

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - RFO.		Date : February 2022 - review March 2023																				
No.	Risk, Category & Owner (A), (C) & (D)	Scope of the risk & Comments (B)			How the risk is managed at present (F)			Tolerance Level of Risk (H)			What controls are to be implemented (K)											
1	Banking	Failure of bank			Fidelity Guarantee insurance £2million. Funds deposited with two separate institutions - Lloyds Plc which is a mainstream bank and Skipton Building Society UK's 4th largest.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Lloyds is a strong bank in terms of financial assets and independent of government support. Fitch A+ (high credit quality). Moody's A1 (high grade). SBS is A- and A2 respectively.			To place funds with a third financial institution to minimise the risk of holding all assets in one place. To place surplus funds with other investment options (e.g. term deposits) as per Treasury Management Policy.											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Date for Completion (L) Ongoing		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	5	4	20	3	2	6	2	2	4													
2	Financial controls and records	No controls in place at all from a point of view of financial and operational risk.			Internal controls document with a full suite of controls and measures to reduce risk of poor governance			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? External accountant & RFO provide increased control.			Quarterly random sampling to check controls in place by Committee representative											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Date for Completion (L) Ongoing procedure.		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	2	2	4													
3	Approval of Expenditure	No controls to ensure expenditure is within limits and or for correct purpose			Financial Regulations standing orders and internal controls plus monthly overall reporting to Council			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Current processes involve regular checking of financial position plus internal audit sign off			More frequent random sampling of financial controls to reduce risk of any adverse issues being undetected											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Date for Completion (L) Ongoing		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	2	2	4													
4	Spend over budget	No limits or control over expenditure or process of budget monitoring.			Omega accounting system used to post orders to create commitments . System does allow overspend to budget but monthly summary of position enables some degree of awareness plus detailed reports to FES. Fortnightly check of overspends by RFO. Outstanding commitments checked regularly by RFO.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Independent use of accountancy firm to post payments providing separation of duties. Third party involvement plus monitoring by Council / FES			More frequent random sampling of purchase orders to reduce risk of any adverse issues being undetected. Where possible, budgets will be authorised before expenditure takes place.											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Date for Completion (L) ongoing		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	2	2	4	2	1	2													

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5	Investments	Unauthorised placement of funds with disreputable or high risk vehicles			Reserves and Treasury Management Policy to ensure safe and reliable investments made. Detailing of Bank Balances held as part of monthly summary			Level of Risk acceptable? Y/N			More frequent random sampling of investment account balances to reduce risk of any adverse issues being undetected		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Decision to invest in different vehicles requires approval of FES Committee.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		5	4	20	3	3	9	ongoing			Target Risk (M)		
								Impact	Likelihood	Risk Score	3	2	6
6	Borrowings	Unauthorised borrowing takes place or excessive borrowing placing financial burden on council			PWLB requires Agreement of LALC before Secretary of State approval.			Level of Risk acceptable? Y/N			Gearing ratio could be introduced to limit any borrowing to percentage of overall reserves or repayment plus interest to level of expenditure.		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Application signed by chairman and council resolutions provided.					
	Town Clerk / RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		5	4	20	3	3	9	Ongoing			Target Risk (M)		
								Impact	Likelihood	Risk Score	3	2	6
7	Cash management	No control is exercised over the operation of the bank account with all monies received left on current account, providing greater opportunity and threat to misappropriate and not maximise interest bearing capabilities.			Weekly scrutiny of bank accounts and monies moved to investment opportunity, secure ID to access internet bank account and debit cards locked away if not in use.			Level of Risk acceptable? Y/N			More frequent random sampling of current account balances to reduce risk of any adverse issues being undetected. To move monies between different institutions depending on rates being offered. To utilise any appropriate longer term deposits that may be available.		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Effective Internal Controls are in place, Reserves & Treasury Management Policy					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		5	3	15	3	2	6	ongoing			Target Risk (M)		
								Impact	Likelihood	Risk Score	2	2	4
8	Accessibility to funds	Precept is not claimed for payment to Council and Reserves are used up leading to an inability to pay bills.			Precept call is part of the annual budgeting process and when issued, checked for receipt by paying authority. Precept checked into bank early May. Budget monitoring to prevent overspend. Internal Controls document.			Level of Risk acceptable? Y/N			To maintain a suite of risk and control documents, Inc. standard operating procedures, as this will provide clarity of timescales and procedures to take.		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Insurance cover - Vandalism Bus Shelters/Playgrounds			Internal Controls Document acts as an extra reminder / check that the correct budgetary processes have been carried out to the correct timeframes.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		4	3	12	3	2	6	ongoing			Target Risk (M)		
								Impact	Likelihood	Risk Score	3	1	3

