HEADLAND PARISH COUNCIL

FINANCIAL & GENERAL RISK ASSESSMENT

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Adopted at the Meeting on: 31st March 2025
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1. **Introduction**

1.1 The Council is expected to carry out an annual assessment of the financial risks it is exposed to and identify any actions it considers necessary to minimise those risks.

Service Area	Risk	Recommendation to Manage Risk	Action
Insurance	Public Liability (statutory) Inadequate cover	Public Liability Cover for 2026/27 will be £12m.	Parish Clerk to review insurance policy and make recommendations to Council.
	Employers Liability (statutory) Inadequate cover	Continue existing cover £10m.	As above.
	Fidelity Guarantee Inadequate cover	Parish Council's cover will be £250,000.	Parish Clerk to review annually.
	Property/Assets Inadequate cover	Cover on equipment and furnishings. Defibrillator contract to be renewed annually. Open Space in Regent Street. Maintenance of flagpoles – a nominated councillor along with previous councillor to raise flags, as appropriate and report any issues to Clerk. All flags to be collected/returned to Parish Council office.	Parish Clerk to review annually and as required. Regular inspections to take place. Parish Clerk to ensure that the processes are put in place and regularly monitored. Parish Clerk to annually review Union Flag flying guidance for UK Government buildings.
	Legal Expenses Inadequate cover	Limit of indemnity is £250,000 (see policy for individual cover).	Parish Clerk to review annually.
	Libel & Slander Inadequate cover	Cover is £250,000.	Parish Clerk to review annually.

Service Area	Risk	Recommendation to Manage Risk	Action
	Personal Accident. Inadequate cover	Cover depends on accident and insured person (i.e. employee/member/volunteer).	Parish Clerk to review annually.
	Data Protection breaches	The Data Protection Act 1998 requires every organisation who processes personal information to register with the Information Commissioner's Office (ICO). Failure to do so is a criminal offence.	Parish Clerk to renew annually and update Data Protection Policy.
Loss of Key Personnel	Loss of services of employee, or long-term sickness (relating to the Parish Clerk) Fraud by Staff. Lone Working.	Loss of services of employee, or long-term sickness (relating to the Parish Clerk). Ensure Fidelity Guarantee cover is in place with appropriate values. Lone Working Policy to be adopted and a lead councillor to be identified in the case of an emergency. Chair to have emergency contact details for Clerk. Annual medical update of staff. Risk Assessment to be completed and reviewed annually.	Council to arrange staff cover and to carry out advertisement. Council to action/review annually. Lone Working Policy/Risk Assessment to be reviewed annually or when necessary.
Administration	Payment arrangements.	Continue with requirement to report all payments to the Parish Council for approval. Schedule of accounts to be signed by Chairman of Council. Payments to be authorised by Chairman prior to payment by Parish Clerk/RFO.	Members of Council to verify and make recommendations.
	Loss of Computer Data	Data backed up by appropriate means.	Parish Clerk to carry out these processes.
	Reconciliation	Continue with bank reconciliation to be completed upon receipt of each monthly bank statement by RFO. To be signed by Chair and nominated councillor as per Financial Regulations.	Parish Clerk to complete and to carry out internal audit review.

Service Area	Risk	Recommendation to Manage Risk	Action
Precept	Lack of consultation when setting budgets with little detailed consideration. Precept not submitted on time.	Continue to present budget at monthly Parish Council meeting. Ensure that the precept is completed and approved by Parish Council by first Parish Council meeting in January for submission to Hartlepool Borough Council by end of January each year.	Parish Clerk, Parish Council and Internal Auditor to ensure deadlines are met.
	Inadequate monitoring of performance.	Continue to regularly consider budget monitoring report (monthly). Internal Auditor to carry out annual checks.	Council to review monthly reports provided by Parish Clerk.
	Illegal Expenditure	Continue to ensure that all expenditure is within legal parameters. Parish Clerk/RFO to guide councillors on governance of appropriate expenditure.	Council to approve all expenditure or otherwise advised through Financial Regulations.
Accounting	Non-standard and/or non-compliant records kept.	Continue to require adequate, complete and statutory financial records and accounts.	Parish Clerk to produce.
	Employee could defraud Council	All financial transactions require two signatures. Accounts are audited independently by an auditor. Financial regulations require cheques and cash received to be banked promptly.	Parish Clerk to ensure accounts are audited and procedures in place and communicated to the Parish Council.
	Non-compliance with statutory deadlines for the completion/approval/submission of accounts and other financial returns.	Continue to ensure that all accounts and returns are completed and submitted by the deadlines. Internal Auditor to support Parish Clerk to ensure deadlines are met and to provide associated reporting mechanisms.	Parish Clerk to advise council of audit deadlines
VAT	VAT analysis.	Ensure all items are listed in the Scribe financial software package.	Parish Clerk to verify.
	Claimed within time limits.	Agree returns submitted at the end of the financial year in accordance with the Scribe financial software package.	Parish Clerk to verify and make application.
Reserves	Ensure adequate reserves.	Consider when setting budget. Identify any allocated reserves and surplus funds to be earmarked as general reserves. Council to identify an acceptable amount of reserves required for emergency purposes.	Parish Clerk to advise Council of allocated and unallocated reserves at year end and when setting precepts.

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		Recommended by Audit Commission to be equal to 3 months of the precept.	If possible, build up a level of reserves to cover unforeseen costs and uninsured risks
Legal Powers	Illegal activity.	Educate Council as to their legal powers.	Parish Clerk to advise and training
Minutes.	Ensure the minutes are accurate and legal.	Reviewed at following council meeting and approved.	Parish Clerk to ensure minutes are concise, legible and that they record proceedings accurately.
Election Costs	Invoiced at agreed rate By-Election – extra costs needed.	Parish Clerk to check and consider budget ensuring adequate provision is made. Adequate resources to be considered in the budget in the eventuality of a by-election.	Parish Clerk to verify. Council to ensure when setting budgets that provision is made to cover any possible by election costs. £10,000 based on an average of costs supplied by billing authority.
Transparency Code	Ensure compliance of the Transparency Code.	Parish Clerk to ensure that the following publications are available to the public in various forms: All items of expenditure over £500 End of year accounts Annual Return Annual Governance statement Internal audit report List of councillors' responsibilities Names of councillors Minutes, agenda and papers of formal meetings (Minutes should be displayed within 4 weeks following the meeting)	Parish Clerk to ensure that the processes are put in place and regularly monitored. Parish Council website to be updated.