

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - RFO. Date : February 2021 - review March 2022

| 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. Lloyds mainstream bank | | | Level of Risk acceptable? Y/N | | | To place funds with two other financial institutions to minimise the risk of holding all assets in one place. To place surplus funds with other investment options as per Treasury Management Policy. Date for Completion (L) July-21 Target Risk (M) | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | 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) | | | | | |
| | N Crewe | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | |
| | | 5 | 4 | 20 | 5 | 2 | 10 | 3 | 2 | 6 | | | |
| 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 | | | Quarterly random sampling to check controls in place by Committee representative Date for Completion (L) Ongoing procedure. Target Risk (M) | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | External accountant & RFO provide increased control. | | | | | |
| | N Crewe | 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 | | | More frequent random sampling of financial controls to reduce risk of any adverse issues being undetected Date for Completion (L) Ongoing Target Risk (M) | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | Current processes involve regular checking of financial position plus internal audit sign off | | | | | |
| | N Crewe / G Langley | 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 | | | 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. Date for Completion (L) ongoing Target Risk (M) | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | Independent use of accountancy firm to post payments providing separation of duties. Third party involvement plus monitoring by Council / FES | | | | | |
| | G Langley | 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 Yes Why have you drawn this conclusion? Decision to invest in different vehicles requires approval of FES Committee. | | | More frequent random sampling of investment account balances to reduce risk of any adverse issues being undetected Date for Completion (L) ongoing Target Risk (M) Impact Likelihood Risk Score 3 2 6 | | |
| | Category | | | | | | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | | | | | | | | | | |
| | G Langley | | | | | | | | | | |
| | | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | | |
| | | 5 | 4 | 20 | 3 | 3 | 9 | | | | |
| 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 Yes Why have you drawn this conclusion? Application signed by chairman and council resolutions provided. | | | Gearing ratio could be introduced to limit any borrowing to percentage of overall reserves or repayment plus interest to level of expenditure. Date for Completion (L) Ongoing Target Risk (M) Impact Likelihood Risk Score 3 2 6 | | |
| | Category | | | | | | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | | | | | | | | | | |
| | N Crewe | | | | | | | | | | |
| | | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | | |
| | | 5 | 4 | 20 | 3 | 3 | 9 | | | | |
| 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 Yes Why have you drawn this conclusion? Effective Internal Controls are in place, Reserves & Treasury Management Policy | | | 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. Date for Completion (L) ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4 | | |
| | Category | | | | | | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | | | | | | | | | | |
| | G Langley | | | | | | | | | | |
| | | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | | |
| | | 5 | 3 | 15 | 3 | 2 | 6 | | | | |
| 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. | | | Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Internal Controls Document in the process of being approved acts as an extra reminder / check that the correct budgetary processes have been carried out to the correct timeframes. | | | To maintain a suite of risk and control documents, Inc. standard operating procedures, as this will provide clarity of timescales and procedures to take. Date for Completion (L) ongoing Target Risk (M) Impact Likelihood Risk Score 3 1 3 | | |
| | Category | | | | | | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | | | | | | | | | | |
| | N Crewe | | | | | | | | | | |
| | | Inherent/Fundamental Risk (E) | | | Insurance cover - Vandalism Bus Shelters/Playgrounds | | | | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | | |
| | | 4 | 3 | 12 | 3 | 2 | 6 | | | | |