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9	Adequacy of Precept	Inadequacy of existing funds to carry out committed obligations and for carrying out statutory duties.			Three year forecast produced and agreed before establishing following years precept call. Detail allocated through budget headings and specific budget codes and ongoing monitoring to ensure close control and no overspend to overall budget			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? No history of overall overspend.			Continuing monitoring of budgets and cash position Date for Completion (L) Ongoing Target Risk (M)								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	2	1	2										
10	Reserves	Insufficient Reserves available to meet known commitments and unplanned major costs.			Reserves and Treasury Management Policy giving details of required levels of reserves. Establishment of defined ear-marked reserves plus continued monitoring of forecast year end position. Three year forecast produced.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Regular monitoring of budget and bank balances and year end forecasting of general reserves.			To maintain general reserves at 4 months worth of expenditure, and increase earmarked reserves to equate to 5 months. Date for Completion (L) Ongoing Target Risk (M)								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	5	3	15	2	2	4	2	1	2										
11	Rental Income	Failure of Tenants / hirers to settle invoices. No active management of leases regarding "holding over" of leases leading to no increase in rental income and or loss of Tenants able to exercise notice to leave.			Chasing of outstanding invoices and specific earmarked reserve created for Bad Debt provision. Covid 19 lead to increasing arrears and higher risk and leases out of time.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? The current position is governed by the Covid 19 risk facing all property ownership. With the lifting of restrictions, finally after 2 years of the pandemic, trade for the rental tenants should pick up and return to pre pandemic levels.			Closer monitoring of Tenants financial positions to establish likely non renewal or bad debts. Although some leases have been renewed, others are still pending. Unwillingness to commit due to uncertainty surrounding trading restrictions. Specific lease arrangements to be negotiated now Covid 19 restrictions removed. Date for Completion (L) Ongoing Target Risk (M)								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	3	5	15	2	4	8	2	3	6										
12	Bank Reconciliations	Inadequate check and bank errors			Monthly reconciliations take place by RFO and External accountancy support and quarterly overview by FES committee.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Existing systems and protocols are followed without exception.			No change to existing proposed Date for Completion (L) ongoing Target Risk (M)								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	3	2	6										

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13	Payments	Goods not supplied but still invoiced. Invoices incorrect. Invoices unpaid. Unauthorised payments made.			Separation of duties as per internal controls. All invoices checked for accuracy and receipt of goods before payment. List of payments made presented to council each month.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? No adverse history. Procedures as per internal controls in place.			No change to existing proposed								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	2	2	4	2	2	4										
14	Expenses	Incorrect claiming of expenses by staff and or Members			All expenses claimed are signed off by line manager and or Member of the FES committee. Procedures for calculation are as per HMRC guidelines.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Process ensures independent view of legitimacy of claim being made.			No change to existing proposed								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	3	3	9	2	2	4	2	2	4										
15	Payrol/Salaries/Pension	Incorrect payments to staff and HMRC and Pension provider. Failure of payroll provider to run payroll.			External accountancy service runs payroll after seeing evidence off staff contracts and receipt of monthly email to confirm any additional payments re overtime/buy out of toil. Access to HMRC payroll account to ensure reconciliation. In house capability if required via advice from HR provider.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? External accountants calculations are checked by the Town Clerk/RFO. Service also provided by employed HR advisors who could take on this task if required.			No change to existing proposed								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	3	12	2	2	4	2	2	4										
16	VAT criteria	Movement in terms of income generation leads to change from Section 126 basis claim to normal vat status and vat not claimed where it should have been leading to clawback claim from HMRC.			Monthly Vat return submitted. Advice sought from External Accountants regarding Blues and Rental income to ensure limits are not currently breached. Any additional income source considered for Vat implications.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Review of vat implications carried out re Blues Festival.			No change to existing proposed								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	3	3	9	3	2	6	3	1	3										

