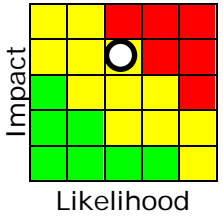
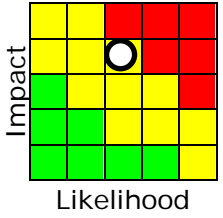
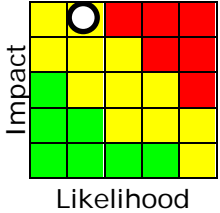
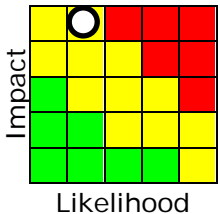
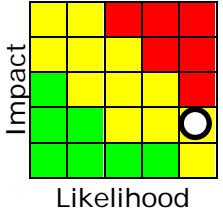
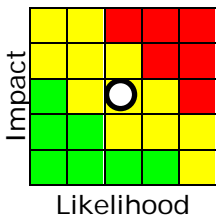


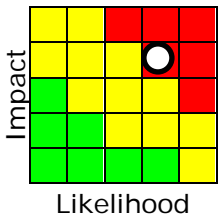
**Finance Risk Register – Post FMT Review 13 June 2019**

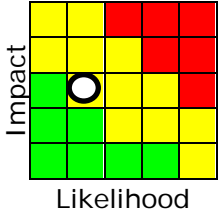
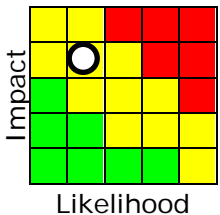
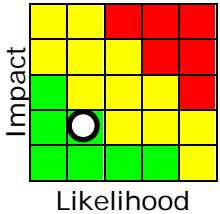
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
<b>Generic Risks</b>						
1. Loss of IT.	<p>Computer breakdown. Technology problems. System problems, including hacking. Reliance on key staff. Acts of God e.g. fire, hurricane, flood. Power failure. Malicious acts by employee. Reliance on key staff.</p>	<p>Unable to issue bills update accounts, provide information, take recovery action, issue receipts, collect money. Loss of revenue to Council and other Local Authorities (depends on timing). Cost implications. Poor data. Uncontrolled budgets. Dissatisfied customers (and staff). Damaged reputation. Resource implications for rectification. Unable to pay benefit claimants, suppliers, staff Staff morale. Loss of switchboard.</p>	<p>IT support. System provider helpdesk. Contract with software supplier to maintain FMS training needs. Well trained staff. Adequate cover. Business Continuity Plan. Back-ups. Manual records for certain activities. System controls. Duplicate records. Procedure notes. Audit testing. Good plans. Auto save. Regular testing of Card Readers at home. CSTeam to re-locate to area in RSH backed up by generator. Amend answerphone messages on telephony system to provide alternative contact numbers. Ledger controls (re authorisation over £50K).</p>	<ul style="list-style-type: none"> <li>Ongoing Review of Business Continuity Plans.</li> <li>SFM to investigate with IT the issue of access to HSBC in the absence of no WDC IT, using non-WDC IP address. (By end September 2019)</li> <li>Managers in Finance to be given access to 'Resilience Direct' so that BCP and RR can be stored there in the event of WDC systems failure. Training with Safer Communities Team Leader (Jayne Bailey) to be arranged.</li> <li>Issue regular reminder to staff about suspect emails. Circulate through team meetings. (ongoing)</li> <li>Instructions needed for those who can authorise transactions over £50K. SFM to issue instructions. (By end June 2019)</li> </ul>	<p>Divisional managers</p> <p>Strategic Finance Manager</p> <p>Head of Finance</p> <p>Head of Finance</p> <p>Strategic Finance Manager</p>	
2. Loss of key records.	<p>System failure. Accidental disposal. Theft – particularly of IT servers. Inadequately trained staff. Out of date Document Retention Policy.</p>	<p>Unable to provide service. Possible litigation. Financial loss. Bad publicity. Reputation damage. Loss of confidence. Resource implications for replication. Staff morale. Pressures on staff. Qualified Audit Opinion.</p>	<p>IT able to restore systems. Staff training. Secure storage and disposal of sensitive paper documents. Corporate Document Retention and Disposal Policy. CoCo compliance Archiving options reviewed in line with corporate retention policy. Regular full system backups in place.</p>	<p>Implement relevant system modules and test re Total and Civica. (By end of June 2019)</p>	<p>Democratic Service Manager and Deputy Monitoring Officer / Head of Finance</p>	

