



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

AREA	RISK DESCRIPTION	IMPACT DESCRIPTION	IMPACT LEVEL	PRIORITY LEVEL	MITIGATION CONTROLS
Segregation of Financial Duties	Resource constraints that make proper segregation of financial duties difficult to achieve i.e. the Responsible Finance Officer (RFO) having sole responsibility for any transaction from authorization to completion.	Council unaware of financial position of Council funds.	Medium	Medium	<ul style="list-style-type: none"> *Reports provided for monthly meeting. *Two signatures required for all cheques. *Bank statements / reconciliations are checked regularly. *All invoices initialed by 2 Councilors *All purchases is planned and paper trail filed Chair/Vice-Chair of Finance & Policy Committee to review reports independently of the RFO
Budgetary Control	No financial procedures in place to monitor the Council's performance against its budget.	Inadequate monitoring of performance	Medium	Medium	<ul style="list-style-type: none"> *Income and Expenditure report provided to Full Council, monthly *Quarterly review of nominal ledger by RFO and Members. As recommended by Internal Auditor in 23/24 Report. *Quarterly review of spending by Finance and Policy Committee. As recommended by Internal Auditor in 2023/24 Report. RFO to prepare budget annually in December /January
RBS Omega Financial Software System	Resource constraints resulting in only one person, namely the RFO being able to use the system.	Loss of key member of staff trained in financial system.	Medium	High	Arrangements to be put in place so that knowledge is distributed between RFO and at least one other member of staff.



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

					Hard copies linked to Council reports are held on file together with bank reconciliation reports, invoices/receipts/payments and cheques issued.
Precept	Lack of budgetary control. Members not undertaking a six month review of the money spent to date – normally carried out in September of each year	Annual Precept not the result of proper detailed consideration	Medium	Low	Full Council to determine precept annually in December/January
Internal Audit	The role of internal audit is to look at the effectiveness of the Council's financial controls. Members should consider reports prepared by the internal auditor that identify weaknesses in internal control.	Non compliance with statutory requirements.	Medium	Low	Internal Auditor is approved annually by Council and attends the office to complete two interim audits each year. Findings of Internal Auditor are reported to full Council.
External Audit	Ensuring completion of Annual Return to be agreed by Members at full Council by the 30 th June each year.	Non-compliance with statutory deadlines for the completion / approval / submission of accounts and other financial returns.	Medium	Low	Ensure that all accounts and returns are completed and submitted by the deadlines.
Standing Orders and Financial Regulations	Lack of understanding of rules applicable to Council meetings and in carrying out the Council's business. Standing Orders and Financial Regulations become out of date with changes in legislation.	Decisions made against Council policy or outside legal powers.	High	Low	Reviewed on annual basis in May by full Council. The Clerk reacts to any changes in legislation or other areas in order to ensure the regulations are fully compliant and also provide a strong framework compatible with the Council's practices.



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

AREA	RISK DESCRIPTION	IMPACT DESCRIPTION	IMPACT LEVEL	PRIORITY LEVEL	MITIGATION CONTROLS
Process of Payments	Risk of not understanding the Council's financial regulations/procedures in respect of payments.	Incorrect payments made	Medium	Medium	Council should review the way it currently makes payments to bring it up to date where possible - by reducing the reliance on cheques and considering dual authorization bank payments. *Utility Bills are paid by Direct Debit. (DD) * Some suppliers are paid by Standing Order or DD. Electronic Payment to reduce the spend on Cheques, Two signatories to authorize Review of Council Banking arrangement to be carried out Annually
Authorisation of Expenditure	Unauthorised purchase of goods and services.	Illegal Expenditure	Low	Low	RFO to ensure that all Council agreed expenditure is within legal powers. In exceptional circumstances, except for the August recess and Bank Holiday, retrospective consent will be sought. *When it comes to pre-quoted items, all quotes should have an expiry period, such as 30 days. New quote requested if time lapses. However, where felt appropriate, provision could be made for inflation, and if this was to be the case, whereby new quotes are not to be sought then the statement be made - `all budgetary items have been increased in line with the current rate of inflation using



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

					CPI 2.9% (Consumer Price Index)
	Incorrect Payments made	Non compliance with payment practices	Medium	Low	*All accounts for payment reported monthly to full Council before payment. *Financial Regulations specify expenditure limits. *All cheques signed by 2 Councilors.
		Non compliance with VAT regulations	Low	Low	*All VAT payments recorded on accounting software and VAT return filed quarterly.
	Unauthorised use of Council Debit Card	Misuse of Council Debit Card	Medium	Medium	*All card transactions to be authorized by the Clerk prior to placing an order. Where possible other payment methods are used. *Only the named card holder to use the card i.e. the Clerk. *Full list of payments made provided to Council each month and reconciled monthly to the bank statement.
Income Received	Controls in place should provide assurance that the income received is secure, accurately recorded and banked as quickly as possible.	Loss of cash through theft or dishonesty	Medium	Low	*All cash/cheques banked on day of receipt or locked in safe until it is possible to bank it. *Insurance policy in place. *Invoices state that Payments are requested by BACS. Continue encouragement of this method of payment.
AREA	RISK DESCRIPTION	IMPACT DESCRIPTION	IMPACT LEVEL	PRIORITY LEVEL	MITIGATION CONTROLS



