

Cliffe and Cliffe Woods Parish Council Financial Risk Assessment – reviewed annually March

Risk assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Parish Council to identify any and all potential inherent risks. The Parish Council, based on a recorded assessment, will take all necessary steps to reduce or eliminate the risks, insofar as is practically possible. This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Key – High Risk / Medium Risk / Low Risk

High
Medium
Low

FINANCE				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Precept and budget	Adequacy of precept	Medium	To determine the precept amount required, F&GP Committee receive monthly budget updates and Council sets an annual budget prior to setting the precept.	At the budget meeting Council receives a budget report, including actual position and projected position to the end of year and indicative figures or costings obtained by the RFO. With this information the Council determines the required monies for standing costs and projects for the following year and applies specific figures to budget headings, the total of which is resolved. Upon receipt of the tax base figure from the District Council, the precept amount is calculated and advised to the District Council to be collected.

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Banking	Inadequate checks, payments and bank mistakes	low	The Council has Financial Regulations which set out the requirements for banking and reconciliation of accounts. The RFO checks bank statements monthly	Procedure currently adequate
	Bank mandate not up to date	medium	Reviewed at the Annual Council Meeting	Additional signatories are required as not sufficient coverage
	Fraud and corruption	low	Two signatories required to authorise payments made by Parish Clerk	Internal control system now introduced to ensure payment approval prior to the transaction. RFO then certifies.
Financial Records	Inadequate records	low	The Council has Financial Regulations which sets out the requirements. Council employs a separate RFO to maintain proper financial records	Council uses Rialtas accounting software. Records are maintained for all transactions and financial regulations reviewed annually.
Council Reporting	Financial Irregularities	low	Council receives details of payments, receipts and bank reconciliations on a monthly basis. The F&GP Committee also received monthly budget to actuals reports.	Procedure currently adequate although the RFO will include confirmation of quarterly councillor checks which are being implemented.
Loss of RFO	Inability to process transactions	medium	Council will use a locum agency to provide a competent RFO whilst recruiting. Risk is medium because of additional cost involved.	Council are currently recruiting

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Annual Governance and Accountability Return	Inaccurate or incomplete	Low	The Annual Return is completed and submitted to the Internal Auditor for checking, completion of IA section. RFO training as required	Procedure currently adequate
	Submit within time limits	Low	Meeting held to approve the AGAR within the timescales as set out by the External Auditor.	Procedure currently adequate
Reserves	Inadequate reserves held to cover unforeseen expenditure	medium	Consider at budget setting. Review prior to year end in respect of any underspent budgets and moving to an earmarked reserve	Council to adopt a Reserves Policy and create additional EMR accounts
Auditing	Information communication	low	Internal Audit appointment, scope and effectiveness reviewed annually by Council. RFO communicates directly with Internal Auditor. External Auditor appointed nationally.	Best Practice is to change Internal Auditor at least every 3 years. Council to consider this for 2025/26 audit year.
Grants	Receipt of grant	Low	Parish Council does not presently receive any regular grants.	Procedure currently adequate
	Powers to Pay	Low	All such expenditure goes through the required Council application process and included in the minutes	Procedure currently adequate
	Proper use of funds	Low	Limited grants are agreed annually. Each grant is considered by Council and included in the minutes	Procedure currently adequate
	CIL / S106	Low	Clerk liaises with District Council when appropriate	Procedure currently adequate
VAT	Risk of financial loss & penalties if VAT is not reclaimed/charged	Low	VAT is claimed quarterly. VAT is charged appropriately by the Council	Ensure VAT is quoted on invoices Council produces

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Non-precepted Income	Sudden loss of income	Low	Minimal income received. Council reserves are a contingency for loss of income. Charges reviewed annually.	Existing procedure adequate.
Allotment Tenancies	Payment of rents	Low	Council has formal and legally binding agreements in place with all tenants. Rent reviews carried out annually.	Existing procedure adequate.

LIABILITY				
Legal Power	Illegal activity or payments	Low	All activity and payments made within the power of the Council and evidenced in the minutes.	Procedure reviewed and introduced by Locum RFO
Public Liability	Risk to third party, property or individuals	Medium	Insurance is in place. Safety inspections carried out on Playground, skate park and MUGA.	Tree survey to be introduced as not currently undertaken
Employer Liability	Non-compliance with employment law	Low	Advice sought when necessary from KALC, SLCC and ACAS	Procedure currently adequate

STAFFING				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Loss of Clerk or RFO	Inability to process transactions and oversee governance. Additional expense of locum staff	Medium	Insufficient notice period to allow for transition. Locum Officer employed during transition period.	RFO/Assistant Clerk currently being sought
Salaries and associated costs	Salary paid incorrectly	Low	Council authorises remuneration. Payroll software used and implemented by RFO. Clerk makes the payments.	Procedure currently adequate
	Incorrect calculation of tax and NI. Risk of penalties if tax and NI not paid to HMRC within time limits.	Low	NI and tax calculated by Payroll software with direct submission to HMRC	Procedure currently adequate
	Incorrect calculation of pension contributions. Risk of penalties if pension contributions are not paid within correct time scale	Low	Pension calculated by Payroll software. RFO submits to pension company. Reminders sent to Clerk if issues arise.	Procedure currently adequate
Staffing Issues	Recruitment and retention of staff	Medium	Location of Council possibly prohibitive as RFO position is vacant.	Recruitment of trained staff can be a challenge
	Wellbeing of employees	Low	Good communication between staff and councillors at present. Budget made available for staff to have continuous professional development opportunities. Annual appraisal system in place.	Policies to introduce – Lone working, Dignity at Work, Grievance, Disciplinary, Bullying & Harassment.
	Health and Safety	Low	All employees to be provided adequate	Homeworking H&S assessment should be

			direction and safety equipment to undertake their roles and budgets made available for staff to undertake relevant training. Health and Safety policy in place.	undertaken
	Fraud by Staff	Low	Internal controls in place and requirements of fidelity guarantee insurance adhered to.	RFO has introduced further procedures to lessen the risk even further