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| 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) | | |
|-----|---------------------------------------|--|--|--|--|---|--|--|---|--|--|
| 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 | | | Continuing monitoring of budgets and cash position | | |
| | Category | | | | | Why have you drawn this conclusion? No history of overall overspend. | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | Residual/Remaining Risk (G) | | | | | | | | |
| | G Langley | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 4 4 16 | 3 2 6 | | | | | | | | |
| | | | | | | Date for Completion (L) Ongoing | | | Target Risk (M) | | |
| | | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 2 1 2 | | | | | | | | | |
| 10 | Reserves | Insufficient Reserves available to meet known commitments and unplanned major costs. | Reserves and Treasury Management Policy. Establishment of defined ear-marked reserves plus monitoring of revenues forecast year end position against overall % limit of expenditure currently set at 35%. | | | Level of Risk acceptable? Y/N Yes | | | To continue to Increase percentage of General Reserves to expenditure above 35% | | |
| | Category | | | | | Why have you drawn this conclusion? Regular monitoring of budget and bank balances and year end forecasting of general reserves. | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | Residual/Remaining Risk (G) | | | | | | | | |
| | N Crewe | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 5 3 15 | 3 2 6 | | | | | | | | |
| | | | | | | Date for Completion (L) Ongoing | | | Target Risk (M) | | |
| | | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 2 2 4 | | | | | | | | | |
| 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. Covid 19 arrangements will lead to increasing arrears and higher risk and leases out of time. | | | Level of Risk acceptable? Y/N Yes | | | 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 once Covid 19 restrictions removed. Create an Earmarked Reserve to cover bad debt provision. | | |
| | Category | | | | | Why have you drawn this conclusion? The current position is governed by the Covid 19 risk facing all property ownership. | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | Residual/Remaining Risk (G) | | | | | | | | |
| | N Crewe | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 3 5 15 | 3 4 12 | | | | | | | | |
| | | | | | | Date for Completion (L) Ongoing | | | Target Risk (M) | | |
| | | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 3 3 9 | | | | | | | | | |
| 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 | | | No change to existing proposed | | |
| | Category | | | | | Why have you drawn this conclusion? Existing systems and protocols are followed without exception. | | | | | |
| | Financial | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | Residual/Remaining Risk (G) | | | | | | | | |
| | G Langley | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 4 4 16 | 3 2 6 | | | | | | | | |
| | | | | | | Date for Completion (L) ongoing | | | Target Risk (M) | | |
| | | Impact Likelihood Risk Score | Impact Likelihood Risk Score | | | | | | | | |
| | | 3 2 6 | | | | | | | | | |

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| 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) | | | | | | | | |
| 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) | | |
| | N Crewe | | | | | | | | | | | | | 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. | | | 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) | | |
| | N Crewe | | | | | | | | | | | | | 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 both the Town Clerk and the 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) | | |
| | N Crewe / G Langley | | | | | | | | | | | | | 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) | | |
| | N Crewe | | | | | | | | | | | | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | 3 | 3 | 9 | 3 | 2 | 6 | 3 | 1 | 3 | | | | | | | | | | |

