

# Finance Risk Register

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# Overview Finance Risk Register

- 5 Corporate risks
- 4 Operational risks
- Quarterly review cycle
- Incorporated into overall sequence framework

# Corporate Risks

Risk Short Name	Cause	Event	Effect	Inherent Impact	Inherent Likelihood	Inherent Risk Rate	Residual Impact	Residual Likelihood	Residual Risk Rate
<b>Budget management</b>	New unfunded project, unforeseen demand or failure to make planned savings	Inability to deliver key statutory services within the service-level budget envelope	Increased financial pressure on other service areas in order to deliver a balanced budget across the authority as a whole which results in cuts to those other services spend.	3	3	9	3	2	6
<b>Income Collection</b>	Failure to collect income as expected and budgeted for	Decrease in levels of income due to lower payment rates, take up of services or increase default rates	Increased financial pressure on other service areas in order to deliver a balanced budget across the Council as a whole which results in cuts to those other services spend.	3	3	9	3	2	6
<b>Interest Rates Changes</b>	Increase in interest rates leads to increased borrowing costs on future capital investments	Changes in interest rates	Increased costs on future borrowing would bring extra pressure on overall Council budgets	3	2	6	2	2	4
<b>Global Financial issues</b>	Financial uncertainty arising from the outcome of the European Union Referendum, together with other global financial issues	Overall uncertainty over global financial position	It is too early to estimate the full extent of any financial impact arising from these changes. These will be closely monitored.	3	3	9	3	3	9
<b>Future Local Government finance funding</b>	2019.20 is final year of finance settlement and Central Government introducing a new local government Fair Funding model and Business Rates baseline	Uncertainty over new central government funding mechanisms and introduction of Fair Funding and Business Rates baseline	Uncertainty over levels of funding within the new fair funding model making future income streams unclear	2	4	8	2	4	8

# Operational Risks

Risk Short Name	Cause	Event	Effect	Inherent Impact	Inherent Likelihood	Inherent Risk Rate	Residual Impact	Residual Likelihood	Residual Risk Rate
<b>Overspend in finance service</b>	Additional demand (e.g. larger than anticipated draw on the set benefits pot)	Overspend in the overall finance budget	Service not delivered	3	2	6	3	1	3
<b>New government initiatives / legislation / Partnerships</b>	Lack of preparation for a change in legislation or new partnership demands	New work demands and legislative directives are forced on the service	Significant realignment of the corporate budget is required	4	2	8	4	2	8
<b>Payment systems failure</b>	Flooding, Fire, Electrical failure or technical infrastructure issues.	SAP and/or Northgate go off-line	Payments and transactions (including benefits) are not made	2	1	2	2	1	2
<b>Shift or Self Service</b>	Lack of buy in (from within the service and outside) to the more flexible approach to service accounting	Confusion within service areas and amongst accountants about roles and responsibilities	Unresponsive, ineffective accountancy service	2	2	4	1	2	2