MANAGEMENT				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Business Continuity	Risk of Council not being able to continue its business due to unexpected circumstances	Low	All computer files are held on a cloud system. Only C&CW staff can access the drive. In Clerk's absence emails are diverted to Chair of Council. Website with key information is outsourced for an external provider. Accounts package is outsourced to an external provider with cloud system.	Procedure currently adequate. Formal Business Continuity policy should be adopted.
Access to Council Data	Council data accessible to non-council staff	Low	Passwords are in place to access computers, datafiles and finance systems. A Data Protection Policy has been adopted.	Procedure currently adequate.
Freedom of Information	Policy Provision	Low	Model Publication scheme is in place.	Policy requires updating
Best Value	Work awarded incorrectly	Low	Financial Regulations specify the procedures for procuring goods and services.	Procedure currently adequate
	Overspend in services	Low	If problems are encountered with a contract or service, the Clerk would investigate, check the relevant circumstances and report to Council	Procedure currently adequate
Legal Advice	Not following correct	Low	Advice sought via KALC/NALC or SLCC or	Procedure currently adequate

	legal procedures		solicitors used when necessary	
ASSETS				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Buildings	Loss or damage	Low	Regular reporting by management groups of the buildings is expected. Timely repair and maintenance as necessary. Insurance to be in place.	Procedure currently adequate.
Play areas	Damage and User Risk	Medium	Regular inspections including annual external assessment. Timely repair and replacement as necessary. Insurance in place	Procedure currently adequate. Nature of area means a slightly higher risk to be aware of.
Land	Damage	Low	Regular inspections and insurance in place. Timely maintenance and repair as necessary.	Procedure currently adequate
MUGA	Damage and User Risk	Low	Regular inspections including annual external assessment. Timely repair and replacement as necessary. Insurance in place	Procedure currently adequate
Skatepark	Damage and User Risk	Medium	Regular inspections including annual external assessment. Timely repair and replacement as necessary. Insurance in place	Procedure currently adequate. Nature of area means a slightly higher risk to be aware of.
Trees	Risk/Damage to third parties and public area safety	Medium	PLI Insurance in place. Works undertaken when reported to Council.	Tree survey required. Tree Management policy is recommended to be adopted.
Street Furniture	Loss and Risk/Damage	Low	Identified in the asset register and insurance is held at appropriate levels	Procedure currently adequate
Noticeboards	Risk/Damage to third parties and road side safety	Low	Regular inspection and insurance in place	Procedure currently adequate

Equipment	Loss or damage	Low	On asset register and insurance in place	Procedure currently adequate
-----------	----------------	-----	--	------------------------------

COUNCIL MATTERS				
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment
Minutes	Accurate and legal	Low	Reviewed and approved at following meeting	Procedure currently adequate
Governing Documents	Not regularly reviewed and updated	Medium	Ensure annual approval of certain Policies e.g. Financial Regulations, Standing Orders. Other policies reviewed periodically or when legislative changes require updates.	Outdated policies to be reviewed and updated
Council records (paper)	Theft, fire and damage	Medium	Records (historic and current) are stored in a locked storage facility at Mockbeggar Farm business park.	Records retention policy to be adopted.
Member Interests	Conflict of Interest	Low	Items are included on the agenda for Councillors to declare interests	Procedure currently adequate. New Councillors provided with Code of Conduct training
	Register of Interests	Low	Clerk to send out a reminder every May for Councillors to consider their Registers and update if required. This is a responsibility of Councillors and not the Council.	Item to be added to the Annual Council meeting agenda
Conduct of Meetings	Deviating from the agenda	Low	Business conducted at meetings should be managed by the Chair in line with Standing Orders and Member Code of Conduct	Procedure currently adequate. Chair training can be organised if necessary.
Election Costs	Unforeseen costs	Low	An earmarked reserve is held to provide funds for an election if this become necessary	Procedure currently adequate. Vacancies at present can be filled by co-option, no election being called.
Communication	Lack of good communication could mean poor decision	Low	Council publishes information to website and social media pages. Internal communication groups set up. Notice of	Council could introduce newsletter (digital as well as some hardcopy). Council could introduce Communications &

	making, low staff morale, misinformed residents		meetings published.	Engagement Policy. Formation of digital and social media communications sub committee
Partnership Working	Loss of reputation. Not providing community leadership	Low	Councillors are representative on various village and county groups. Regular communication exchanged. Council seeks to work with local stakeholders for the benefit of the local community whenever possible and practical	Procedure currently adequate
Digital Media (DM)	Unintentional misunderstandings. Loss of reputation. Potential litigation.	Low	Social media policy in place to prevent councillors from posting in a formal capacity. Management of website and social media pages restricted to named users only (Clerk, Chair and Chair of DM working group).	Procedure currently adequate but requires updating.