

**Llanfairfechan Town Council**  
**FINANCIAL RISK & POLICY RISK ASSESSMENT SCHEDULE**

**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

Topic	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to Reduce/Minimise/Control Risk
<b>Income Precept</b>	Not Submitted	5	1	5	Low	Full Budget process in place. Clerk/RFO to prepare budget annually in November Finance Committee to consider budget annually in December Full Council to determine precept annually in January Clerk/RFO to notify County Council in February
	Not paid by County Council	5	1	5	Low	Clerk/RFO to monitor and report to Council Paid directly to bank account by BACS
	Inadequacy of Precept	5	1	5	Low	Clerk RFO to present monthly Reconciled Accounts and Finance statement All monthly Receipts and Expenditure and Financial Summary to Council meeting Finance Committee to review/compare budget to actual quarterly
<b>SLA's CCBC</b>	Failure to fulfil agreement	5	2	10	Medium	Clerk to monitor. Diary of work undertaken and when in place
	Loss of service	5	4	20	Very High	Clerk to monitor and negotiate new agreement with County Council on any area of potential loss of service Clerk to report back to Town Council for decision making Clerk to liaise with CCBC to action any decisions
<b>Expenditure</b>						
<b>Legal Powers</b>	Illegal Payment or Activity	5	2	10	Medium	All statutory powers to undertake work recorded in minutes Ensure compliance with Standing Orders and Financial Regulations. Review of Standing Orders and Financial Regulations at Annual Meeting
<b>Salaries/Wages</b>	Wrong Salary Paid	5	2	10	Medium	Staff salaries presented to Town Council on a monthly basis on the Financial Report Staffing to review and report to Town Council on an annual basis

						to inform Precept decision making
	Wrong Rate Applied	5	2	10	Medium	Reconcile with minutes of National Agreed Rates for Clerks
	False Employee	5	2	10	Medium	Staffing Committee to undertake examination of PAYE records if required.
	Not Accounting for correct deductions of NI, Tax and Superannuation	5	2	10	Medium	HMRC Payroll software is used to ensure payments are correct
	Inaccurate recording of hours	5	2	10	Medium	Timesheets are held for all staff Timesheets reviewed at supervision meetings
	Submission of PAYE records Payments	5	1	5	Low	Returns submitted monthly. Staffing Committee to oversee annual record Annual Return to be completed electronically
	Improper recording of input/output VAT	5	2	10	Medium	Online HMRC portal used and payments received through BACS
VAT Payment Recovery of	Improper Identification of Non Business Activities	5	2	10	Medium	Dedicated computer software system in place and analysis sheet provided to local H.M. Customs and Excise in operation Have access to County Council's VAT unit for assistance and guidance Systems in place to ensure compliance. Audit Committee to agree on compliance with time scales.
Financial Assistance	Compliance with Council Policy	5	1	5	Low	Educate/Remind members of Policy
	Overspend	5	1	5	Low	Clerk/RFO to monitor monthly
	Over/Under payments to Members	4	1	4	Low	Members to complete and verify standard attendance/claim form.
Councillors Allowances	Proper deduction of tax	5	1	5	Low	Homeworking letter to be completed All Councillors receive basic allowance as agreed in 2018
Training of Councillors	Maintain proper records	3	1	3	Low	Standard claim forms in place.
	Maintain proper records	3	1	4	Low	Standard claim workbook in place
	Certificates to be kept on file	5	2	10	Medium	Councillors need to forward the certificates to Clerk Councillors need to report completion to Clerk
Training of Clerk / Staff	Monitoring and planning to take place	5	3	15	Medium	Monitoring by Staffing Committee on an annual basis
	Supervision	5	2	10	Medium	Staff supervision and as directed
Assets	Loss/Damage thereof	5	2	10	Medium	Monitoring of assets by staff and councillors Insure against all risks. insured for replacement value. Review annually.

	Risk or damage to third party property or individuals	4	2	8	Medium	£10,000,000 Indemnity of Public Liability in place. Review annually
Assets Staff	Security of Buildings and Equipment	5	3	15	High	
	Asset Register	5	2	10	Medium	Update Asset Register annually
	Maintenance	5	3	15	High	Undertake repair and maintenance - Ongoing
	Insufficient to deliver service	5	2	10	Medium	Review Staff Structure
	Loss of key personnel – Clerk through ill health, retirement, long term sickness or even death	5	2	15	Medium	Staffing Committee to monitor and supervise staffing workload and performance.
	Stability of Boundary Walls, Trees and Hedges	5	2	10	Medium	Undertake inspection of all boundary fencing, walls and ornamental trees for stability.
Bench project	Condition of public benches	5	2	10	Medium	Staff and Councillors to monitor and report
Minutes recording and display	Failure to identify	5	2	10	Medium	Chair and Deputy Mayor to monitor and review website and window copies
Health and Safety and Equality Risk Assessments	Failure to identify and implement adaptations	5	2	10	Medium	Staff to review new policies through One Voice Wales and SLCC to make sure of compliance. This should apply to all policies
Risk of supplier fraud	Risk of financial loss, legal exposure, reputational damage, and operational disruption	5	2	10	Medium	<p>Training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information.</p> <p>Establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the supplier details change</p> <p>Periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments.</p>

<b>Register of Members Interest, Gifts and Hospitality</b>	<b>Identification of interest and recording of gifts and hospitality</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>Low</b>	<b>Register of Interest file held by Council and implemented. Declaration of Office signed by all members and copies held by Council. Copies sent to the Commissioner for Local Administration in Wales.</b>
<b>Code of Conduct</b>	<b>Adoption of Code of Conduct</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>Low</b>	<b>Code of Conduct adopted by Council and implemented. Employee code of conduct implemented.</b>
<b>Welsh Language Policy</b>	<b>Preparation of and Implementation of Policy</b>	<b>5</b>	<b>3</b>	<b>15</b>	<b>High</b>	<b>Policy in place but the policy needs more work in 2025/26. Agenda, Minutes and all public materials are presented bilingually. Press releases and advertising undertaken bilingually. Letters received in Welsh replied in Welsh. Most documents translated by professional translators. 30% of members are bilingual. Clerk and Deputy Clerk are Welsh learners.</b>

The Council should consider the risk of supplier fraud and the mitigating actions such as:

- training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information.
- establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in