

CWMAMAN TOWN COUNCIL FINANCIAL RISK ASSESSMENT

Cwmaman Town Council is responsible for ensuring that its financial management is adequate, and its risk management process determines what risks exist and how these risks should be handled on a day-to-day basis.

Risk Rating

Likelihood
 Severity of **Result**
 1 = Most Unlikely
 2 = Unlikely
 3 = Likely
 4 = Most Likely

Action Bands

Rating Band
 1-2 = Minimal Risk
 3-4 = Low Risk
 6-8 = Medium Risk
 9-16 = High Risk

Action
 Maintain Control Measures
 Review Control Measures
 Improve Control Measures
 Improve Control Measures immediately/Consider stop working

Date Written	18 th January 2024	RFO:	OLAMIDE TOGUN		
Reviewed Date	25 th April 2024				
Area	Risk Description	Likelihood	Severity	Control Measures	Risk Score
Assets	Assets may be underinsured or based on outdated values	2	3	Current insurance policy is with BHIB/AVIA and values insured increase with RPI every year	6
	Civic regalia may be insufficiently insured	1	2	Civic Regalia is included in the above insurance policy and the Assets Register.	2
	Civic regalia may not be securely stored	2	2	The Town Council stores it securely, and it is only requested for use by the Mayor when it is required and returned promptly afterwards.	4
	Public play areas may pose safety risks due to poor maintenance	2	3	H&S Risk Assessments are carried out internally and ROSPA carry out an annual check to ensure safety standards are achieved and in line with current legislation. Weekday daily visually checks are carried out and remedial action taken where necessary	6
Finance Banking	Funds may be transferred without authorisation or to incorrect accounts	2	3	Bank mandates reviewed. Dual authorisation required.	6
	Cash may be lost or stolen during transit to the bank	2	3	The Town Council has a policy of not accepting cash unless it is the only method a payment can be made	6

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	stop working

	Loans may be mismanaged or not comply with agreed terms	2	4	Project plans and business case agreed (where applicable) before taking out a loan	8		
Grant	Accounts may not be reconciled or reviewed regularly, causing errors	2	3	Bank account reconciliations are carried out for each month	6		
	Grants may be awarded without a fair or approved process	2	3	Standard forms, approval via Full Council, reporting required.	6		
Expenses	Expenses may be claimed without proper authorisation or evidence	1	3	Standardised Claim Forms must be fully completed, signed, and accompanied by valid receipts.	3		
Invoice	Invoices may be paid in error or without due authorisation	2	3	All invoices are checked for: Accuracy of amounts, Match against purchase orders or approved quotations (where applicable) and Evidence of goods/services received	6		
VAT	VAT may be incorrectly reclaimed or underclaimed	2	3	Returns reconciled to nominal ledger. Checked monthly.	6		
Sealed Tenders	Tenders may not follow proper procedures, risking challenge or loss	2	4	All tender invitations require submissions in sealed envelopes clearly marked "Sealed Tender" with no identifying marks relating to the bidder	8		
Staffing	Key financial matters may lack oversight or proper documentation	2	4	Requirements under Employment Law and HMRC are fulfilled.	8		

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	Staff may act outside their duties, causing risk to the council	2	3	Responsibility of Town Council Manager / RFO	6
	Salary or PAYE may be incorrectly calculated or submitted	2	3	Monthly PAYE review. HR policies in place. Reviewed annually.	6
	Council-owned land or assets may be unmanaged or unrecorded	2	3	Responsibility of Services Officer on a day-to-day basis under the control of the Town Council Manager	6
	Contractors may fail to meet terms or service expectations	2	3	Covered by their own Public Liability insurance	6
Budget Monitoring	Budgets may be inaccurate or not followed during the year	2	3	Budget timetable commences in October and is dealt with by Full Council on recommendation of the Council Matters Committee	6
Finance Controls	Financial misstatements may go unnoticed due to weak oversight	2	4	Budgets, Cash Books, Bank reconciliations all take place on a regular basis, with each month reconciled before the next months is checked	8
Liability	Risks to land and assets may not be identified or mitigated	2	3	Risk Assessments and H&S Assessments regularly carried out by the appropriate Officers	6
	Unmanaged trees may pose legal or safety hazards	2	4	Regularly assessed and action taken if required.	8

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Legal Liability	Council may breach legal duties or statutory requirements	1	4	4	Monitored via Clerk/RFO. Reviewed by internal auditor.	4
	Ownership records for assets may be missing or unclear	2	2	2	All leases, H&S and Risk Assessments stored securely	4
	Constitution may be outdated, causing governance issues	1	2	2	standing Orders, Financial Standing Orders reviewed on each change of Council (every 4 years) and as and when necessary to ensure that they comply with current legislation.	2
Cybersecurity	Councillors may breach code of conduct, affecting governance	2	3	3	Signed Declaration of Interests.	6
	Council may fall victim to fraudulent or phishing payment requests	2	4	4	Supplier verification, dual approval, email awareness training.	8
IT Systems	Financial data may be lost due to IT system failure	2	4	4	Daily cloud backups. IT support. Rialtas data checked monthly.	8
Payments	Payments may be made without proper council approval	2	3	3	All payments authorised at Council meetings	6
Debtors	Income due to the council may not be collected	2	3	3	Debtors list maintained. Sales invoices tracked monthly.	6

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Creditors	Suppliers may be paid late or twice due to poor controls	2	2	Invoices logged and reviewed. Paid once authorised.	4
Reserves	Earmarked reserves may be used without formal approval	1	3	EMR reviewed at year-end. Council approval minuted.	3
Loans	Loans may be taken or managed contrary to policy	1	3	Business case required. Monitored by RFO and Clerk.	3
Procurement	Goods/services may be purchased without achieving best value	2	3	Standing Orders followed. Three quotes where required.	6
Events	Public events may overspend or result in financial loss	2	3	Budget approved in advance. Monitored by RFO.	6
Insurance	Insurance policies may lapse or provide inadequate cover	2	3	Policy reviewed before renewal. Linked to asset register.	6
Fraud / Theft	Funds may be lost due to fraud or misappropriation	1	4	Fidelity cover. Audit trail. Payment controls.	4
Council Records	Key documents may be lost, affecting audit and compliance	2	3	Cloud backups. Paper copies secured in archive.	6

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Contracts	Contractors may underperform, delaying council services	3	2	SLAs in place. Reviewed annually.	6
Reputation	Poor financial management may erode public trust	2	4	Transparent reporting. Published reports. Proactive issue handling.	8

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