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|-----------------------------------|---------------------------------------|--|------------|------------|--|------------|------------|--|------------|------------|--|------------|------------|
| 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) | | |
| 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 Yes | | | No change to existing proposed | | |
| | Category | | | | | | | Why have you drawn this conclusion? No history of not processing vat returns. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner G Langley | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | Date for Completion (L) Ongoing | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 3 | 12 | 3 | 2 | 6 | 3 | 2 | 6 | 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. 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 | | | Quarterly review of HMRC records to be introduced. | | |
| | Category | | | | | | | Why have you drawn this conclusion? No history of not processing payroll returns and could if necessary run internally. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner N Crewe | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | Date for Completion (L) ongoing | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 3 | 12 | 3 | 2 | 6 | 3 | 1 | 3 | 3 | 1 | 3 |
| 19 | Petty /Cash | No control over use of petty cash. Payments not accounted for and or loss though dishonesty. | | | Low value of petty cash availability. Reconciled monthly, all payment supported by relevant paperwork/receipts. | | | Level of Risk acceptable? Y/N Yes | | | No change to existing proposed | | |
| | Category | | | | | | | Why have you drawn this conclusion? Reconciliations checked quarterly by Chairman of FES. No history of problems. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner N Crewe | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | Date for Completion (L) Ongoing | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 3 | 3 | 9 | 2 | 2 | 4 | 2 | 2 | 4 | 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 kept around £20k to reduce exposure of cheque being presented without authorisation. | | | Level of Risk acceptable? Y/N Yes | | | No change to existing proposed | | |
| | Category | | | | | | | Why have you drawn this conclusion? No evidence of cheque book misuse. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner N Crewe | Inherent/Fundamental Risk (E) | | | Residual/Remaining Risk (G) | | | | | | Date for Completion (L) Ongoing | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 3 | 12 | 2 | 2 | 4 | 2 | 2 | 4 | 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 | | Direct budget mgt by Clerk/RFO | | | No unauthorised award of grants. | | | | | |
| | N Crewe | Inherent/Fundamental Risk (E) | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Date for Completion (L) | | |
| | | | 5 | 4 | 20 | 3 | 2 | 6 | Ongoing | | |
| | | | | | | | | | Target Risk (M) | | |
| | | | | | | | | | Impact | Likelihood | Risk Score |
| | | | | | | | | | 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 | | | Internal audit and cash reconciliation undertaken. Insurance cover | | |
| | Category | | | | | Yes | | | | | |
| | Financial | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | | Direct budget mgt by Clerk/RFO | | | Successful close down of accounts performed by External Accountants and RFO verified by internal and external audit reports. | | | | | |
| | N Crewe / G Langley | Inherent/Fundamental Risk (E) | 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 |
| 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 | | Direct budget mgt by Clerk/RFO | | | Historical submission of returns | | | | | |
| | N Crewe | Inherent/Fundamental Risk (E) | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Date for Completion (L) | | |
| | | | 5 | 4 | 20 | 3 | 2 | 6 | Ongoing | | |
| | | | | | | | | | Target Risk (M) | | |
| | | | | | | | | | Impact | Likelihood | Risk Score |
| | | | | | | | | | 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 | | Direct budget mgt by Clerk/RFO | | | Internal controls and processes are strictly followed. | | | | | |
| | N Crewe | Inherent/Fundamental Risk (E) | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Date for Completion (L) | | |
| | | | 5 | 5 | 25 | 3 | 2 | 6 | Ongoing | | |
| | | | | | | | | | Target Risk (M) | | |
| | | | | | | | | | Impact | Likelihood | Risk Score |
| | | | | | | | | | 3 | 2 | 6 |

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|-----------------------------------|---------------------------------------|--|----|---|---|---|---|---|---|--|--|--|--|-------------------------------|------------|------------|--------------------------------|------------|------------|------------------------------------|------------|------------|
| 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) | | | | | | | | | | | |
| 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. | | | 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 | | |
| | N Crewe | | | | | | | | | | | | | 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 RFO/TC 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 | | |
| | N Crewe | | | | | | | | | | | | | 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 | | |
| | N Crewe / G Langley | | | | | | | | | | | | | 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. Covid 19 has lead to increased work for this concern in its cleaning operations as a "key worker" and staff retained to continue meeting our need. | | | More frequent reviews with contractors to establish impact of Covid 19 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 | | |
| | N Crewe | | | | | | | | | | | | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | 5 | 4 | 20 | 3 | 3 | 9 | 3 | 2 | 6 | | | | | | | | | | | | | |

