TONYREFAIL & DISTRICT COMMUNITY COUNCIL
FINANCIAL RISK ASSESSMENT 2024/25

A Risk Assessment is a systematic general examination of working conditions, workplace activities and environmental factors that will enable the Council to identify any and all potential inherent risks. The Council, based on a recorded assessment, will take all practical and necessary steps to reduce or eliminate the risks, in so far as is practically possible.

This document has been produced to enable Tonyrefail & District Community Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

Classification:		
	1 – 5	Low
	6 – 10	Medium
	11 – 15	High
	16 – 25	Very High

Reviewed: 06/09/2024 (JvT)
Reviewed: 13/01/2025 (JvT)
Reviewed: 01/05/2025 (JvT)

Topic	Risk Identified	Potential Consequence	Likelihood [A] (1-5)	Severity Score [B] (1-5)	Classification (AxB)	Control Measures	Items for Action to reduce risk
Income							
Precept	Not set	5	1	5	Low	RFO/Council to prepare budget annually. Council to agree Precept in January. Clerk/RFO to notify RCTCBC in January.	n/a
	Not paid by RCTCBC	5	1	5	Low	Paid directly into TCC's account via electronic transfer.	n/a

	Inadequacy of Precept	5	2	10	Medium	To consider at budget setting stage. Quarterly performance against budget is presented to Council to manage current and ongoing budget commitments.	
Reserves – General	Inadequate	4	2	8	Medium	To consider at budget setting stage. Reserves Policy in place. Analysis of level of reserves included with half-yearly accounts.	
VAT	Not claimed	2	2	4	Low	Improvement in distribution of administrative functions; VAT claimed quarterly.	
Cemetery Fees	Overestimated in budget	3	2	6	Medium	Fees regularly monitored and banked appropriately. Burial Income is understated in the budget.	Regular reporting to appropriate committee on income/bad debts.
Allotment Fees	Not received	1	3	3	Low	Invoices generated annually and fees banked appropriately.	Regular reporting to appropriate committee on income/bad debts.
Expenditure							

Payments	Unlawful payment or activity	5	2	10	High	Ensure compliance with Standing Orders and Financial Regulations. To regularly review Financial Regulations and Standing Orders. Cheques: two signatories required. EFT payments: a Council officer uploads payments; two signatories (other than the officer) release payments.	Financial Procedures to be drawn up to ensure segregation of duties and compliance with regulations and standing orders. – segregation of duties is being implemented across the procurement function Councillors sitting on the Finance Committee to undertake training in order to be able to ensure RFO is compliant. – Cllr A Davies has undertaken training; rest of committee still to complete Statutory powers to undertake work recorded in accounts.
	Not made	3	2	6	Medium	Aged Creditors produced monthly.	n/a
	Misappropriation	5	2	10	High	Accounts for payment presented to, and authorised by Council at monthly meetings. All expenditure ratified at each meeting. Two authorised signatories are required for all payments. Appropriate insurance in place. Reviewed annually.	Financial Procedures to be drawn up to ensure segregation of duties and compliance with regulations and standing orders. – segregation of duties is in the process of being rolled out across all finance functions

Salaries/Wages	Wrong salary paid	4	2	8	Medium	Wages paid weekly by EFT. Payment to be evidenced by appropriate timesheets from staff. Monthly salaries paid monthly by EFT. Additional hours worked to be evidenced by timesheets. Annual review of staff salaries. Salaries & wages journal processed automatically from payroll software and reconciled to bank entries.	Segregation of duties to provide a checking mechanism.
	Not accounting correctly for NI, TAX and Pension	4	1	4	Low	Appropriate software used to determine wages/salaries. Pension contributions calculated and manually submitted to RCTCBC-administered LGPS. Monthly RTI submissions to HMRC generated through payroll software.	n/a
Financial Assistance / Small Grants	Legal power to contribute	4	2	8	Medium	Grants Policy in place. Councillors provided with list of powers that are available – Good Councillors Guide. Councillors to be made aware of Power of Well-being and s.137 limits. Finance Committee to make grant recommendations to Full Council. No grants or donations will be made outside of the Grants Policy.	Councillors to undertake relevant training with regards to understanding financial items.
	Overspend	3	3	9	Medium	Council to monitor expenditure against budget via regular reporting to Full Council.	Requests for financial assistance to be considered only in line with Grants Policy.

Councillors Allowances	Payments not made correctly	4	2	8	Medium	Council agrees IRPW discretionary allowances annually. All payments are processed through the payroll software, are taxable at source and made executed via EFT.	Protocol outlining how / when payments are made to be adopted by Council – draft policy ready for adoption May 2025
	Maintain proper records	3	1	3	Low	Councillors' allowances to be reported to IRPW before 30th September for the preceding financial year. IRPW discretionary allowances agreed, are minuted.	n/a
Assets							
Assets	All assets properly accounted for and recorded in Asset Register	5	2	10	Medium	Asset register to be presented at least annually to Council – usually as part of the annual accounts.	To be regularly updated by RFO.
	Loss/damage thereof	5	2	10	Medium	Booking-out system in place for significant pieces of equipment. Less expensive pieces of equipment are allocated to respective teams and monitored / controlled by team leaders. Periodic inspections are carried out.	To set up an inspection timetable for assets.
	Risk or damage to third party property or individuals	5	2	10	Medium	Appropriate insurance is in place; reviewed annually.	Review staff training requirements.

