

**CYNGOR CYMUNED YR YSTOG  
CHURCHSTOKE COMMUNITY COUNCIL**

**ANNUAL RISK ASSESSMENT FOR YEAR ENDING 31<sup>ST</sup> MARCH 2024**

**INTRODUCTION**

This risk assessment is part of the financial, administrative, and risk control of the Council and have legal basis in:

- o Public Audit (Wales) Act 2004
- o Accounts and Audit (Wales) Regulations issued from time to time under the Act.

It must be reviewed and adopted by council annually during each financial year and will be reported to and specifically approved by Council during the financial year in question. It will accompany the financial records through the annual internal and external Audit.

**RISK ASSESSMENT MANAGEMENT**

In general, risk can be reduced in two ways:

- o Reducing probability of it occurring
- o Reducing the consequences if it does occur.

In turn, these can be managed in three ways:

- o Work with others, to manage probability and impact
- o Self-managed, to reduce probability and impact
- o Taking out adequate insurance. This does not prevent an occurrence but does help deal with the consequences.

The risk assessment is set out below in tabular/ check-sheet style, adapted from a template provided by the external auditor, indicating type of risk, risk items, risk level, and how the council manages the risk. Super-imposed on that is a calculation of risk level derived by multiple of (probability x impact) as follows:

Probability L/M/H	Impact L/M/H	Risk L/M/H
1 L	1 L	1 L
1 L	2 M	2 L
2 M	1 L	2 L
1 L	3 H	3 M
3 H	1 L	3 M
2 M	2 M	4 M
2 M	3 H	6 H
3 H	2 M	6 H
3 H	3 H	9 H

THE RISK ASSESSMENT – CHECKSHEET AND ACTIONS (RFO = Responsible Finance Officer)						
Topic	Risk Identified	Probability	Impact	Risk	Management of Risk	Action
<b>Finance and Assets</b>						
Precept Income	Not submitted	L	H	M	<ul style="list-style-type: none"> <li>Council – Resolve and minute prior to deadline</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meeting</li> </ul>
	Not paid by CC	L	H	M	<ul style="list-style-type: none"> <li>Clerk/RFO – Confirm receipt; report to council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
	Adequacy of precept and budget	L	H	M	<ul style="list-style-type: none"> <li>Council/Clerk/RFO – Annual budget setting procedure and reporting of budget, actual to date, and anticipated outcome.</li> <li>Clerk/RFO – Monthly monitoring and reporting to council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
Other Income	Cash handling	L	L	L	<ul style="list-style-type: none"> <li>Clerk/RFO – Cash handling is avoided, but where necessary use of control documentation; report to council.</li> <li>Members – Spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Clerk verify and meetings</li> </ul>
	Inadequate cash and cheque banking	L	L	L	<ul style="list-style-type: none"> <li>Clerk/RFO – Bank promptly; check statements; reconcile to control documentation.</li> <li>Members – Spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Clerk verify and meetings</li> </ul>
	Cemetery fees not received	L	L	L	<ul style="list-style-type: none"> <li>Clerk/RFO – Bank promptly; prompt entry in registers; check statements; reconcile to control documentation; report to Council.</li> <li>Members – Spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Clerk verify and meetings</li> </ul>
	Allotments rents not received	L	L	L	<ul style="list-style-type: none"> <li>Banking promptly; prompt entry in registers; check statements; reconcile to control documentation; report to Council.</li> <li>Members – Spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Clerk verify and meetings</li> </ul>
	Other Misc. income not received	L	L	L	<ul style="list-style-type: none"> <li>Banking promptly; check statements; reconcile to control documentation; report to Council.</li> <li>Members – Spot checks</li> </ul>	<ul style="list-style-type: none"> <li>Documents and meetings</li> </ul>
VAT reclaim income	Analysis not made	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – entry in accounts book</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
	Claim not made	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – claim at end of financial year; report to council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and Meeting</li> </ul>

