

LLANTWIT FARDRE COMMUNITY COUNCIL
CYNGOR CYMUNED LLANILLTUD FAERDREF



ANNUAL MEETING OF THE COUNCIL

26th May 2026

REPORT OF THE CLERK AND EXECUTIVE OFFICER

1. LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT FOR 2026/27

- 1.1 The purpose of this report is to present the Financial Risk Assessment for [Insert Council Name] and to provide assurance that appropriate financial management arrangements, controls, and monitoring procedures are in place.
- 1.2 This report supports the Council's responsibilities under relevant local government and audit regulations and demonstrates the Council's commitment to maintaining effective governance, accountability, and stewardship of public funds.

2 BACKGROUND

- 2.1 The Community Council is required to identify, assess, and manage risks that may affect its financial position, operations, assets, or ability to deliver services.

A review of the Council's financial risks has been undertaken to:

- Identify potential financial and operational risks;
- Assess the likelihood and impact of those risks;
- Review the adequacy of existing controls;
- Identify any further actions required to reduce or manage risk exposure.

- 2.2 The assessment forms part of the Council's wider governance and internal control framework.

2.3 The Financial Risk Assessment has considered the following areas:

- Budget setting and financial planning;
- Banking and cash management;
- Income collection and receipting;
- Payments and procurement;
- Payroll and staffing costs;
- Grants and external funding;
- Asset management and insurance;
- Internal controls and authorisation procedures;
- Fraud and error prevention;
- Data protection and cyber security;
- Reserves and financial sustainability;

The above shows areas compliance with statutory and audit requirements.

The assessment shows that the Community Council generally has appropriate financial controls in place. With existing procedures considered to be effective in managing the majority of identified risks.

2.4 The following key points were noted:

- Financial regulations are in place and are reviewed periodically;
- Bank reconciliations are completed regularly and independently reviewed;
- Payments are authorised in accordance with Council procedures;
- Insurance arrangements are current and adequate;
- Budget monitoring reports are presented to Council regularly;
- Adequate reserves are maintained to support financial resilience.

Attached at Appendix 1 is the full financial risk assessment/register for Members to consider.

3. RECOMMENDATIONS

Members are asked to:

3.1 Consider the attached Financial Risk Assessment

3.2 Review the identified risk and proposed mitigation measures

3.3 Approve the Financial Risk Assessment

3.4 Agree any additional actions required