

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

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	Residual Risk
Precept and budget	Adequacy of precept	M	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.	L

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Banking	Inadequate checks, payments and bank mistakes	M	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	L
	Bank mandate not up to date	M	Reviewed at the Annual Council Meeting	Additional signatories added in 2025 to provide sufficient coverage	L
	Fraud and corruption	M	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.	L
Financial Records	Inadequate records	L	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.	L
Council Reporting	Financial Irregularities	L	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.	L
Loss of RFO	Inability to process transactions	M	Council will use a locum agency to provide a competent RFO whilst recruiting. Risk is medium because of additional cost involved.	Council have permanent RFO and Assistant Clerk will also be trained in due course.	L

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Annual Governance and Accountability Return	Inaccurate or incomplete	L	The Annual Return is completed and submitted to the Internal Auditor for checking, completion of IA section. RFO training as required	Procedure currently adequate	L
	Submit within time limits	L	Meeting held to approve the AGAR within the timescales as set out by the External Auditor.	Procedure currently adequate	L
Reserves	Inadequate reserves held to cover unforeseen expenditure	M	Consider at budget setting. Review prior to year end in respect of any underspent budgets and moving to an earmarked reserve	Council has adopted a Reserves Policy and created additional EMR accounts for specific timed projects	L
Auditing	Information communication	L	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 will consider this for 2026/27 audit year but there is a shortage of IA in Kent and current auditor is only undertaking very limited review.	M
Grants	Receipt of grant	L	Parish Council does not presently receive any regular grants.	Procedure currently adequate	L
	Powers to Pay	L	All such expenditure goes through the required Council application process and included in the minutes	Procedure currently adequate	L
	Proper use of funds	L	Limited grants are agreed annually. Each grant is considered by Council and included in the minutes	Procedure currently adequate	L

	CIL / S106	L	Clerk liaises with District Council when appropriate	Procedure currently adequate	
VAT	Risk of financial loss & penalties if VAT is not reclaimed/charged	L	VAT is claimed quarterly. VAT is charged appropriately by the Council	VAT number is quoted on invoices Council produces	L
Non-precepted Income	Sudden loss of income	L	Minimal income received. Council reserves are a contingency for loss of income. Charges reviewed annually.	Existing procedure adequate.	L
Allotment Tenancies	Payment of rents	L	Council has formal and legally binding agreements in place with all tenants. Rent reviews carried out annually.	Existing procedure adequate.	L

LIABILITY					
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Legal Power	Illegal activity or payments	L	All activity and payments made within the power of the Council and evidenced in the minutes.	Procedure adequate	L
Public Liability	Risk to third party, property or individuals	M	Insurance is in place. Safety inspections carried out on Playground, skate park and MUGA.	Tree survey introduced in 2025	L
Employer Liability	Non-compliance with employment law	L	Advice sort when necessary from KALC, SLCC and ACAS	Procedure currently adequate	L

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

			made available for staff to have continuous professional development opportunities. Annual appraisal system in place.	Harassment.	
	Health and Safety	M	All employees to be provided adequate direction and safety equipment to undertake their roles and budgets made available for staff to undertake relevant training. Health and Safety policy in place.		M
	Fraud by Staff	L	Internal controls in place and requirements of fidelity guarantee insurance adhered to.	RFO has introduced further procedures to lessen the risk even further	L

MANAGEMENT					
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Business Continuity	Risk of Council not being able to continue its business due to unexpected circumstances	L	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 RFO or Assistant Clerk. 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.	L
Access to Council Data	Council data accessible to non-council staff	L	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	L	Model Publication scheme is in place.	Policy reviewed annually	L
Best Value	Work awarded incorrectly	L	Financial Regulations specify the procedures for procuring goods and services.	Procedure currently adequate	L
	Overspend in services	L	If problems are encountered with a contract or service, the Clerk/RFO would investigate, check the relevant circumstances and report to Council	Procedure currently adequate	L
Legal Advice	Not following correct legal procedures	L	Advice sought via KALC/NALC or SLCC or solicitors used when necessary	Procedure currently adequate	L

ASSETS

Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Buildings	Loss or damage	L	Regular reporting by management groups of the buildings is expected. Timely repair and maintenance as necessary. Insurance to be in place.	Procedure currently adequate.	L
Play areas	Damage and User Risk	M	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.	M
Land	Damage	L	Regular inspections and insurance in place. Timely maintenance and repair as necessary.	Procedure currently adequate. Council has introduced User Terms and Conditions	L
MUGA	Damage and User Risk	L	Regular inspections including annual external assessment. Timely repair and replacement as necessary.	Procedure currently adequate	L

			Insurance in place		
Skatepark	Damage and User Risk	M	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.	M
Trees	Risk/Damage to third parties and public area safety	M	PLI Insurance in place. Works undertaken when reported to Council.	Tree survey undertaken in 2025 and works have been addressed. Tree Management policy was adopted in 2025	L
Street Furniture	Loss and Risk/Damage	L	Identified in the asset register and insurance is held at appropriate levels	Procedure currently adequate	L
Noticeboards	Risk/Damage to third parties and road side safety	L	Regular inspection and insurance in place	Procedure currently adequate	L
Equipment	Loss or damage	L	On asset register and insurance in place	Procedure currently adequate	L

COUNCIL MATTERS					
Subject	Risk(s) identified	H/M/L	Management/control of Risk	Comment	Residual Risk
Minutes	Accurate and legal	L	Reviewed and approved at following meeting	Procedure currently adequate	L
Governing Documents	Not regularly reviewed and updated	M	Ensure annual approval of certain Policies e.g. Financial Regulations, Standing Orders. Other policies reviewed periodically or when legislative changes require updates.	Outdated policies were reviewed in 2025. CCTV, H&S and Safeguarding policies to be reviewed as matter of urgency.	L
Council records (paper)	Theft, fire and damage	M	Records (historic and current) are stored in a locked storage facility at Mockbeggar Farm business park.	Records retention policy to be adopted.	M

Member Interests	Conflict of Interest	L	Items are included on the agenda for Councillors to declare interests	Procedure currently adequate. New Councillors provided with Code of Conduct training	L
	Register of Interests	L	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	L
Conduct of Meetings	Deviating from the agenda	L	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.	L
Election Costs	Unforeseen costs	L	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.	L
Communication	Lack of good communication could mean poor decision making, low staff morale, misinformed residents	L	Council publishes information to website and social media pages. Internal communication groups set up. Notice of meetings published.	Council could introduce newsletter (digital as well as some hardcopy). Council could introduce Communications & Engagement Policy.	L
Partnership Working	Loss of reputation. Not providing community leadership	L	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	L
Digital Media	Unintentional	L	Social media policy in place to	Procedure currently adequate. Social Media	L

(DM)	misunderstandings. Loss of reputation. Potential litigation.		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).	Policy updated in 2025	
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