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17	Vat not processed	Returns are not processed and Vat is not claimed back.			Monthly returns processed. Balance sheet presented to FES each month to identify outstanding vat element			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			No history of not processing vat returns.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		4	3	12	3	2	6	Ongoing					
								Target Risk (M)					
								Impact	Likelihood	Risk Score			
								3	2	6			
18	PAYE/NI not collected and paid over	Incorrect payments to HMRC. Failure of external accountancy service to run payroll.			External accountancy service runs payroll and advises of payments to be made to HMRC/NI. Access to HMRC payroll account to ensure reconciliation. In house capability if required via advice from HR provider.			Level of Risk acceptable? Y/N			Quarterly review of HMRC records to be introduced.		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			No history of not processing payroll returns and could if necessary run internally.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		4	3	12	3	2	6	Ongoing					
								Target Risk (M)					
								Impact	Likelihood	Risk Score			
								3	1	3			
19	Petty /Cash	No control over use of petty cash. Payments not accounted for and or loss through dishonesty. Larger volumes of petty cash during the Blues festival.			Throughout the majority of the year, other than during the Blues Festival, there is a low value of petty cash availability. Reconciled monthly, all payment supported by relevant paperwork/receipts.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Reconciliations checked quarterly by Chairman of FES. No history of problems.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		3	3	9	2	2	4	Ongoing					
								Target Risk (M)					
								Impact	Likelihood	Risk Score			
								2	2	4			
20	Cheque books	Loss of cheques / fraudulent use			Cheque books locked up in safe. Payments made by internet/bacs. Signing instructions on accounts require two signatories. Bank account viewed at least weekly if not more frequent. Regular Independent checks of Bank account to identify any cheques used as should not be unless for presentation purposes. Current account balances maintained at agreed levels to reduce exposure of cheques being presented without authorisation.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			No evidence of cheque book misuse.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
		4	3	12	2	2	4	Ongoing					
								Target Risk (M)					
								Impact	Likelihood	Risk Score			
								2	2	4			

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21	Transparency of Grants and correct payments made	Grants awarded without member agreement, control over amount awarded, and for purposes not supported by Council - ultra vires.			Grants policy and criteria, member agreement.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner							No unauthorised award of grants.					
	Town Clerk / RFO							Date for Completion (L)					
		Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			Ongoing		
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		5	4	20	3	2	6	3	2	6			
22	Year-end close down procedure	Year end accounts are not closed down properly leading to incorrect balances forming part of annual return and the councils financial position not reconciled and accurately reported.			Schedule of accounts closedown prepared annually to enable process to be followed. Checks made by accountant to ensure accounting entries processed for year end carry overs of debtors, creditors etc and that all balances are reconciled. Internal controls document, checked by RFO.			Level of Risk acceptable? Y/N			Annual audit and cash reconciliation undertaken. Insurance cover		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner							Successful close down of accounts performed by External Accountants and RFO verified by internal and external audit reports.					
	Town Clerk / RFO							Date for Completion (L)					
		Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			Ongoing		
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		4	3	12	2	2	4	2	2	4			
23	Annual Return	The AGAR is not completed correctly and or not submitted to council to agree or to internal auditor and external auditors in time leading to adverse auditor comment and government intervention.			Arrangements made with internal auditor to submit documentation to Full Council for Chairman's approval.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner							Historical submission of returns					
	Town Clerk / RFO							Date for Completion (L)					
		Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			Ongoing		
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		5	4	20	3	2	6	3	2	6			
24	Fraud	Inadequate checks relating to any aspects of financial involvement and no controls exercised over payments.			Fidelity Guarantee insurance up to £2 million. The Council has internal controls, financial regulations, standing orders, regular bank reconciliation, separation of duties and financial risk register as guidance to ensure all financial aspects are carefully managed.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner							Internal controls and processes are strictly followed.					
	Town Clerk / RFO							Date for Completion (L)					
		Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			Ongoing		
		Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		5	5	25	3	2	6	3	2	6			