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

Trading Income and Fees	Trading includes all goods and services provided for a fee. Controls should ensure that all income due to the Council is received and recorded.	Incorrect hall hire charges made or charges not collected.	Low	Low	<p>*Annual review of Hall Hire charges to take place at the start of the budget setting process.</p> <p>*Regular hall hirers invoiced monthly. All group contact details updated in March 2026 and entered onto RBS. Review annually.</p> <p>*One-off bookings invoiced and payment received prior to the event.</p> <p>*Outstanding invoices to be reviewed every 3 months, as a minimum (June, September, December and March)</p>
Income Records	Internal controls should ensure the Council accurately maintains accounting records of income.	Non compliant records kept.	Medium	Low	<p>*Accounts reconciled monthly.</p> <p>* The Chair or Vice Chair of the Finance and Policy Committee to check reconciliation against the statements minimum twice per financial year.</p>
Wages and Salaries	Incorrect amounts paid to employees and HMRC.	Incorrect amounts being paid to individuals or HMRC. Lack of budgetary overview/overspend against budget	High	High	<p>* Outsourced to RCTCBC Payroll .</p> <p>*NALC guides used for setting salary levels.</p> <p>*Overtime is sanctioned by Clerk and Chair of Staffing./Council</p>
Pensions	Incorrect amounts paid to HMRC	Financial demands from HMRC Lack of budgetary overview/overspend against budget	Medium	High	<p>Outsourced to RCTCBC Payroll.</p> <p>Continue to monitor staffing costs on a quarterly basis.</p>
Employees	Lack of understanding of individuals roles.	Employees not following Council	Medium to	Medium	<p>*Appraisals to be completed annually and training needs to be identified to accord</p>



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

		procedures. Employees not being able to carry out their roles.	high		with the Local Government and Elections (Wales) Act, 2021
--	--	--	------	--	--



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

AREA	RISK DESCRIPTION	IMPACT DESCRIPTION	IMPACT LEVEL	PRIORITY LEVEL	MITIGATION CONTROLS
	Absence of Clerk	Absence of the Clerk through illness or termination of employment.	medium	medium	The council have recently appointed General Services Manager and will deputize for Clerk in times of absence.
	Loss of Key Staff	Loss of services of a trained employee.	Medium	Low	If a permanent loss, immediately advertise the vacancy and request help from remaining employees to cover work load during temporary loss. Provide necessary training/support as necessary.
		Employee accident	Medium	Low	*Insurance policy in place and reviewed annually *Appropriate Risk Assessment in place. Review annually.
Investments	Internal controls should ensure that the Council's investments are safeguarded.	Inappropriate investment	Medium to High	Low	*Council have identified that they need to expand their investments to protect their reserves. *New savings account(s) to be opened. *Deposit of £35k to be made to CCLA. (transfer took place on 08.03.2022)
Bank Accounts	Controls over bank accounts ensure that the amount of money held at any given point in time can be identified and that this money is secure.	Incorrect information held on bank accounts.	Medium to High	Low	*All cheques require dual signatures. *All computers have AVG internet security installed enabling staff members to view accounts safely on-line. *KRUF Account (x2) closed. *CEJ 2 nd account identified. *Gwynfa account closed.
Cyber Security	The risk of legislative change.	Safety of information/risk of loss of data.	Low	Low	Cyber training to be arranged for Officers and Members in the 2025/26 Municipal Year. Training database is now being maintained. All computers, financial software, social media accounts are password protected. Microsoft Office installed on all PCs which allows for cloud back up of information. Cloud storage of all
Document Control	Breach of GDPR	Information not secure	Low	Low	Registered with ICO New systems put to ensure that there is a written record of data processing activities to accord with statutory requirements and as recommended by the Internal Auditor during the interim audit in April 2024 and will be reported to Council in June 2024.
Assets	Safeguarding of Assets	Damage to physical assets	Low	Low	Asset Register fully reviewed every 6 months of each year RBS Asset Inventory now in place and updated on a regular



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026

					<p>basis as and when new equipment purchased or disposed of.</p> <p>*Insurance policy in place and reviewed annually against the Asset Register.</p> <p>*CCTV and alarms installed at all premises.</p>
	Protection of Physical Assets owned by the Community Council	Uninsured Assets	Low	Low	<p>All physical assets insured.</p> <p>Ear-marked Reserves set aside for new roof at Carnegie Parish Hall.</p> <p>Fire and intruder alarms installed in all buildings which are serviced on an annual basis.</p> <p>Buildings secured outside working hours.</p>



LLANTWIT FARDRE COMMUNITY COUNCIL FINANCIAL RISK ASSESSMENT – MAY, 2026