance. Parish property covered by insurance and the risk of damage to third party property or individuals is covered by public liability. Items added as required. Two yearly check with other firms to see that best value being received.	Policy must be maintained. Cover for loss of income to hall to be reviewed.
<b>Asset List</b>				
Low risk if followed	Up to date register of all assets.	Items being stolen	Annual safety review, more for certain areas/items. Proper maintenance schedules.	Annual inventory check.
<b>Bank Reconciliation.</b>				
Low risk if followed	Monthly/quarterly reconciliation's is good accountancy practice.	Unprofessional and inaccurate accounts.	Minimum Standards checks ensure that this happens.	Continue to reconcile on a monthly/quarterly basis.

### Hawkhurst Parish Council – Risk Register

<b>Legal Powers</b>				
Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
Low	Councillors must ensure that they only act within the legal powers awarded to parish councils.	Unprofessional actions and accusations of acting ultra vires.	Budget details the powers under which the expenditure takes place. Clerk keeps informed of new powers awarded and investigates situation for new expenditure or services. Copies of Acts available from parish office.	Maintain the system of noting what powers are being used by including details in the budget. Maintain membership of Kent Association of Parish Councils.
<b>Protection of Accounts</b>				
Low risk	Need to protect financial data. Parish council uses an accounting package called SCRIBE 2000	Loss of financial information.	Information backed up to Microshade Cloud and 2 further back-up servers hourly and daily as well as during a live session.	All finance data is stored on remote server and backed up daily.
<b>Risk Assessment</b>				
Low	Need to review possible problems faced by parish council and methods taken to reduce risk.	Lack of risk assessment introduces possibility of poor planning, dishonesty and claims against the council.	Annual risk assessment review.	Annual Risk Assessment to be undertaken.

### Hawkhurst Parish Council – Risk Register

<b>Stock</b>				
Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
Low	Consumables and office stationery.	Stock/stationery being stolen.	Less than £1,000 of stock is kept.	All payments require pre-authorisation by either Full Council or Committee. This check is viewed as sufficient.
<b>Tenders</b>				
Low to medium	Purchase of services.	Contracts awarded due to influence on councillors or parish office.	Code of Conduct, Standing Orders and Financial Regulations clearly states responsibilities and procedures. Specifications are drawn up for services required.	Continue to work to the standards and procedures.
<b>Other recommendations/Checks.</b>				
Low	All councillors to be reminded that no blank cheques are to be signed.	Blank cheques are unsafe.	All councillors to be notified that spot financial checks of any system or any invoice is permissible.	Independent Internal Auditor is appointed.
Medium	Injury to public using play equipment provided and maintained by Hawkhurst Parish Council.	N/A	Maintain 3 tier policy to regularly assess risk weekly, monthly and annually.	Training caretaker to inspect equipment to ROSPA standard to make weekly checks of both sites; bi-monthly checks of both sites by ROSPA-accredited specialist; in-depth examination of both sites once a year by ROSPA – accredited specialist. Land Committee to create a procedure to respond to reports received from caretaker and bi-monthly and annual ROSPA-accredited specialists.

### Hawkhurst Parish Council – Risk Register

Low	Review status vis-à-vis Fundraising.	Appropriate fundraising?	Add restriction on fundraising to Terms of Reference	Review status
<b>Custodian Trustee</b>				
Risk status	Risk description	Potential fraud	Internal audit checks and safeguards	Recommendations/Checks
Low to medium	If management committee/Trustee fails or folds then the parish council takes on responsibility.	Financial and administrative support required.	Parish councillor is always a member of the Trustees. Good working relationship with Trustees and management committees. Dunks and Springetts keep the parish council involved through sight of relevant documents etc. they may also visit the council meetings to talk once a year.	Continue present practices but invite other organisations associated with the council keep the council better informed.