

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - TOWN CLERK/RFO Date : March 2023 - review by March 2024

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 three separate institutions - Lloyds Plc which is a mainstream bank ,Unity Trust Bank which is a UK based Commercial Bank and CCLA Public Sector Deposit Fund which is an investment fund based on short term investments in A rated companies.			Level of Risk acceptable? Y/N			The CCLA account will be closely monitored to ensure the return on investment meets expectations , if not the account is instant access so funds can be switched to one of the other institutions.		
	Category					Yes					
	Financial					Why have you drawn this conclusion?					
	Owner					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). Unity Bank has a strong liquidity position and therefore doesn't borrow from other Banks and doesnt need a credit rating. CCLA PSDF has a Fitch rating of AAmmf and over 600 Town & Parish Councils have invested in the fund.					
	RFO										
		Inherent/Fundamental Risk (E)	Residual/Remaining Risk (G)			Date for Completion (L)					
		Impact Likelihood Risk Score	Impact Likelihood Risk Score	Ongoing			Target Risk (M)				
		5 4 20	3 3 9				Impact Likelihood Risk Score				
							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			Quarterly random sampling to check controls in place by the Chairman of the FES Committee.		
	Category					Yes					
	Financial					Why have you drawn this conclusion?					
	Owner					External accountant, Town Clerk/RFO and Finance Officer provide increased control and separation of duties					
	RFO & Finance Officer										
		Inherent/Fundamental Risk (E)	Residual/Remaining Risk (G)			Date for Completion (L)					
		Impact Likelihood Risk Score	Impact Likelihood Risk Score	Ongoing procedure.			Target Risk (M)				
		4 4 16	3 2 6				Impact Likelihood Risk Score				
							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 to be performed both by the Town Clerk/RFO and the Chairman of the FES Committee.		
	Category					Yes					
	Financial					Why have you drawn this conclusion?					
	Owner					Current processes involve regular checking of financial position plus internal audit sign off					
	Town Clerk / RFO										
		Inherent/Fundamental Risk (E)	Residual/Remaining Risk (G)			Date for Completion (L)					
		Impact Likelihood Risk Score	Impact Likelihood Risk Score	Ongoing			Target Risk (M)				
		4 4 16	3 2 6				Impact Likelihood Risk Score				
							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 Town Clerk/RFO and now separate check with Finance Officer. Outstanding commitments checked regularly by Town Clerk/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.		
	Category					Yes					
	Financial					Why have you drawn this conclusion?					
	Owner					Finance officer posting day-to-day transactions and preparation of payment approval forms. Town Clerk/RFO to check budgets, authorise and pay via online banking. providing separation of duties. Third party involvement plus monitoring by Council / FES					
	RFO										
		Inherent/Fundamental Risk (E)	Residual/Remaining Risk (G)			Date for Completion (L)					
		Impact Likelihood Risk Score	Impact Likelihood Risk Score	ongoing			Target Risk (M)				
		4 4 16	2 2 4				Impact Likelihood Risk Score				
							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													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	RFO													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													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	Town Clerk / RFO													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. To utilise any appropriate longer term deposits that may be available. Date for Completion (L) ongoing Target Risk (M) Impact Likelihood Risk Score 2 2 4								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)		
	RFO													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 on a quarterly basis will require cash flow control. Budget monitoring to prevent overspend. Internal Controls document.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Internal Controls Document acts as an extra reminder / check that the correct budgetary processes have been carried out to the correct timeframes. Precept receipt has changed to quarterly, however built-up reserves will help to smooth any irregularities.			To maintain a suite of risk and control documents, Inc. standard operating procedures, as this will provide clarity of timescales and procedures to take. To ensure that a cash flow forecast is completed at the start of the financial year to ensure that any shortfall is identified in good time and funds transferred accordingly. Date for Completion (L) ongoing Target Risk (M) Impact Likelihood Risk Score 3 1 3								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Insurance cover - Vandalism Bus Shelters/Playgrounds		
	RFO													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	4	3	12	3	2	6													