	Not maintained	5	3	15	High	Identify and undertake necessary repairs.	To provide for a suitable budget for regular maintenance. – £16k was earmarked at FYE2023 for Cemetery maintenance (that would include assets), and £10,400 in total in the 2023/24 budget for various categories of assets – Likely to be insufficient to address backlog; additional budget to be set aside during budget setting at the end of 2023. – to be considered during 2024/25 budget setting – further budget is to be provided for the purposes of maintaining the Council's assets in 2024/25 – Supervisor in the process of setting up "asset care matrix" for scheduling of maintenance. – robust H&S programme in place to identify and rectify damaged equipment
	Vehicle accident	5	2	10	Medium	All drivers have valid driver's licences and are deemed competent drivers. Appropriate insurance is in place; reviewed annually. The vehicle is serviced annually and maintained as and when required. A logbook is to be completed whenever the vehicle is used on public roads (outside the Cemetery).	n/a
Staff							

Loss of Clerk	Disruption of services	4	3	12	High	Recruitment of Deputy Clerk to support and deputise for Clerk.	Regular assessment of staff wellbeing needs to improve staff retention – recruitment of Deputy Clerk has reduced risk of disruption of services – further training and development of Deputy Clerk in progress
Loss of other staff	Disruption of services	4	2	8	Medium	Annual staff appraisals are in place. Pool of competent blue- and white-collar professionals in place to provide ad hoc labour during periods of need. Full compliment of staff in post.	Regular assessment of staff wellbeing needs to improve staff retention – Staff Wellbeing Needs Assessment is needed to ensure staff retention – staff turnover of 50% has resulted in an opportunity to upskill and target recruitment
Disputes	Compensation claims / Tribunals	5	2	10	Medium	HR policies are in place to ensure fair and appropriate treatment of staffing matters. The Council will look to enter into mediation and will seek professional advice in the event of an ACAS dispute.	Ensure appropriate level of insurance is in place – insurance in place to cover legal fees but not compensation
Employment legislation	Failure to comply	4	2	8	Medium	The Clerk has received sector-specific training in HR law. ACAS template policies, guidance and advice notes are used / referenced.	Councillors to undertake relevant training with regards to understanding the Council's obligations as an Employer – Cllr L Michel has undertaken this training; all other members still to complete Councillors on the Staffing Committee to undertake specific training in Disciplinary and Grievance matters **– to be made a high priority** – training of current cohort not complete; to ensure 2025/26 cohort received urgent training
Other							

Contracts	Poorly specified	5	1	5	Low	Professional legal advice taken prior to entering into contracts for the sale / purchase of land & buildings.	n/a
	Fraudulent	5	1	5	Low	Contracts entered into are reported to Council annually.	n/a
Documents	Security – appropriateness of existing facilities	5	2	10	Medium	Electronic documents are backed up on Dropbox which can be externally accessed. Dropbox is password protected. Confidential documents are stored in a locked facility / safe.	Document Retention Policy to be adopted. To archive any historical documents as and when required. To determine which documents are located in operations block office and archive/destroy as appropriate. Passwords to be changed regularly.
	GDPR – failure to comply	4	2	8	Medium	To ensure all appropriate steps are taken to monitor compliance by using the Toolkit provided by SLCC/One Voice Wales.	To work through GDPR toolkit retrospectively to ensure all features are in place.
Financial Records	Inadequate records – failure to comply with Audit Regulations	5	4	20	High	Appropriate accounting procedures and reporting mechanisms are in place. To regularly review and ensure compliance with Regulations/Policies. To ensure timely compliance with audit requests and reporting on the Annual Return. To store all financial related documents in a safe/orderly manner.	Financial Procedures to be drawn up to ensure compliance with regulations and standing orders. - WIP To work through the Finance & Governance Toolkit provided by SLCC / OVW / WG. – Part 1: Health Check to be reviewed by F&G Committee; plan of action to address Part 2. – Theme A in progress
Minutes	Accurate and Legal	4	1	4	Low	Reviewed, signed and dated at following meeting.	n/a

Register of Interests, Gifts and Hospitality	Identification of interests and recording of gifts	3	1	3	Low	Up to date register of interests maintained. Declaration of Office signed by all Members and held on file as required.	Up to date register available on website. To update following all meetings.
To work through the Finance & Governance Toolkit provided by SLCC / One Voice Wales / Welsh Gvt.							