Grants and borrowing income	Claim not made	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – process as required; report to Council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
	Not received when due	L	H	M	<ul style="list-style-type: none"> <li>Clerk/RFO – check as required; report to Council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
Investment Income	Not received when due	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – check as required; report to Council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
	Poor suitability of investment and banking risk	L	H	M	<ul style="list-style-type: none"> <li>Council – review and resolve and minute Annual Investment Strategy for the next year</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meeting</li> </ul>
Salary expenditure	Wrong salary/ hours/ rate paid	L	M	L	<ul style="list-style-type: none"> <li>Council – resolve and minute payment; check national rates to contract</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
	Tax not paid	L	M	L	<ul style="list-style-type: none"> <li>Council – resolve and minute payments to HMRC</li> <li>Clerk/RFO – monitor and report to council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
Allowances expenditure	Incorrect payment of allowances	L	L	L	<ul style="list-style-type: none"> <li>Council – Chairman’s Allowance reviewed, resolve and minute annually</li> <li>Council – Members’ Allowances reviewed, resolve and minute annually</li> <li>Clerk/RFO – monitor and report to council</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meeting</li> </ul>
Direct Costs and overhead expenditure	Goods not supplied to Council	L	M	L	<ul style="list-style-type: none"> <li>Clerk – Follow up all orders</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
	Invoice incorrectly calculated or recorded	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – Check arithmetic on invoices and reconcile to bank statements</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
	Cheque payable is excessive or to wrong party	L	H	M	<ul style="list-style-type: none"> <li>Members/Clerk/RFO – Signatory initials Stub &amp; Cheque; bank mandate</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
Grants & support expenditure	No power to pay or no evidence of agreement of Council to pay	L	H	M	<ul style="list-style-type: none"> <li>Council/Clerk/RFO – resolve and minute payment</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>
	Conditions not met	L	M	L	<ul style="list-style-type: none"> <li>Council/Clerk/RFO – Agree and document any reasonable conditions</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
Election costs expenditure	Not invoiced at agreed rate	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – check and consider budget</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
Reserves – General	Adequacy of reserves	L	H	M	<ul style="list-style-type: none"> <li>Council – consider and review at Budget setting</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meeting</li> </ul>
Reserves – Earmarked	Adequacy of reserves	L	M	L	<ul style="list-style-type: none"> <li>Clerk/RFO – report to council monthly</li> </ul>	<ul style="list-style-type: none"> <li>Diary and meetings</li> </ul>

Assets – playground and equipment	Loss or damage	M	M	M	<ul style="list-style-type: none"> <li>Inspector – visual checks; annual safety inspection and remedial work</li> <li>Clerk – update insurance and asset registers</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> </ul>
	Risk or damage to third party property or individuals	M	M	M	<ul style="list-style-type: none"> <li>Clerk – review adequacy of Public Liability Insurance</li> <li>Clerk – appropriate signage in place</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Assets – land	Loss or damage	L	H	M	<ul style="list-style-type: none"> <li>Clerk – periodic visual checks</li> <li>Clerk – update insurance and asset registers; safe keeping of Title documents</li> <li>Registration of land at HM Land Registry</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council funding and approval Clerk’s time</li> </ul>
	Risk or damage to third party property or individuals	M	M	M	<ul style="list-style-type: none"> <li>Clerk – review adequacy of Public Liability Insurance</li> <li>Clerk – appropriate signage in place</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Assets – cemetery	Loss or damage	M	M	M	<ul style="list-style-type: none"> <li>Clerk/Volunteer – visual checks</li> <li>Clerk – update insurance and asset registers</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
	Risk or damage to third party property or individuals	M	M	M	<ul style="list-style-type: none"> <li>Clerk – review adequacy of Public Liability Insurance</li> <li>Clerk – appropriate signage in place</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Assets – outdoor fixtures & furniture	Loss or damage	M	M	M	<ul style="list-style-type: none"> <li>Clerk/Volunteer – visual checks</li> <li>Clerk – update insurance and asset registers</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
	Risk or damage to third party property or individuals	M	M	M	<ul style="list-style-type: none"> <li>Clerk – review adequacy of Public Liability Insurance</li> <li>Clerk – appropriate signage in place</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Assets – admin & office equipment	Loss or damage	L	H	M	<ul style="list-style-type: none"> <li>Clerk – visual check</li> <li>Clerk – update insurance and asset registers</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Assets – records and documents	Loss or damage	L	H	M	<ul style="list-style-type: none"> <li>Clerk – visual check</li> <li>Clerk – update insurance and asset registers</li> </ul>	<ul style="list-style-type: none"> <li>Diary and verify</li> <li>Council – funding</li> </ul>
Cash Flow	Inadequate liquidity	L	H	M	<ul style="list-style-type: none"> <li>Clerk/RFO – Auto (monthly) and manual (ad hoc) transfers between reserve and current account</li> <li>Clerk/RFO – Reporting of and accounting of ring fences fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Verify, diary and meetings</li> </ul>