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25	Election Costs	Insufficient Financial provision to meet the cost of elections			Cost is not significant in relation to overall budget if unplanned election called through declaring of vacancy. Elections can be costly however a budget is always included, regardless of schedule.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? History indicates infrequent vacancy declaration.			Creation and or review of existing Earmarked Reserve to budget over a four year period for all out election costs of circa £20k. Inflated budgets included each year and any surplus to be placed in an earmarked reserve to offset increased expenditure in future years.											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L) Ongoing		
	Town Clerk													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	3	3	9	2	3	6	2	2	4													
26	Tender Process	Work awarded inappropriately and subject to officer/member influence. Best value not obtained, procedures not followed for significant contracts, Fraud.			Standing orders correctly followed, financial regulations, limits applied and schemes of delegation observed. Tender documentation issued, Member and Town Clerk open tenders and contracts awarded after quality/price assessment. Tenders advertised on web site and contract finder.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? compliance with Standing Orders and Financial Regulations. No challenges received to Tender outcomes and transparent process followed.			No change to existing proposed											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L) Ongoing		
	Town Clerk													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	3	2	6													
27	Value for money	No seeking of quotes and award of business without transparency and or assessment of value for money made.			Use of Standing Orders and Financial Regulations and Scheme of Delegation to determine need for quotations to be sought. Historical records to compare and higher value items via tender process.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Tenders for larger contracts. Quotations sought and historical records checked for pricing comparison where appropriate.			No change to existing proposed											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L) Ongoing		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	4	16	3	2	6	3	2	6													
28	Failure of Outsourced Contractor	No history of delivery, no references taken up and no checks made of financial stability, no checking of certifications.			Tender process reviews capability as well as financial ability to undertake contractual requirements. Regular review meetings to identify continuing capability, and monitoring of outputs through client manager role of allotments officer.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? History of Tenders being exercised correctly & successfully. Grounds maintenance awarded to previous contractor which is well versed in requirements. Playground project completed successfully. Building contractors also well versed in requirements.			More frequent reviews with contractors to establish anything impacting on ability to continue delivery and or reduction in specification frequency if appropriate.											
	Category																					
	Financial																					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L) Ongoing		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
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29	Failure to deliver Blues Festival within budget	High commercial risk venture with high financial and reputational exposure if no processes / controls of project management put into place.			Financial budgets set, outsourced contracts for specialist providers placed and Earmarked reserve established for contingency, however working with new contractors which will increase the risk involved.			Level of Risk acceptable? Y/N Yes			Close monitoring of budgets to ensure early detection of any potential overspend. To continue to seek to take out business interruption cover to protect against lost income. It is the Town Council's intention to transfer this event to an external organisation in future years. Date for Completion (L) July-21 Target Risk (M) Impact Likelihood Risk Score 3 3 9		
	Category							Why have you drawn this conclusion? This is always going to be relatively high risk but with controls, the exposure managed within budget. Example is impact of Covid 19 and need to stop 2020 & 2021 festivals, but with known quantifiable losses. Event plans and risk assessments regularly monitored. Liability for Artist payments / management has been transferred to the Artistic Director for 2022					
	Financial												
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO								
	Town Clerk / RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		5	5	25	4	4	16						
30	Failure of parties to management agreements	Parties ignore arrangements and incur expenditure without due regard to each others obligations or fail to carry out task required of each other.			A Management Agreement is in place for CIB and PWCGBA. Agreements specify what costs are to be met by the parties to the Agreement thereby reducing the risk of non recovery of costs.			Level of Risk acceptable? Y/N Yes			To ratify existing arrangements for CIB now that restrictions have been lifted. Review of PWCGBA recovery of costs Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4		
	Category							Why have you drawn this conclusion? Primet arrangement had previously operated satisfactorily and PWCGBA and CIB arrangements, although impacted by COVID over the last two years, are working well. In house installation and watering for the floral displays.					
	Financial												
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO								
	Town Clerk	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		4	4	16	3	2	6						
31	Failure for Events Delivery (Exc Blues Festival)	No financial controls are introduced into the delivery of events with budget exceeded and sponsorship not sought			Event specific budgets prepared and monitored and sponsorship arrangement agreed. Partnership agreements reached e.g. Cycling Grand Prix event. Events are discretionary and do not need to be run if problems / restrictions in place.			Level of Risk acceptable? Y/N Yes			Events insurance cover for bad weather and or loss of income may be considered. Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4		
	Category							Why have you drawn this conclusion? Historical track record of delivery of events is strong and within budget.					
	Financial												
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO								
	Town Clerk / EAO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		4	5	20	3	2	6						
32	External Grants not managed properly	No adherence to purpose of external grants awarded leading to clawback of full amounts advanced.			Budget headings from original grants awarded are mirrored to ensure close control of expenditure within agreed budget. Reporting back as per criteria and provision of final report at end of project to confirm no clawback. Calendar reminders set to ensure a timely response.			Level of Risk acceptable? Y/N Yes			An external grants update should be reported quarterly to FES to ensure compliance with returns and or spend. Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4		
	Category							Why have you drawn this conclusion? Historical evidence of two late grants reports back have caused issues that whilst were resolved, could have lead to clawback and financial loss to the council. Because they were resolved it is not a question of whether procedures were correct but that they were not followed. Now more closely followed by RFO.					
	Financial												
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO								
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score			
		4	5	20	3	2	6						

