

ABERTILLERY AND LLANHILLETH COMMUNITY COUNCIL

RISK MANAGEMENT POLICY

1. INTRODUCTION

- 1.1 The recognition and management of risk is vital to ensure the proper management of the Council's assets and resources and efficient discharge of its duties and responsibilities to the community. Risk assessment is a continuous process which the Council needs to keep under review and ensure continuous monitoring.
- 1.2 The Practitioner's Guide on Governance and Accountability requires Councils to identify risks which it faces and put in place a scheme designed to create the necessary awareness and actions required to reduce the threat or possibility of an action or event that can impact on the interests of the Council and in turn the community it serves.
- 1.3 Risk management is not a process which seeks to avoid risk completely but it seeks to identify and assess risks on an individual basis by using a scoring methodology which identifies the severity of risk, the likelihood of it occurring and the impact if the risk was realised. Although each risk will have a different score rating, each of the risks will require an assessment of actions needed to minimise the risk.
- 1.4 The Plan which is appended to this policy identifies each of the risks that are considered to require attention as the impact of each on the Council would be of concern and in some cases could be extremely serious.
- 1.5 The Plan forms part of the internal control arrangements of the Council and will be used as part of the process of audit by the Finance and Governance Committee in conjunction with Council's Internal Auditor.
- 1.6 In most of the identified areas of risk the Council's insurance arrangements will apply such as in relation to public liability, employer liability, loss of money, fidelity guarantee, property damage, official's indemnity and loss or damage to equipment. The Council's insurers do however require the Council to adopt a process of risk management so that the exposure to insured risks are minimised.

- 1.7 An annual review of the plan in conjunction with the Council's insurance arrangements will be undertaken at the Annual Meeting of the Council.

2. **ASSESSMENT CRITERIA**

2.1 Rating and Classification of Risks

The rating and classification that is used in the Plan is as follows:

a) **Rating**

Potential Consequence Score: 1-3

Likelihood of Happening Score: 1-3

Severity Level Score: Potential Consequence x Likelihood

b) **Classification**

1-3 Low

4 or 6 Medium

9 High

RISK MANAGEMENT PLAN

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Precept	Not submitted by Clerk	3	1	3	Low	Established budget process in place with the Finance and Governance Committee considering the draft budget through October to December and Council approving the budget and precept in January of each year. Clerk/RFO to notify the County Borough Council of precept in January each Year. Financial Comparison reports to be considered by the Finance and Governance Committee every quarter enabling it to assess income and expenditure against budget headings. Bank reconciliation reports to be presented to the Council on a monthly basis as an additional method of Councillors assessing the state of the Council's finances.
	Inadequacy of the Precept	3	1	3	Low	
Rental Fees for Allotments	Rental fees are not received for every tenant in a timely fashion	2	1	2	Low	Clerk/RFO to invoice allotment groups in February. Receipts to be issued for all rental fees received and invoices to be marked with the receipt number for the purpose of internal audit checks. Council to carry out once a year inspections
	Tenants fail to meet conditions of tenancy agreements	2	2	4	Medium	

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Loss of Money	Non recording of Cash payments	2	1	2	Low	The only cash payments received relate to payments received at events or any other cash from local organisations and attenders who pay a fee to the Council. All such payments to be receipted and where possible accepted by an officer in the company of a Councillor.
	Loss due to Fraudulent action By employees	3	1	3	Low	All cheques signed by two Councillors against invoices. All expenditure approved by Council or officers with delegated authority and accounts subject to internal audit and Council scrutiny. Bank payments authorised by two of four Councillors.
Investment Income	Loss of income due to type of investment made.	3	1	3	Low	Council's Investment Strategy to be reviewed by the Finance and Governance Committee once a year. Focus on investments to be based on stability and liquidity rather than an over focus on investment gain.
Reserves General	Inability to manage any unforeseen occurrences due to lack of cash flow.	3	1	3	Low	Council policy to maintain a non-earmarked reserve of between 3 and 12 month's annual budgeted sum.
Reserves Earmarked	Lack of availability of funding to meet planned commitments.	2	1	2	Low	Annual budgeting process to designate earmarked funding requirement and allocated sums to be preserved through having an adequate level of general reserves (excluding EMR).