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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			Continuing monitoring of budgets and cash position. To ensure that a cash flow forecast is completed at the start of the financial year to ensure that any shortfall is identified and funds transferred accordingly.		
	Category							Why have you drawn this conclusion? No history of overall overspend.					
	Financial												
	Owner RFO	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	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			To maintain general reserves at 4 months' worth of expenditure, and endeavour to increase earmarked reserves to equate to 5 months.		
	Category							Why have you drawn this conclusion? Regular monitoring of budget and bank balances and year end forecasting of general reserves.					
	Financial												
	Owner Town Clerk / RFO	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
		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. Lease terminations are being actively managed to ensure that the properties can be re-let as soon as possible and those up for renewal are being reviewed.			Level of Risk acceptable? Y/N Yes			Closer monitoring of Tenants' financial positions to establish likely non renewal or bad debts and to continue to actively manage any vacancies to minimise empty periods. To review rental rates on lease renewals.		
	Category							Why have you drawn this conclusion? Finally after 2 years of the pandemic, trade for the rental tenants should pick up and return to pre pandemic levels. Those tenants who have renewed most recently, have been keeping up to date with payments. The Town Council is not over reliant on Rental Income and will seek to work with existing tenants to help ensure continuity.					
	Financial												
	Owner Town Clerk / RFO	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	5	15	2	4	8	2	3	6			
12	Bank Reconciliations	Inadequate check and bank errors			Reconciliations are done as part of the month-end routine and completed by the Finance Officer. Reconciliations are checked by the Town Clerk/RFO and quarterly overview by FES committee. External Accounting Firm provides assistance at year-end and with monthly payroll, but also provides an advisory service as and when needed.			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 RFO & Finance Officer	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	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 & Finance Officer													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.			Due to the introduction of VAT Notice 749 stating that all Local Authorities making taxable supplies exceeding £1,000 are required to register for VAT, the Town Council became VAT Registered from 1st April 2022 and training received through LALC.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? The introduction of VAT Notice 749 has meant that a lot of smaller councils have been required to register for VAT. Because of this, there is training available and advice pages on various different websites including HMRC/SLCC/NALC/LALC.			For the Town Clerk/RFO and the Finance Officer to continue to keep on top of any further developments and issues common to Local Councils and to seek advice if taking on any new services to clarify any implications.								
	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 & Finance Officer	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
							Ongoing						
							Target Risk (M)						
							Impact	Likelihood	Risk Score				
		3	3	9	2	2	4	2	2	4			
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. 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 & Finance Officer	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
							ongoing						
							Target Risk (M)						
							Impact	Likelihood	Risk Score				
		4	3	12	3	2	6	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.					
	Finance Officer	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
							Ongoing						
							Target Risk (M)						
							Impact	Likelihood	Risk Score				
		3	3	9	2	2	4	2	2	4			
20	Cheque books & Online Banking	Loss of cheques / fraudulent use. Unauthorised bank access and no separation of duties leading to risk of fraud.			Cheque books require two signatories and are locked up in the safe. Most payments made by internet/bacs via online banking and each member of staff has their own card and pin identifiable to them. Bank account viewed at least weekly if not more frequently, and the accounts are reconciled regularly. Current account balances maintained at agreed levels to reduce exposure of cheques being presented without authorisation and also meaning that any unexpected debits/withdrawals will be flagged.			Level of Risk acceptable? Y/N			To consider two-step verification for online payment meaning that one person sets up the payments, and a different person releases them.		
	Category							Yes					
	Financial							Why have you drawn this conclusion?					
	Owner	Inherent/Fundamental Risk (E)			Residual/Remaining Risk (G)			Cheque books are kept locked in the safe at all times with Access Control to the area. Bank readers, cards and pins are personal to the individuals and are never shared. Multiple factor authentication set up for new payees including verification codes to registered mobiles and approval via the banking app.					
	RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)					
							Ongoing						
							Target Risk (M)						
							Impact	Likelihood	Risk Score				
		4	2	8	2	2	4	2	1	2			

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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 and member agreement via Committee and Full Council.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Yes										
	Why have you drawn this conclusion?										
	No unauthorised award of grants.										
	Category					Inherent/Fundamental Risk (E)					
Financial	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)				
	5	4	20	2	2	4	Ongoing				
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			
	Town Clerk / RFO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	
		5	4	20	2	2	4	2	2	4	
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 Town Clerk/RFO. Year-end will be performed by Finance Officer with assistance from external Accountant and checked by Town Clerk/RFO.			Level of Risk acceptable? Y/N			Internal audit and cash reconciliation undertaken. Insurance cover		
	Yes										
	Why have you drawn this conclusion?										
	Successful close down of accounts performed by External Accountants and RFO verified by internal and external audit reports.										
	Category					Inherent/Fundamental Risk (E)					
Financial	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)				
	4	3	12	3	2	6	Ongoing				
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			
	Town Clerk / RFO & Finance Officer	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	
		4	3	12	3	2	6	2	1	2	
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		
	Yes										
	Why have you drawn this conclusion?										
	Historical submission of returns										
	Category					Inherent/Fundamental Risk (E)					
Financial	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)				
	5	4	20	3	2	6	Ongoing				
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			
	Town Clerk / RFO	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. Outsourced IT contractor provides protection against unauthorised access of the Council's system.			Level of Risk acceptable? Y/N			No change to existing proposed		
	Yes										
	Why have you drawn this conclusion?										
	Internal controls and processes are strictly followed.										
	Category					Inherent/Fundamental Risk (E)					
Financial	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L)				
	5	5	25	2	2	4	Ongoing				
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO			Target Risk (M)			
	Town Clerk / RFO & Finance Officer	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	
		5	5	25	2	2	4	2	2	4	

