

Tongwynlais Community Council

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Tongwynlais Community Council – Annual Risk Assessment 2018/19

1. RISK MANAGEMENT

Risk Management is a systematic approach to minimising the Council's exposure to risk. A risk management system includes various policies, procedures and practices that work in unison to identify, analyse, evaluate, address and monitor risk. Risk management information is used along with other corporate information, such as feasibility, to arrive at a risk management decision. Transferring risk to another party, lessening the negative affect of risk and avoiding risk altogether are considered risk management strategies. Examples of risk management practices include purchasing insurance, installing play equipment etc.

2. IMPACT AND PROBABILITY

Probability - A risk is an event that "may" occur. The probability of it occurring can range anywhere from just above 0% to just below 100%. (Note: It can't be exactly 100%, because then it would be a certainty, not a risk. And it can't be exactly 0%, or it wouldn't be a risk.)

Impact - A risk, by its very nature, always has a negative impact. However, the size of the impact varies in terms of cost and impact on health, human life, or some other critical factor.

The Probability and Impact in the table below are shown as High (H), Medium (M) and Low (L).

The table contains five headings:

- Assets
- Internal Control
- Finance
- Compliance with Legislation
- Council

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IDENTIFIED RISK	POTENTIAL CONSEQUENCE OF RISK	ASSESSMENT OF IMPACT (H/M/L)	LIKELIHOOD OF PROBABILITY (H/M/L)	CONTROLS TO MANAGE RISK
ASSETS				
Maintain an up-to-date register of Assets and any Investments	Assets not properly reflected in Balance Sheet	H	L	A complete and up to date fixed asset register
Loss or damage of assets owned by the Council	Unable to use assets/expenses of replacement	M	L	Adequate insurance of assets/liabilities etc.
Legal liability arising from asset ownership/providing services to the public	Risk of litigation should individual become injured or third party property damaged	M	L	Public liability insurance
Loss of cash through theft or dishonesty	Damage to Council reputation	M	L	Money banked promptly/Internal financial controls/budgetary controls/ monthly Bank statements and transactions reported to Council at each meeting/regular bank reconciliations
Loss of Council Records	Loss through theft, fire and damage/Damage to Council reputation	M	M	Important papers have online and electronic copies IT files are backed up regularly onto external hard drive
INTERNAL CONTROLS				
Business Continuity	Council/Clerk not being able to carry on business	M	L	The Council will nearly have a complete requirement of Councillors and so if even more than one Councillor is not able to continue, there would be the required quorum. The Clerk has good links with other Clerks and records are kept up to date, so would be possible to get a Clerk to cover any longterm absence.
Financial Procedures	Work not completed on time	M	M	Sound Financial Procedures and Policies are in place.

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IDENTIFIED RISK	POTENTIAL CONSEQUENCE OF RISK	ASSESSMENT OF IMPACT (H/M/L)	LIKELIHOOD OF PROBABILITY (H/M/L)	CONTROLS TO MANAGE RISK
FINANCE				
Annual Return	Not submitted within time limit	M	L	Accounting procedures more than adequate
Risk of precept or other funds being inadequate or unpaid	Council may not be able to meet its objectives due to lack of funds	M	L	Setting budget in support of the precept and monitoring throughout the year
Reserves	Adequacy	L	L	Current reserves more than adequate. Considered as part of quarterly budget control and annual precept setting.
Poor management of funds	Bank charges/loss of interest.	L	L	Budgetary control/Bank statement and monthly control
Expenditure being incurred which is not within legal powers available	Ultra Vires expenditure – illegal transaction/local electorate challenge/external audit investigation/public interest report	M	L	Compliance with Legislation, Monthly reporting to Council, detailed minutes, Internal & External Audit. Clerks hours and salary monitored.
VAT requirements not being met	Entitlement to reclaim VAT for a period being lost	L	L	VAT is recorded separately in cashbook, ongoing VAT returns are made once threshold met.
COMPLIANCE WITH LEGISLATION				
GDPR	Non- Compliance. Fines	L	L	New policies approved. Clerk has had training and uses SLCC and OVW for updates and information.
Budget	Not set	L	L	Adequate Procedures in place, Budget set annually and monitored throughout year.
Employment Law requirements	Risk of legal action from an employee	H	L	Employee has a Contract of Employment
Legal Powers	Illegal activity	L	L	Adequate processes which include Standing Orders etc.
Risk of a Complaint from an elector if a contract is not fairly awarded	External auditor investigation leading to increased audit fees/public interest report/damage to Council etc.	M	L	Standing Orders and financial regulations in place dealing with the award of contracts that are reviewed annually at AGM

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Annual Risk Assessment	Identification of potential risks facing the Council	M	M	Up to date Risk Assessment in place, reviewed annually at AGM
Health & Safety Legislation	Non-compliance	M	M	Adequate procedures in place and fully documented
IDENTIFIED RISK	POTENTIAL CONSEQUENCE OF RISK	ASSESSMENT OF IMPACT (H/M/L)	LIKELIHOOD OF PROBABILITY (H/M/L)	CONTROLS TO MANAGE RISK
COUNCIL				
Minutes/Agendas/Statutory Documents	Non-compliance/Accuracy/Legality	L	L	Fully documented minutes, reviewed by Council and approved at monthly meetings. Compliance with regulations re agendas, statutory documents
Members Interests	Conflict of Interest Register of Members Interests	L	L	Existing procedures adequate – kept up to date on an ongoing basis, published electronically.
Member Training	Lack of knowledge could lead to poor decision making	M	M	Training considered on an ongoing basis
Welsh language policy	Statutory requirements in respect of Welsh language not properly addressed	L	M	Policy reviewed annually at AGM
Code of Conduct	Members do not adhere to The Code of Conduct	L	L	Code of conduct adopted and implemented. Codes given to all councillors. Clerk advises Councillors where necessary. All new Councillors are provided with copy and sign to say will adhere.