

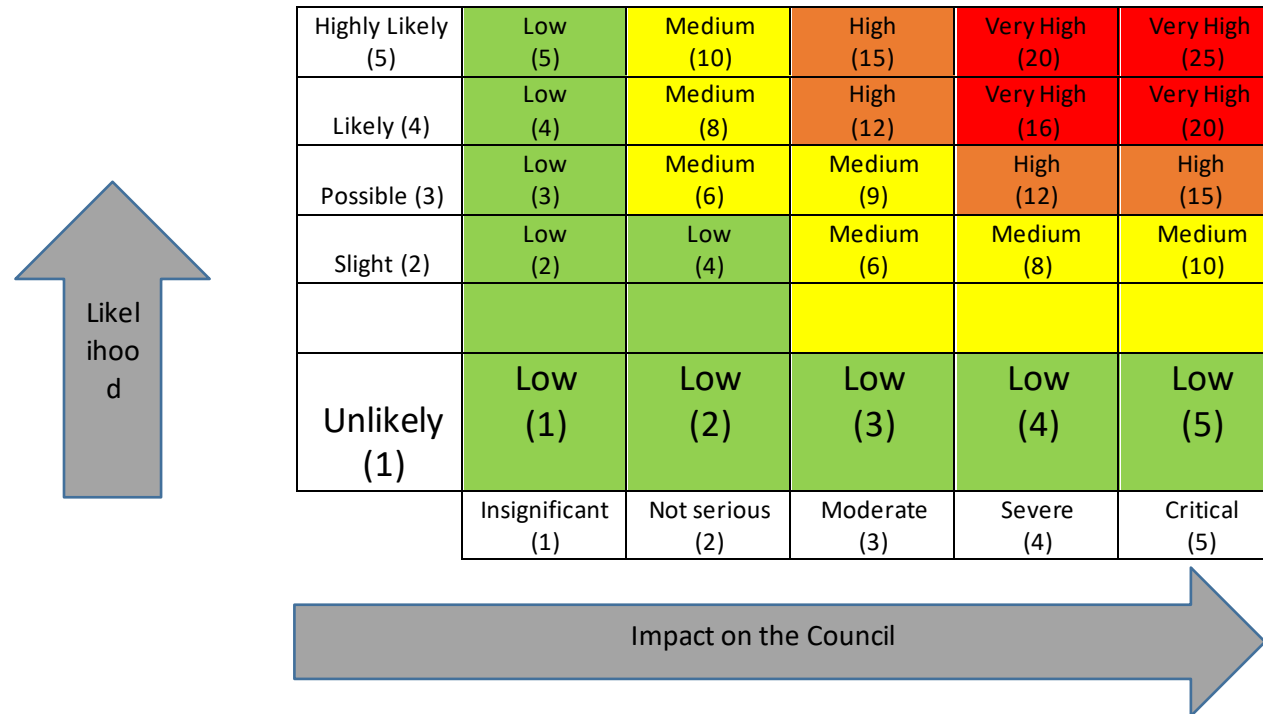
Cyngor Cymuned Cynwyl Elfed Community Council Financial and Management Risk Assessment

APRIL 1st 2025 - MARCH 31 2026

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council”

This document has been produced to enable the Council to assess the financial and management risks that it faces and satisfy that it has taken adequate steps to minimise them.

Assessment Criteria



Highly Likely (5)	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
Likely (4)	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
Possible (3)	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Slight (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
Unlikely (1)	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
	Insignificant (1)	Not serious (2)	Moderate (3)	Severe (4)	Critical (5)

Policy Approach

1. Identify and evaluate the potential risks to council.
2. Analyse and prioritise potential risks

3. Risk control – council can:

- eliminate the circumstances in which the risk arises;
- implement control measures to reduce the risk;
- transfer the risk to others – for example by amending contracts;
- share the risk with another party;
- insure against some or all of the risk; or
- accept or tolerate the risk.

