

# FINANCIAL & BUSINESS RISK ASSESSMENT GILFACH GOCH COMMUNITY COUNCIL



## Assessment Criteria

**Rating:** Potential Consequence: Score: 1 - 5  
 Likelihood of Happening: Score: 1 - 5  
 Severity Level Score: Potential Consequence x Likelihood

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

<b>Financial</b>									
Topic	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Consequences	Management of Risk	Action	Frequency
Budget / Precept	Not Set	5	1	5	Low	Inadequate funds to Operate	Schedule council meeting to set precept	Clerk	Annual
Budget / Precept	Not paid by Borough Adequacy	5	2	10	Medium	Disruption of services	Prepare and monitor Budget Monthly Accounts to full council	Full Council	Monthly
Budget / Precept		5	1	5	Low		Monthly Accounts to full council	Full Council	Monthly
Income	Theft	2	1	2	Low	Loss of revenue	Monthly Bank Reconciliation	Clerk	Monthly
Income	Dishonesty	3	2	6	Medium	Loss of revenue	Monthly Accounts to full council	Full Council	Monthly
Payments	Not made	3	2	6	Medium	Delay of goods from supplier	Check arithmetically	Clerk / Bank signatories	Monthly
Payments	Not authorised (fraud)	2	2	4	Low	Financial loss	Pay only on invoice Inv. Matched to Delivery Notes etc.  Monthly reconciliation i.e.: Accounts Paid, Bank Statement checked with Monthly Accounts  Payment Schedule presented to Council  Internal audit to test check	Clerk/ Bank Signatories    Full Council Clerk/Full Council	Monthly Monthly  As Paid  Monthly Monthly
All Payment Signatories	Loss/Theft	2	1	2	Low	Mis-used	Cheques Stored securely Two Members to sign all payments Internal controls on DDs	clerk	ongoing
Security of Funds (bank accounts) (cash in hand)	Theft or Dishonesty	3	1	3	Low	Loss of revenue	Insurance Cover Bank Reconciliation Access controls to accounts  Internal audit to test check	Insurance Clerk	Annual Monthly
V.A.T.	Not reclaimed	5	1	5	Low	Delayed revenue	Accounts/Bank Statements Internal audit to test check	Clerk	Annual
Reserves/ final accounts	Adequacy	3	1	3	Low	Financial problems	Discussed in Budget meeting	Clerk/Full Council	Annual
Reserves/ final accounts	Correctness	3	1	3	Low	Bankruptcy loss of financial control	Report Budget progress three monthly	Clerk/Full Council	Annual
Wages	Incorrectly Paid	4	1	4	Low	Detrimental to Staff	Internal audit to test check	Supervisor/Clerk	Weekly
Wages	Fraud	2	2	4	Low	Financial Loss		Supervisor/Clerk	Weekly
Grants	Council Agreement	2	1	2	Low	Payments Ultra Vires	Application forms and accounts Minute the Power to pay	Clerk	Grants Meeting

Grants	Power to Pay	2	1	2	Low		Minute to the grant given Account separately to maintain within limit	members Confirm	Grants Meeting
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General									
Topic	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Consequences	Management of Risk	Action	Frequency
Financial Records	Inadequate Records	3	1	3	Low	Potential loss of income etc.	Monthly Accounts Electronic Back-up	Clerk/Full Council	Monthly
Financial Records	Errors	3	1	3	Low	Inadequate funds to operate	Internal Audit to test check	Clerk/Full Council	Quarterly
Minutes	Inaccuracy	2	1	2	Low	Complaints from Public	Approved by Council prior to release	Clerk/Full Council	Monthly
Minutes	Loss of Minutes	2	1	2	Low	Complaints from Public	Electronic back-up Copies on website	Clerk/Full Council	Weekly
Computer Records	Loss	3	2	6	Medium	Loss of Records	Electronic Back up	Clerk	Daily
Public Liability	Injuries	5	3	15	High	Injuries to General Public/Staff	Insurance cover	Clerk	Annual
Insurance	Inadequate Cover	5	2	10	Medium	Insufficient cover	Clerk	Clerk	Annual
Insurance	Not re-newed	5	2	10	Medium	Serious consequences	Internal Audit to test check	Clerk	Annual
Contracts	Poorly specified	5	2	10	Medium	Poorly specified	Written into Standing Orders	Clerk/Full Council	When Required
Contracts	Fraud	5	3	15	High	Financial loss	Internal Audit to test check	Clerk/Full Council	When Required
Maintenance	Not carried out	3	2	6	Medium	Disruption to services	Regular Inspection also annual PAT Testing of electrical equipment	Clerk/Supervisor	Frequently
Members	Interests not declared	2	2	4	Low	Loss of reputation	Agenda item: Disclosures of Personal Interest	Clerk	Every Meeting
Members	Slander & Libel	4	2	8	Medium	Financial loss	Insurance	Clerk	Every Meeting

ASSETS									
Topic	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Consequences	Management of Risk	Action	Frequency
Assets	Theft, damage, loss, Vehicle accident	5	2	10	Medium	Disruption to business	Insurance Cover Physical protection e.g. alarms Regular Inspection of buildings and equipment	Clerk	Annual / When required
Assets	Risk to damage to third party property or individuals	5	3	15	High	Loss of revenue	PAT testing carried out annually	Clerk	Annual / When required

OTHER									
Topic	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Consequences	Management of Risk	Action	Frequency
Loss of Clerk	Disruption of services	5	1	5	Low	Disruption of services	Local Clerks might help until Replacement could be found? One Voice Wales Interim clerk  Training?	Members Confirm	When Required

<b>Loss of other Staff</b>	Disruption of services	5	1	5	Low	Work would have to be prioritised	Job vacancy advertised List of reserve staff?	Clerk	When Required
<b>Training of Councillors</b>	Councillors do not have the required knowledge to fulfil their roles	3	5	15	High	Added responsibility for clerk	Allocate a budget for training and arrange for Councillors to attend appropriate courses	Clerk	When Required
<b>Training of Clerk / Staff</b>	Clerk and staff do not have the knowledge and skills required for the role	3	5	15	High	Errors	Invest in suitable training	Clerk	When Required
<b>Personnel &amp; Legislative Requirements</b>	Compensation Claims	5	3	15	High	Large diversion of staff time	Training	Clerk	When Required
<b>Personnel &amp; Legislative Requirements</b>	Tribunals	5	2	10	Medium	Financial compensation to be paid	Documented Prodecures	Clerk	When Required
<b>Personnel &amp; Legislative Requirements</b>	Failure to comply with Legislation	5	3	15	High	Failure to comply with Legislation	Possible insurance?	Clerk	When Required
<b>Extraordinary Circumstances e.g Pandemic</b>	Disruption of normal council duties	5	3	15	High	Distruption of services	Meetings are held in a safe place/ electronically	Clerk	When Required