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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. Main elections are considerably higher in cost, however a budget is always included, regardless of schedule and if not spent, funds are placed in an Election EMR to cover any unexpected expenditure in future years.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? History indicates infrequent vacancy declaration.			To continue to place any unspent election budget in an earmarked reserve to offset increased expenditure in future years.								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	Town Clerk													Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score
	3	3	9	2	2	4	2	1	2										
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 contracts 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		
	Town Clerk													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. Additional quotations sought for works exceeding £1,000 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		
	Town Clerk / RFO													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. Contractors fail to complete work in time specified or produce sub-standard work.			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. More frequent monitoring and reviews with the contractors during times of pandemic/restrictions as instances will be more likely due to illness, reduced staffing levels and/or lack of materials and resources.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? History of Tenders being exercised correctly & successfully, only Contractors bearing the necessary accreditations are considered. Approved contractors that are well versed in requirements. In times of pandemic there may be additional requirements for grounds maintenance. Historically, staff have been retained due to 'Key Worker' classification. Lengthsmen / in-house maintenance staff will help to reduce reliance on outside contractors.			More frequent reviews with contractors to establish anything impacting on ability to continue delivery and or reduction in specification frequency if appropriate. To monitor workloads and train the Lengthsmen to cover / assist with tasks as and when required.								
	Category																		
	Financial																		
	Owner													Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO		
	Town Clerk / RFO													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 - TOWN CLERK/RFO		Date : March 2023 - review by March 2024											
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.			Financial budgets set and outsourced contracts for specialist providers placed. Robustness of event planning and management. Regular reporting and monitoring of ticket sales, which seem to be following an upward trend despite cost of living crisis. Established, strong social media following for the event, helping to increase level of interest. Mailing list greatly enhanced from 2022 festival.			Level of Risk acceptable? Y/N Yes			Close monitoring of budgets to ensure early detection of any potential overspend. To continue to review the Management Plan with every festival to take into account current climate and guidance. 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 and the level of the Town Council's involvement should diminish year on year.		
	Category	Susceptible to expenditure overspend and income shortfalls, particularly in times of lockdown restriction and social distancing.						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 2023 and 2024.					
	Financial												
	Owner	Inherent/Fundamental Risk (E)			Direct budget mgt by Clerk/RFO								
	Town Clerk / RFO & EAO	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score	Date for Completion (L) Ongoing		
		5	5	25	4	4	16				Target Risk (M)		
											3	3	9
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. If tasks can not be completed due to isolation restrictions, tasks can be covered by Officers / Cleaner / Lengthsmen.			Level of Risk acceptable? Y/N Yes			To periodically review the arrangements in place to ensure an effective recovery of costs and a fairness to all parties. To actively encourage the recruitment of additional volunteers.		
	Category							Why have you drawn this conclusion? Good track record of agreements operating successfully. In house installation and watering for the floral displays. In times of pandemic, infection may impact on ongoing arrangements, however most tasks can be covered in-house.					
	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	Date for Completion (L) Ongoing		
		4	4	16	3	2	6				Target Risk (M)		
											2	2	4
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 modifications not effectively managed during periods of social restriction.			Event specific budgets prepared and monitored and sponsorship arrangement agreed. Partnership agreements reached e.g. Cycling Grand Prix event. All events individually risk assessed. Event safety plans will take into account any current guidance. 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, however this would be at considerable cost and is unlikely to cover a Pandemic.		
	Category							Why have you drawn this conclusion? Historical track record of delivery of events is strong and within budget, and previous issues have been actively managed. Monitoring of event guidance will allow timely decisions to be made, reducing reputational risk and financial loss.					
	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	Date for Completion (L) Ongoing		
		4	5	20	3	2	6				Target Risk (M)		
											2	2	4
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.		
	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 Town Clerk/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	Date for Completion (L) Ongoing		
		4	4	16	3	2	6				Target Risk (M)		
											2	2	4

COLNE TOWN COUNCIL FINANCIAL RISK REGISTER

Produced by : Gina Langley - TOWN CLERK/RFO		Date : March 2023 - review by March 2024											
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. Replacement valuations being undertaken for all Council owned properties to ensure that cover is adequate.			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 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					
RFO	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.					
RFO	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					
Town Clerk / RFO	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. 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			To look at placing some funds with a third institution 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					
Town Clerk / RFO	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			

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Produced by : Gina Langley - TOWN CLERK/RFO		Date : March 2023 - review by March 2024																				
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. More frequent monitoring to take place when schools are closed and ASB occurrence is higher.			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 Town Clerk													4	3	12	3	2	6	Target Risk (M)		
							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 RFO													4	4	16	2	4	8	Target Risk (M)		
							Impact	Likelihood	Risk Score	2	3	6										
39	Slump in sector/economy/recession	Income decline and lack of growth. Increased costs and increased demand on Reserves leading to insufficient levels available to meet known commitments and unplanned major costs.			Efficiency Savings. Less reliance on outside contractors as in-house Lengthsmen are trained to cover. Regular budget monitoring ensuring any surplus budgets can be reallocated as necessary. Reserves and Treasury Management Policy in place.			Level of Risk acceptable? Y/N Yes Why have you drawn this conclusion? Any move to recession is likely to be slow. Budgets are tightly controlled and any spend from reserves needs approval from Committee and Full Council.			Continue to endeavour to increase potential for income generation e.g. weddings / Primet Community Centre and if year-end balances allow, continue to increase EMRs to lessen any impact of future years.											
	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 RFO													4	4	16	3	3	9	Target Risk (M)		
							Impact	Likelihood	Risk Score	2	2	4										