1. Financial

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Precept	Adequacy of precept requirements	5	2	10	At the budget setting meeting Council receives a budget update report, including actual spend and projected position to the year end with indicative figures or costings obtained by the Clerk. The budget is always agreed by council before precept.	Existing procedure is adequate Reserves held for Defibrillator expenses and unexpected expenditure
	Precept request not submitted to Unitary Authority	5	1	5	Budget meetings are held in December and January to allow additional time to agree a budget before the deadline. Unitary Authority chase if precept request not received.	Existing procedure is adequate
	Amount not received by Council	5	1	5	The Clerk informs the Council when the precept payments are received. The bank account is monitored monthly.	Existing procedure is adequate
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
	Bank Errors	3	2	6	Bank accounts are reconciled monthly and any errors are immediately reported to the Bank for correction.	Existing procedures are adequate
	Loss	5	2	10	Financial Regulations specify procedures to be taken to protect the council from loss. Early identification of errors will optimise chances of recovery	Existing procedures are adequate
	Charges	2	2	4	Present bank account does not attract charges. Only additional services would be charged.	Existing Procedures are adequate

Cash	Loss through theft or dishonesty	5	2	10	The Council has Financial Regulations that set out the requirements. Cash is banked promptly. Petty cash is not used. Minimal cash transactions	Existing procedures are adequate. Fidelity cover £250 k
VAT	Reclaiming VAT incorrectly	4	2	8	SLCC advice is sought where appropriate	Existing procedures are adequate
	Failing to submit quarterly return	3	2	6	Clerk submits annual claim following Internal Audit and reports to Council.	Existing procedures are adequate
Budgeting	Council fails to monitor and control	5	2	10	Budget monitoring report submitted to council each month	Existing procedures are adequate
	Unexpected Expenditure	4	4	16	Council approves items over £1000 before incurring costs.	Existing Procedures are adequate Reserves held to cover. Contingency allowance in budget.
	Adequacy of Finances to cover lending commitments	5	2	10	Loan repayments are included in the annual budget. Debt repayments are included in consideration of further borrowing proposals.	Existing Procedures are adequate
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Direct Costs Overheads Expenses Debts Income	Goods not supplied but billed	4	2	8	Clerk checks invoices on receipt to ensure that goods/service has been received. Job sheets issued to contractors for all jobs and matched to invoices.	Existing procedures adequate.
	Incorrect invoicing /	5	2	10	Invoices are checked by the Clerk. A Payment of Accounts Schedule is circulated to Councillors prior to the Council meeting. The schedule is discussed and approved at the Council meeting.	Existing procedures adequate.
	Cheque payable incorrect	5	2	10	The Clerk prepares the cheques, which are signed by two councillors following the Council meeting at which the payment is approved. The signatories initial the reverse of the counterfoil.	Existing procedures adequate.
	Electronic payment incorrect	5	1	5	Direct Debits are the only form of Electronic payments used, All other payments are made by cheque. DD mandate signed by two Councillors following approval as above. All	Existing procedures adequate.

					DD payments have an indemnity guarantee.	
	Loss of stock	3	1	3	The Council has only minimal stocks, these are monitored by the Clerk.	Existing procedures adequate.
Direct costs Overheads Expenses Debts Income Continued	Unpaid invoices	3	2	6	Unpaid invoices due to the Council are pursued. Invoicing carried out monthly.	Existing procedures adequate.
	Rents from Tenants	3	2	6	N/A - Council has no tenants	Existing procedures adequate
	Meeting Room Bookings	3	2	6	Invoices issued monthly by clerk with reference to booking diary.	Existing procedures adequate
	Rent Reviews	3	3	9	Charges reviewed annually during budget setting meeting	Existing procedures adequate
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Salaries	Wrong salary paid	3	2	6	Payroll accountant engaged to process all payments. Contract details sent to payroll accountant.	Existing procedures adequate
	Payment of PAYE to HMRC not made	3	2	6	Payroll accountant sends clerk P32 with sum owing. This is added to the payment schedule for approval at council Paid by Direct Debit to HMRC. Clerk also has access to Government Gateway page and can monitor.	Existing procedures adequate
	Wrong rate of pay	3	2	6	NJC letter submitted to council. Changes in SCP or grade are authorised to council. Details submitted to payroll accountant following discussion and approval at council.	Existing procedures adequate
Councillor Allowances	Councillors overpaid Income Tax deduction	4	2	8	Councillors receive an allowance, unless refused. All payments to Members are made by cheque – managed by payroll accountants.	Existing procedures adequate.
Election Costs	Risk of an election cost	3	3	9	The risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from the County Council for a full election and an uncontested election. There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process which should not be stifled. Budget to provide for this in election year. Reserves to be used when election is unscheduled	Existing procedures adequate