					<ul style="list-style-type: none"> <li>• Clerk/RFO/Council – Monthly reporting and monitoring of cash balances</li> </ul>	
Audit	Failure to meet audit timetable and requirements	L	H	M	<ul style="list-style-type: none"> <li>• Clerk/RFO/Council – Internal Audit annually</li> <li>• Clerk/RFO/Council – External Audit annually; approval and minute of accounts by council</li> <li>• Members – periodic spot checks</li> </ul>	<ul style="list-style-type: none"> <li>• Diary and meetings</li> </ul>
Insurance	Inadequacy of insurance cover and employers and public liability	L	H	M	<ul style="list-style-type: none"> <li>• Council – review at annual meeting</li> <li>• Clerk/RFO – check and recommend</li> </ul>	<ul style="list-style-type: none"> <li>• Check and recommend</li> </ul>
Financial Regulations	Inadequacy of financial regulations	L	H	M	<ul style="list-style-type: none"> <li>• Council – review at annual meeting</li> <li>• Clerk/RFO – check and recommend</li> </ul>	<ul style="list-style-type: none"> <li>• Check and recommend</li> </ul>
Staff	Fraud or Loss of cash through theft or dishonesty by staff	L	H	M	<ul style="list-style-type: none"> <li>• Council – Fidelity Guarantee value appropriately set and reviewed annually with insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Diary and meeting</li> <li>• Council – funding</li> </ul>
Loss	Consequential loss due to critical damage or third party performance	L	H	M	<ul style="list-style-type: none"> <li>• Council – Review adequacy of Insurance cover annually</li> </ul>	<ul style="list-style-type: none"> <li>• Diary</li> <li>• Council – funding</li> </ul>
<b>Legal, Administrative and Record Keeping</b>						
Legal Powers	Illegal activity or payment	L	H	M	<ul style="list-style-type: none"> <li>• Councillors/ Clerk – Training for Councillors and Clerk as to the legal powers</li> </ul>	<ul style="list-style-type: none"> <li>• Diary</li> <li>• Council – funding</li> </ul>
	Administrative arrangements in accordance with statute	L	H	M	<ul style="list-style-type: none"> <li>• Clerk – Training for Councillors and Clerk as to the legal powers</li> </ul>	<ul style="list-style-type: none"> <li>• Diary</li> <li>• Council – funding</li> </ul>
Members' Interests and Code of Conduct	Conflict of interest	L	H	M	<ul style="list-style-type: none"> <li>• Councillors – sign up to Code of Conduct; declarations of interest to be documented/ minuted and any conflict addressed as appropriate; training when required</li> <li>• Clerk – ensure Councillors are supported with documentation</li> </ul>	<ul style="list-style-type: none"> <li>• Diary</li> <li>• Council – funding</li> </ul>
Standing Orders	Inadequacy of standing orders	L	H	M	<ul style="list-style-type: none"> <li>• Council – review at annual meeting</li> <li>• Clerk/RFO – check and recommend</li> </ul>	<ul style="list-style-type: none"> <li>• Check and recommend</li> </ul>
Records – general	Theft or loss thorough from intrusion or fire at	L	H	M	<ul style="list-style-type: none"> <li>• Council – provision of adequate filing facilities and insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Clerk – verify</li> <li>• Council –</li> </ul>

