

CYNGOR CYMUNED
MANORDEIFI
COMMUNITY COUNCIL

FINANCIAL RISK ASSESSMENT

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CYNGOR CYMUNED **MANORDEIFI** COMMUNITY COUNCIL

FINANCIAL RISK ASSESSMENT

A financial risk assessment is a systematic general examination of working conditions, workplace activities and factors that will enable the Community Council to identify any and all potential financial risks inherent in its practices. Based on a recorded assessment the Community Council should then take all practical and necessary steps to reduce or eliminate the risks, insofar as is practically possible and ensure that all employees and councillors are made aware of the result of the financial risk assessment. This document has been produced to enable the Community Council to assess the financial risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

The Council has adopted Financial Regulations which govern the conduct of financial management by the Council.

RISK	RISK LEVEL	CONTROL SYSTEM	REVIEW/ASSESSMENT
PRECEPT			
Adequacy of amount	Low	Budget prepared annually by RFO to assess level of precept required. Regular monitoring of expenditure against budget.	Budget and precept to be agreed at November meeting. Budget monitoring report is presented to Council regularly.
Request not submitted	Low	Council to be informed by clerk/RFO when precept submitted and confirmation received.	Letters kept on file. Controls adequate.
Not received from County	Low	Dates of payments are provided in advance from the County Council. Council to be informed by clerk/RFO if precept has not been received on the due date	Letter kept on file. Controls adequate.
FINANCIAL RECORDS			
Inadequate recording of receipts and payments	Med	Clerk/RFO to record transactions as soon as possible. Receipts & payments log to be presented at each Council Meeting. Transactions to be checked against bank	Continue to maintain up to date log. Continue with monthly check.

		statements.	
Loss of computer data	Med	All files are backed up to Microsoft One Drive	Controls adequate.
Fraudulent activity/financial losses	Med	Bank statements shared with all Councillors. Monthly bank reconciliation presented to Council Meeting. Two signatories required for each cheque or bank transfer. All payments agreed at Council meetings on presentation of invoices or receipts. Fidelity insurance is in place.	Continue to share all financial information. Bank reconciliation and receipt & payment log to be signed by Chair.
Non compliance with Customs & Excise Regulations (VAT)	Med	VAT to be separated out on receipts & payments log. Clerk/RFO to prepare claims when required.	Review as necessary
Loss of cash	N/A	No cash is held by the Council.	N/A
Non compliance with statutory deadlines for accounting/returns	Med	Clerk/RFO to complete the Annual Return by the May Annual Meeting or June meeting at the latest.	Annual Return to be submitted by the end of June.
Non compliance with proper financial practices	Med	Council to appoint an Internal Auditor to ensure adequate controls are in place. Council to follow any recommendations from the Internal Auditor and/or the Auditor General.	Clerk to keep up to date with financial regulations. Annual review.
Not achieving value for money with contracts/services	Low	Financial regulations to be followed when awarding contracts. If possible, obtain 2-3 quotes/estimates for services for discussion at a Council Meeting.	Financial Regulations to be followed.
ASSETS			
Damage to or loss of assets owned by the Council	Low	Insurance cover is in place	Annual review of adequacy of insurance
EMPLOYEE SALARY			
Incorrect salary paid	Low	Salary agreed annually.	Review at Council Annual Meeting

Incorrect PAYE tax records	Med	Payroll outsourced to ensure correct information is delivered to HMRC.	Review annually.
GENERAL LIABILITIES			
Claims against the Council	Med	Public liability and official's indemnity insurance is in place.	Review insurance policy annually.

Should problems be identified by the Council or Proper Officer at any time this risk assessment should be amended accordingly. The assessment is not exhaustive and the Council may wish to consider other risks not identified.

Prepared by Judith Kings, Clerk/RFO
April 2023