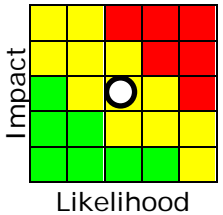
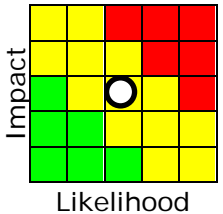
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
3. Loss of office accommodation.	Fire. Denial of access.	Unable to provide services. Staff morale. Financial loss.	Work at home. IT disaster recovery plan. Business continuity plan critical services identified. Homeworking for banking arrangements, including payments. Procedure Manual (with BCP) Telephone answerphone messages amended to provide alternative contact numbers – included in BCP.	Continue to review BCP. (Ongoing)	Head of Finance/Divisional Managers	
4. Physical harm to staff.	Customer dissatisfaction. Accident. Intruders in offices. Staff in building very early and / or very late. Violence / threatening customers.	Verbal abuse. Actual physical injury. Infection. Health and safety investigation. Traumatised staff. Stress. Staff pressures. Death. Staff morale.	Health and Safety. Mobile phones. Compliance with lone worker procedures. Staff alert list. Physical security measures. e.g. screens, working in pairs, personal alarms. Training. Policies. Reporting / monitoring procedures.			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
5. Fraud (non Benefit) / Corruption.	Dishonest staff, customer, suppliers. Collusion. Lack of controls. Poor systems. Abuse. Exploitation. Poor control mechanisms. Poor audit processes. Poor management. Fraudulent insurance claims. Aggrieved staff.	Financial loss. Resource implications for investigation. Reputational damage. Adverse publicity. Loss of credibility. Staff morale.	Monthly / quarterly budget review. Established documented procedures. DBS checks (where appropriate). Procedure manuals. Audit Regime. Audit trails. National Fraud Initiative. Robust computer systems. Good IT security. Codes of conduct. System and processing controls e.g. segregation of duties. Whistle blowing policy. Fidelity guarantee insurance. Anti-fraud & corruption strategy. Membership of NAFN. Reconciliations (e.g. bank recs). Cash checks undertaken by Internal Audit. Establishment of Corporate Fraud Team.			 <p>Impact</p> <p>Likelihood</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
6. Failure to communicate effectively	High workload. Reliance on key staff. Staff absence. Human error. Home working. Inappropriate form of communication. Poor communication with partners/providers. Poorly trained customer service staff.	Incorrect information used to carry out work. Financial loss. Additional workload. Staff morale. Stress. Reputational damage. Service failure. Failure to relay messages.	Monthly team meetings. One-to-ones. E-mail/Jabber Intranet. Circulation of minutes from meetings. Corporate communication strategy. Staff training. Cultural changes. Whistle-blowing policy. SMT de-briefings. Continue to bring significant issues to line management attention as they arise. (All staff – ongoing) Staff Voice. Managers Forum. Rumour Mill. Probation meetings Appraisals (part of 'Golden Thread').			 <p>Impact</p> <p>Likelihood</p>

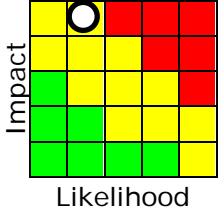
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
7. Loss / shortage of staff (leading to loss of skills, knowledge & capacity).	Dependency on key staff. Long term sickness. Redundancy. Retirement. Union action. Bereavement. Threat of work transferring to DWP due to roll out of universal credit. Time taken to recruit. Pay and competition from neighbouring authorities.	Unable to supply service. Financial loss. Error. Reduced Service. Potential breach of law. Increased pressure on staff. Staff morale. Customers waiting an unreasonably long time for payments of Housing Benefit resulting in homelessness. Fraud going undetected. Reduced resilience / capacity from reducing staff numbers. Increased sickness absence.	Operational / procedures and controls. External assistance. External expertise, use of agency staff. Appropriate cover by other team members. Use of agency staff and apprentices. Workforce planning e.g. Succession planning. Prioritisation of work plan. Treasury Management Practices. Management of staff leave & absence. Experienced staff. Proactive anti-fraud campaign Recruit apprentices on short term contracts to protect current experienced staff. Provide ongoing re-assurances to current staff. Introduction of E forms and Risk Based verification and practices and procedures. Ongoing review and updating of Procedures and Practices. Employment of agency staff. Handover with replacement or other staff Use all appropriate available methods of recruitment Market Forces Supplement policy. JDs being reviewed routinely. (Ongoing) Regular team meetings. One-to-ones.	Update operational / procedures and controls. (Ongoing) Update Treasury Management and Banking Practices. (By end September 2019) Implementation of new Financial Management System to replace Total and Income Management System. (Complete and live by June 2022) Procedure notes for digital process for checking and authorising payments over £50K. (Accountancy to complete by June 2019) Ensure handovers with replacement or other staff are completed.	Head of Finance / Divisional Managers  Strategic Finance Manager  Strategic Finance Manager  Strategic Finance Manager  Head of Finance / Divisional Managers	 <p>Impact</p> <p>Likelihood</p>