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - RFO.		Date : February 2022 - review March 2023																	
No.	Risk, Category & Owner (A), (C) & (D)	Scope of the risk & Comments (B)			How the risk is managed at present (F)			Tolerance Level of Risk (H)			What controls are to be implemented (K)								
33	Inadequate insurance cover	No insurance cover or inadequate levels leading to inability to claim back for specific loss and or exposure to public liability claims. Losses to council not recovered.			Policy taken out with Zurich under standardised small authority cover within provision made for increased events exposure , increased fidelity guarantee insurance and buildings cover for damage and loss. Schedule regularly reviewed and updated as and when deemed necessary. Conditional survey being sought to allow revaluation of Town Hall to ensure correctly insured.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Successful claims made regarding buildings cover in respect of theft to lead on roof and resultant damage and wind damage to tiling and storm damage to roof. Fixtures and fittings claims for internal water ingress. Insurance cover and schedule reported to FES			Insurance cover to be reviewed annually to assess whether it is still appropriate. Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 3 2 6								
	Category													Financial					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
														4	5	20	3	2	6
34	Loss of financial records	Financial records lost, leading to inability to reconcile payments due and or monies owed including vat			In year records including nominal ledger and bank reconciliations in paper format. Back up onto c drive then onto shared network and the cloud. Manual ledgers could be reinstated from bank account if required.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Successful production of accounting records when required , including from back up sources.			No change to existing proposed Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 3 2 6								
	Category													Financial					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
														4	4	16	3	2	6
35	Loss of legal records	Inadequate application or loss of rights arising from contracts and title to property due to inability to locate legal documents			Title documents kept in fireproof safe.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Security of title deeds and contracts			No change to existing proposed but if time enables to consider scanning copies of all historical title documents Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 3 2 6								
	Category													Financial					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
														4	4	16	3	2	6
36	Loss of access to banking to council	Inability of council to promptly access banked funds due to failure to update authorised signatories or have insufficient internet access to bank accounts.			Range of authorised signatories plus users of internet access ensuring sufficient to meet needs. Lloyds mobile app ensures that access can still be gained if not office based. Funds currently placed with two different institutions to provide a secondary source of funding.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Alternative arrangements are in place, cheque books available if needed and bank mandates can be changed			To place some funds with a third institution in order to negate the risk of loss of service. Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4								
	Category													Financial					
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	Town Clerk / RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
														4	3	12	3	2	6

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - RFO.		Date : February 2022 - review March 2023																				
No.	Risk, Category & Owner (A), (C) & (D)	Scope of the risk & Comments (B)			How the risk is managed at present (F)			Tolerance Level of Risk (H)			What controls are to be implemented (K)											
37	Loss or damage to physical assets	Loss of use or capital value to precept payers.			Annual review of asset register to ensure all assets are identified for insurance purposes and for budgeting for repair and or replacement.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Asset register under review with physical check of register to be undertaken in order to physically view assets. Playgrounds are inspected regularly, along with the park. Primet is in use regularly which allows early identification of any issues. Clauses included in rental leases to ensure the property's are kept and maintained.			More frequent reviews to ensure that the asset register is maintained and kept up to date.											
	Category													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L)		
	Financial													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Ongoing		
	Owner													4	3	12	3	2	6	Target Risk (M)		
	Town Clerk																			Impact	Likelihood	Risk Score
							2	2	4													
38	Large increase in utility costs	The cost of utilities spiral out of control and affordability within budget of council.			Fixed term contracts currently in place until June 2024 on which budgets are based assuming no significant variation in utility use. Internal monitoring of utility use in place. 3yr budget produced every year allowing budgets to be adjusted for future years and any hike in pricing reflected.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Utility pricing is currently volatile and out of the Council's control. Prices fixed until 2024. Good level of reserves in place.			To keep a close eye on changes and developments in the markets, and work with external brokers to search for deals.											
	Category													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Date for Completion (L)		
	Financial													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Ongoing		
	Owner													4	4	16	2	4	8	Target Risk (M)		
	RFO																			Impact	Likelihood	Risk Score
							2	3	6													