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

| Produced by : Gina Langley - RFO. | | Date : February 2021 - review March 2022 | | | | | | | | | | | |
|-----------------------------------|---|---|------------|------------|---|------------|------------|---|--|--|--|--|--|
| 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) | | |
| 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. | | | Project plan, financial budgets set, outsourced contracts for specialist providers placed and experienced "in house" events delivery team with previous Blues Festival experience. Earmarked reserve established March 2020. | | | Level of Risk acceptable? Y/N Yes | | | Consideration to be given to whether "Force Majeure" inclusion within contract would remove need to pay any artist deposits, Fees and or contractors for future commitments and to continue to seek to take out business interruption cover to protect against lost income 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 festival, but with known quantifiable losses. Event plans and risk assessments regularly monitored. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | | | | | | |
| | N Crewe / G Langley | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | | | | | | |
| | | 5 | 5 | 25 | 4 | 3 | 12 | | | | | | |
| 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 on Covid 19 lifting of restrictions. 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 in first year of operation. Covid 19 may impact on CIB ongoing arrangements. | | | | | |
| | Financial | | | | | | | | | | | | |
| | Owner | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | | | | | | |
| | N Crewe | 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. | | | 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 | | | | | | | | |
| | N Crewe / G Langley | 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 | | | | | | | | |
| | G Langley | 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 2021 - review March 2022 | | | | | | | | | | | |
|-----------------------------------|---------------------------------------|---|------------|--------------------------------|---|------------|-------------------------|--|------------|------------|--|------------|------------|
| 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. | | | Level of Risk acceptable? Y/N | | | Insurance cover to be reviewed annually to assess whether it is still appropriate. | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | | | | | | | Successful claim made regarding buildings cover in respect of theft to lead on roof and resultant damage and wind damage to tiling. Insurance cover and schedule reported to FES | | | | | |
| G Langley | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | Date for Completion (L) | | | Ongoing | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 5 | 20 | 3 | 2 | 6 | 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 | | | No change to existing proposed | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | | | | | | | Successful production of accounting records when required , including from back up sources. | | | | | |
| G Langley | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | Date for Completion (L) | | | Ongoing | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 4 | 16 | 3 | 2 | 6 | 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 | | | No change to existing proposed but if time enables to consider scanning copies of all historical title documents | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | | | | | | | Security of title deeds and contracts | | | | | |
| N Crewe | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | Date for Completion (L) | | | Ongoing | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 4 | 16 | 3 | 2 | 6 | 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. | | | Level of Risk acceptable? Y/N | | | To place funds with three different institutions in order to negate the risk of loss of service. | | |
| | Category | | | | | | | Yes | | | | | |
| | Financial | | | | | | | Why have you drawn this conclusion? | | | | | |
| | Owner | | | | | | | Alternative arrangements are in place, cheque books available if needed and bank mandates can be changed | | | | | |
| N Crewe | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | | Date for Completion (L) | | | Ongoing | | | |
| | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | | 4 | 3 | 12 | 3 | 2 | 6 | 2 | 2 | 4 | | | |

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

| Produced by : Gina Langley - RFO. | | Date : February 2021 - review March 2022 | | | | | | | | | | | | | | | | | |
|-----------------------------------|---------------------------------------|---|----|---|--|---|---|--|---|--|--|--|--|-------------------------------|------------|------------|--------------------------------|------------|------------|
| 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 on lifting of covid 19 restrictions in order to physically view assets. | | | More frequent reviews to ensure that the asset register is maintained and kept up to date. | | | | | | | | |
| | Category | | | | | | | | | | | | | | | | | | |
| | Financial | | | | | | | | | | | | | | | | | | |
| | Owner | | | | | | | | | | | | | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | |
| | N Crewe | | | | | | | | | | | | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | 4 | 3 | 12 | 3 | 2 | 6 | 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 for three years are currently taken out on which budgets are based assuming no significant variation in utility use. Internal monitoring of utility use in place. | | | Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Within 10% tolerance of budgets at year end. | | | No change to existing proposed . | | | | | | | | |
| | Category | | | | | | | | | | | | | | | | | | |
| | Financial | | | | | | | | | | | | | | | | | | |
| | Owner | | | | | | | | | | | | | Inherent/Fundamental Risk (E) | | | Direct budget mgt by Clerk/RFO | | |
| | G Langley | | | | | | | | | | | | | Impact | Likelihood | Risk Score | Impact | Likelihood | Risk Score |
| | 4 | 4 | 16 | 3 | 2 | 6 | 3 | 2 | 6 | | | | | | | | | | |