	Clerk's residence					funding
	Non-compliance with legal requirements for public access to records	L	H	H	<ul style="list-style-type: none"> <li>Council/Clerk – training; provision of adequate web-site and public notices</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> <li>Council – funding</li> </ul>
Records – data protection	Data Protection with legal requirements	L	H	M	<ul style="list-style-type: none"> <li>Implements robust Data Protection Policies</li> </ul>	<ul style="list-style-type: none"> <li>Council – approve</li> <li>Council – funding</li> <li>Clerk – implement</li> </ul>
	Data Protection breach	L	H	M	<ul style="list-style-type: none"> <li>Follow approved policy</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – follow policy</li> <li>Council – follow policy</li> </ul>
Minutes	Accurate and legal	L	H	M	<ul style="list-style-type: none"> <li>Councillors – Review at following meeting</li> <li>Clerk – training</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> <li>Council – funding</li> </ul>
Financial Records and control	Inadequate processes and documents control	L	H	M	<ul style="list-style-type: none"> <li>Clerk – Training for Clerk; regular checks</li> <li>Councillors – spot checks</li> <li>Auditor – annual internal and external audit</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> <li>Council – funding</li> </ul>
Computer Records and Website	Loss or corruption of electronic records through technology failure	L	H	M	<ul style="list-style-type: none"> <li>Clerk – records are copied to separate backup medium; up to date computer facilities are budgeted and acquired</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> <li>Council – funding</li> </ul>
	Theft, loss or corruption thorough internet intrusion	L	H	M	<ul style="list-style-type: none"> <li>Clerk – maintain up to date security protection; up to date computer facilities are budgeted and acquired</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> <li>Council – funding</li> </ul>
Document control	Inadequate processes and documents control	L	M	M	<ul style="list-style-type: none"> <li>Clerk – All outgoing correspondence copied to Chairman, and to any Member with a pertinent interest; Documents filed promptly after meetings, or kept open if issue is still under review</li> </ul>	<ul style="list-style-type: none"> <li>Clerk – verify</li> </ul>
Consultation Processes and records	Inadequate process for dealing with consultation by other bodies	L	M	L	<ul style="list-style-type: none"> <li>Clerk – all consultations and deadlines for response reported to monthly Council</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> </ul>
Protection of third	Damage to 3 <sup>rd</sup> party	L	H	M	<ul style="list-style-type: none"> <li>Council/Clerk – Public liability insurance</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> </ul>

parties	individuals or property as consequence of council actions, ownership, services or amenities				cover of a substantial nature, reviewed annually at renewal <ul style="list-style-type: none"> <li>Council/Clerk – arrangements for regular visual checks by Village Steward and annual RoSPA playground inspection followed by remedial work</li> </ul>	<ul style="list-style-type: none"> <li>Council – funding</li> </ul>
Records – data protection	Data Protection not meeting GDPR and DPA 2018 legal requirements	L	H	M	<ul style="list-style-type: none"> <li>Councillors Clerk – all receive training and implement robust Data Protection Policies</li> </ul>	<ul style="list-style-type: none"> <li>Undertake</li> <li>Council approval</li> <li>Council funding</li> </ul>
	Data Protection breach	L	H	M	<ul style="list-style-type: none"> <li>Councillors/ Clerk – all receive training and follow approved policy</li> </ul>	<ul style="list-style-type: none"> <li>Undertake</li> </ul>
<b>Staffing</b>						
Welfare	Loss of key personnel (Clerk)	L	H	M	<ul style="list-style-type: none"> <li>Councillors – Hours health, stress, training, long term sick, early departure are all monitored and managed as appropriate; Clerk is provided with support and modern contractual and employment conditions</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> <li>Council – funding</li> </ul>
<b>Health and Safety</b>						
Protection staff, councillors, volunteers or third parties	Legal Compliance	L	H	M	<ul style="list-style-type: none"> <li>Policy- set out formal H&amp;S Policy and review periodically</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> <li>Council – funding</li> </ul>
	Premises and Equipment safety, disease and contagion	L	H	M	<ul style="list-style-type: none"> <li>Risk Assessments undertaken</li> <li>Appropriate signage in place</li> </ul>	<ul style="list-style-type: none"> <li>Diary</li> <li>Council – funding</li> </ul>

**RESOLUTION AND ADOPTION**

The risk management procedures as documented above were reviewed, approved and adopted by resolution by Council on: 25<sup>th</sup> May 2023

Signed Chairman: Cllr M J Jones

Signed Clerk to the Council: E J Humphreys