2. Compliance

Legal Powers	Illegal activity or payments	5	2	10	All activity and payments within the powers of the Council to be resolved and minuted at Council meetings.	Existing procedure adequate.
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Agendas Minutes Notices Statutory Documents	Accuracy and legality	5	2	10	Agendas and minutes are produced in the prescribed method by the Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements. Minutes are approved and signed at the following Council meeting.	Existing procedure adequate.
Members Interests	Register of Members Interests Pecuniary Interests	5	3	15	The member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'. Register of interests updated after each meeting. All members required to attend Code of Conduct training in each electoral term.	Existing procedure adequate
Planning	Consultations not responded to within timescales	3	3	9	Delegation to Committee between Full Council meetings. Delegation to clerk as a contingency measure	Existing procedures adequate
Health & Safety	Harm caused by failure to ensure adequate Health & Safety	5	3	15	Council recognises health, safety and welfare as essential in the successful operation of its activities. All operations will be conducted with due regard for the Council's statutory obligations and the appropriate safeguards to minimise risks to the health and safety of all employees and others who may be affected by our activities. Maintenance plan for council's assets and properties The Council, under The Management of Health and Safety at Work Regulations 1999:	Existing procedure adequate Public Liability Insurance £12 million Employers' Liability Insurance £10 million

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Contractors	Health and Safety	5	3	15	<ul style="list-style-type: none"> Carries out assessments of risks to employees and the general public that are caused by their work activities 	Clerk obtains evidence of Insurance Cover from Contractors and also where appropriate evidence of risk assessments.

Contractors	Health and Safety	5	3	15	<ul style="list-style-type: none"> Introduces effective arrangements for planning, organising, controlling and monitoring controls and precautions. 	As above
	Member Security	5	3	15	<ul style="list-style-type: none"> Clerk meets residents in Library. The same facility is available to councillors to avoid meeting at private residences All members to consider lone-working protocol. 	Consider members' details on website Consider PO Box as contact address for all
Legal Liability	Damage to Third Party property or individuals as a consequence of Council actions	5	3	15	Risk assessments conducted for events and activities. Tree surveys to be conducted – Tree officer and clerk are liaising with Unitary Authority Play areas inspected annually by qualified inspector.	Public Liability Insurance £12 million. Tree Inspection to be arranged.

3. Employees

Employees	Loss of key personnel	5	2	10	Reference to the Continuity Plan should be made in case of loss of key personnel. A Clerk handover plan including passwords in sealed envelopes – held in locked metal cupboard in the hall. Contact SLCC branch re Locum Clerk.	Existing procedures adequate.
	Fraud by Staff	5	2	10	Financial risks are low as only one member of staff and there is no petty cash operated. Internal Control checks carried out by Member quarterly.	Existing procedure adequate Fidelity Cover £250k
	Actions undertaken by staff	5	3	15	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role. Clerk is studying CILCA	Existing procedure adequate

4. Property

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Assets	Damage to assets owned by the council – buildings, equipment.	5	4	20	<ul style="list-style-type: none"> Asset register maintained; Annual assets inspection; Maintenance plan for assets; Buildings re-valued every five years; Fire safety equipment inspected; 	Insurance cover reviewed annually by Assets Committee.

5. Resilience

Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	5	1	5	Business Continuity Plan adopted. See also Clerk's handover Plan. Ensure laptop is replaced when nearing end of its life to preserve all data and ensure continued operation.	Existing Plan is adequate.
Flood	Risk to the community during flooding events	5	4	20	Flood & Community Emergency Group set up to work with NRW and Unitary Authority to protect the community and address weaknesses in the flood defences. Community emergency plan to be considered by the group to protect and inform the community. Flood insurance cover	Community Emergency Plan to be considered by Flood & CE Group; Flood & Community Emergency Group considers actions to protect the community.
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Council	Losing enough councillors to make council inquorate	5	2	10	Unitary Authority will take over the running of the council. Councillor Training plan to keep councillors motivated and engaged to be developed.	New Welsh legislation stipulates councillor training plan must be in place.
Cyber Security	Cyber Attack	5	3	15	Cloud backup for all data files. Firewall security in place. Website is maintained by website provider to ensure latest protection measures are in place.	Cyber security policy to be drafted