

Llangain Community Council Financial and Management Risk Assessment 2025/26

Assessment Criteria

Highly Likely (5)	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
Likely (4)	Low (4)	Medium (8)	High (12)	Very High (16)	Very High (20)
Possible (3)	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Slight (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
Unlikely (1)	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
	Insignificant (1)	Not serious (2)	Moderate (3)	Severe (4)	Critical (5)

Policy Approach

1. Identify and evaluate the potential risks to council.
2. Analyse and prioritise potential risks
3. Risk control – council can:
 - eliminate the circumstances in which the risk arises;
 - implement control measures to reduce the risk;
 - transfer the risk to others – for example by amending contracts;
 - share the risk with another party;
 - insure against some or all of the risk; or

- accept or tolerate the risk.

1. Financial

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Precept	Adequacy of precept requirements	5	1	5	At the budget setting meeting Council receives a budget update report, including actual spend and projected position to the year end with indicative figures or costings obtained by the Clerk. The budget is always agreed by council before precept.	Existing procedure is adequate Reserves held for unexpected expenditure
	Precept request not submitted to Unitary Authority	5	1	5	Budget meetings are held in November and January to allow additional time to agree a budget before the deadline.	Existing procedure is adequate
	Amount not received by Council	5	1	5	The Clerk informs the Council when the precept payments are received. The bank account is monitored monthly.	Existing procedure is adequate
Banking	Bank Errors	3	2	6	Bank accounts are reconciled monthly and any errors are immediately reported to the Bank for correction.	Existing procedures are adequate
	Loss	5	1	5	Financial Regulations specify procedures to be taken to protect the council from loss. Early identification of errors will optimise chances of recovery	Existing procedures are adequate
	Charges	2	4	8	Present bank account does not attract charges. Only additional services would be charged.	Existing Procedures are adequate
VAT	Reclaiming VAT incorrectly	3	1	3	SLCC advice is sought where appropriate	Existing procedures are adequate
Budgeting	Council fails to monitor and control	5	1	5	Budget monitoring carried out by RFO and reported at meeting when necessary	Existing procedures are adequate
	Unexpected Expenditure	4	3	12	All spending is discussed and agreed at full Council meetings.	Existing Procedures are adequate Reserves held to cover. Contingency allowance in budget.

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Direct Costs Overheads Expenses Debts Income	Goods not supplied but billed	3	1	3	Clerk checks invoices on receipt to ensure that goods/service has been received.	Existing procedures adequate.
	Incorrect invoicing	3	1	3	Invoices are checked by the Clerk and presented to the Council for approval.	Existing procedures adequate.
	Cheque payable incorrect	5	1	5	The Clerk prepares the cheques, which are signed by two signatories.	Existing procedures adequate.
	Electronic payment incorrect	4	1	4	Electronic payments are not used, All payments are made by cheque.	Existing procedures adequate.
Salaries	Wrong salary paid	3	1	3	Only one employee (Clerk). Salary is same every month	Existing procedures adequate
	Payment of PAYE to HMRC	1	1	1	No PAYE system currently in place. Clerk is paid less than £123 per week so Council not required to register as an Employer	Existing procedures adequate
	Wrong rate of pay	3	1	3	NJC letter submitted to council. Changes in SCP or grade are authorised by council.	Existing procedures adequate
Councillor Allowances	Councillors overpaid Income Tax deduction	3	1	3	Councillors receive an allowance, unless refused. All Councillors complete an opt out form if not accepting allowance	Existing procedures adequate.
Election Costs	Risk of an election cost	3	3	9	The risk is higher in an election year. When an election is due the Clerk will obtain an estimate of costs from the County Council for a full election and an uncontested election. There are no measures that can be adopted to minimise the risk of having a contested election as this is a democratic process which should not be stifled. Budget to provide for this in election year. Reserves to be used when election is unscheduled	Existing procedures adequate

2. Compliance

Legal Powers	Illegal activity or payments	5	1	5	All activity and payments within the powers of the Council to be resolved and minuted at Council meetings.	Existing procedure adequate.
Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Agendas Minutes Notices Statutory Documents	Accuracy and legality	4	1	4	Agendas and minutes are produced in the prescribed method by the Clerk and adhere to the legal requirements. Agendas are displayed and minutes are available in accordance with the legal requirements. Minutes are approved and signed at the following Council meeting.	Existing procedure adequate.
Members Interests	Register of Members Interests Pecuniary Interests	5	1	5	The member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'. Register of Interests published on website.	Existing procedure adequate
Planning	Consultations not responded to within timescales	3	3	9	Planning dealt with at full council meeting. Meeting intervals could mean some deadlines are missed. Clerk emails details to Councillors between meetings.	Existing procedures adequate
Health & Safety	Harm caused by failure to ensure adequate Health & Safety	5	1	5	Council recognises health, safety and welfare as essential in the successful operation of its activities. All operations will be conducted with due regard for the Council's statutory obligations and the appropriate safeguards to minimise risks to the health and safety of all employees and others who may be affected by our activities.	Existing procedure adequate
Legal Liability	Damage to Third Party property or individuals as a consequence of Council actions	5	1	5	Council has few community assets. Risk assessment carried out if work is to be carried out.	Existing procedure adequate

3. Employees

Employees	Loss of key personnel	3	3	9	Only one employee. Clerk expected to keep documentation on procedures for handover.	Existing procedures adequate.
	Fraud by Staff	5	1	5	Financial risks are low as only one member of staff and there is no petty cash operated.	Existing procedure adequate
	Actions undertaken by staff	3	1	3	The Clerk should be provided with relevant training, reference books, access to assistance and legal advice required to undertake the role.	Existing procedure adequate

4. Property

Subject	Risk(s) Identified	Impact	Likelihood	Risk	Management of Risk	Review / Assess / Revise
Assets	Damage to assets owned by the council – buildings, equipment.	5	1	5	- Asset register maintained; - Annual assets inspection; - Maintenance plan for assets;	Insurance cover reviewed annually.

5. Resilience

Business Continuity	Risk of Council not being able to continue its business due to an unexpected circumstance	3	1	3	Council has no critical responsibilities.	Existing Plan is adequate.
Council	Losing enough councillors to make council inquorate	5	3	15	Unitary Authority will take over the running of the council. Councillor Training plan to keep councillors motivated and engaged to be developed.	Active recruitment of new councillors taking place

Cyber Security	Cyber Attack	3	1	3	Website is maintained by website provider to ensure latest protection measures are in place.	Existing Plan is adequate.
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