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War Memorial Grounds Contract	Failure of contractor to meet the requirements of the contract.	3	1	3	Low	A detailed specification to be drawn up and jointly signed with Contractor. Inspections of Council sites to be undertaken quarterly during the year as well as checks to assess the adequacy of the performance of the Contractor and Clerk/RFO to take up matters with the Contractor as appropriate.
Legal Powers	Council acting Beyond its powers e.g. ultra vires	3	1	3	Low	All decisions of the Council to be supported by the legal source of the power that is relevant. Advice of the Clerk/RFO to be available at all times.
Salaries and Wages	Salaries and wages are paid at incorrect rates	2	1	2	Low	All wages and salary levels to be determined annually as per employment contracts and recorded in the minutes. Internal Auditor requested to check that correct rates being paid. BGCBC to deduct Tax/Ni and pay to HMRC by due dates. Finance and Governance Committee to monitor salary and wages payments in accordance with budget.
	Income Tax and NI not deducted and/or not paid to HMRC	3	1	3	Low	
Recovery of VAT	VAT not recovered from the HMRC	2	1	2	Low	Clerk/RFO to make claim for reimbursement on an annual basis. Finance and Governance Committee to monitor receipt of VAT and Internal Auditor to check claims have been made as appropriate.
Council Debit Card (Lloyds)	Fraudulent use of card	3	2	6	Medium	The Council has a policy in place to control the use of the card. It may only be used by Officers for online purchases. The balance must be paid off in full on a monthly basis by direct debit ensuing that no interest accrues. The maximum credit limit is set at £1000.
Payment of Grants	Appropriate approved grant claims not paid	2	1	2	Low	Officers to be responsible for processing grant payments and the Internal Auditor to check that grant payments have been received.
Councillors Allowances	Allowances not paid In accordance with The IRPW's scheme	2	1	2	Low	Officers to ensure that all claims are appropriately submitted with Councillors being required to complete claim forms supported by receipts as appropriate.

Risk Item	Risk Identified	Potential Consequence	Likelihood	Severity Score	Classification	Measures to be taken to reduce, minimise or control risk
Training of Councillors	Councillors do not have the necessary skills and knowledge to perform their roles.	2	2	4	Medium	Council to have an annual training budget and all Councillors be required to commit themselves to appropriate training. Council has a training plan in place.
Availability of Staff	Main issue concerns Any long term Absence of the Clerk	1	1	1	Low	Three members of staff are employed. In the absence of the Clerk, the Deputies act as Clerk.
Insurance	Insurance is not renewed/in place.	3	1	3	Low	Reminders are sent every year for the policy to be reviewed and renewed.
Failure of IT	IT equipment (i.e. photocopier, laptops) fail.	2	1	2	Low	There is an Ear Marked Reserve budget of £10,000 for office consumables
Subway Mural	Damage to Mural caused by vandalism	3	2	6	Medium	Regular inspections by Clerk/RFO and members and corrective action taken by appointed contractor as appropriate.
Asset Register	Failure to keep up to date could impact insurance and failure to comply with audit requirements.	2	1	2	Low	Register to be reviewed annually and items written off via the Finance and Governance Committee.

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ALCC Events	Injury to volunteers And attendees	3	2	6	Medium	Each event has a specific risk assessment plan covering matters such as use of hot water, access to the electricity generator, trailing wires etc.
ALCC Events with over 2000 attendees	Inadequate level of insurance cover in place for events with over 2000 attendees	3	1	3	Low	Take out additional insurance if the need arises.
Christmas Decorations	Connection to Electricity supply Does not comply With appropriate standards	3	2	6	Medium	Qualified electrician employed to connect lights to trees, posts and buildings.
Data Protection	Compliance with Data Protection Act 2018	3	2	6	Medium	Ensure that all aspects of compliance are completed, That Data Protection principles are observed and data Retention policy is implemented (historical data).
Information Security	Important Council Information held In hard copy and On computer is Lost or damaged.	3	2	6	Medium	Important hard copy data is stored in the office. Data held on computer is continually backed up using a cloud service provided by Microshade.
Financial Records	Financial Records Are lost or Damaged.	3	1	3	Low	Financial records are audited annually and files are then held in the office. All transaction data and the cash book are maintained on Rialtas Finance software.

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Health and Safety Assessments	Activities of the Council are not Risk assessed and Arrangements Regularly monitored.	3	2	6	Medium	The HR Committee has responsibility for ensuring that risk assessments are prepared and regularly monitored.
Disability Discrimination	Council's facilities Are not compliant With the legislative Requirements.	3	3	9	High	The Council has a staff equality and diversity policy. The building lift is currently out of order and we have no timeline as to when it will be repaired.
Code of Conduct	Members do not Declare interests as Required.	3	3	9	High	Members to be trained in the Code of Conduct. all declarations to be completed using a designated pro-forma and the declaration of interests is to be published on the Council's website.
Welsh Language Act	The Council fails To comply with the Act.	3	3	9	High	Council has not adopted a Welsh Language Policy. Council needs to expand its communication arrangements through the medium of Welsh.
Legal Claims	Claims are made in Relation to Employment matters And from members Of the public about The condition of Council amenities Resulting in injury.	3	1	3	Low	Council models it's as a good employer and follows all expected standards of good employment practice. members are trained in this area. Public liability and legal expenses insurance is in place. The Council has a range of employment policies in place (e.g. grievance and disciplinary procedures).

Dated: October 2025

Adopted by Council: 29/10/2025

Date for Review: October 2026