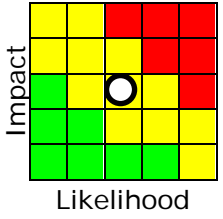
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
8. Provision of incorrect information / advice to stakeholders (benefit claimants, taxpayers, suppliers, WDC staff, members, business rate payers).	Untrained staff. Not up to date with legislative changes. Short deadlines. Pressure on staff. High turnover of staff.	Financial loss. Embarrassment. Loss of credibility. Judicial review. Compensation. Reputational. Greater pressure on back office. Qualified Audit Opinion.	Training. Guidance notes. Procedures. CPD. External professional advice. Legal advice. Internal/external audit. Secure systems. All frontline staff, i.e. Call centre and one-stop shop staff, trained and scripts up to date. Keep Procedures Notes and Procedure Manuals up-to-date.			
9. Breaches of Health and Safety legislation.	Home working. Driving for work. DSE/VDU usage. Manual handling. Person falling from height. Items falling from height. Deteriorating condition of Riverside House.	Sickness absence. Stress. Injury. Death. Legal action. Penalties/Fines.	Corporate health and safety policy including Home working and Driving at work. Eye tests. Regular DSE assessments. Health and safety risk assessments (AssessNET). Training available. Insurance cover. Health & safety on team meeting agendas. Home working policy. Ongoing DSE assessments. Review of DSE assessments by SMT. Regular health & safety reviews.	All managers to attend corporate IOSH training. (Various dates)	Divisional Managers and managers in Finance	
10. Failure to deliver projects within the service.	Lack of resources. Poor planning. Lack of time. Lack of knowledge. Staff absence.	Core work disrupted. Financial loss. Reputation damage. Staff morale.	Project planning. Prince II. Project risk registers. Consultation.	Recruitment of project manager for new finance system project.	Head of Finance	

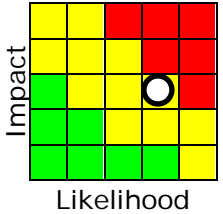
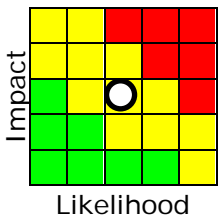
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
<p>11. General Data Protection Regulations and Freedom of Information compliance breach.</p>	<p>Poor / inadequate training of staff.  Give out personal information.  Hold inappropriate information.  Information not stored securely.  Staff absence.  Misdirection of post.  Information/subject access requests not promptly actioned.  Letters sent to wrong people containing personal data  Impacts of GDPR</p>	<p>Breach Data Protection legislation.  Investigation.  Litigation.  Financial loss – fines, compensation.  Reputational damage.  Fraud.  Money laundering.</p>	<p>Adequate training for staff.  Document retention policy.  Encryption of data.  Information security policy.  Data protection policy / staff guidelines.  Stapling letters  Checking regime prior to passing to printroom.  Undertaking meta compliance training.  Maintenance of Data Audit Matrix.  Letters to contractors and suppliers (who hold personal data).  Letters issued to contractors.  Corporate guidance for information retention  Ongoing Corporate review of data protection / FoI governance by Democratic Services Manager. Regular corporate group meetings.  GDPR compliance now live in Total.</p>	<p>Meta Compliance GDPR training provided. Further training planned. Some still need to complete the GDPR training.  Corporate guidance on retention of corporate records being updated.  Archiving ongoing.  Ongoing discussions with contractors to obtain statement of their position. (Exchequer Manager to discuss with Information Governance Manager)</p>	<p>Head of Finance and System owners   Information Governance Manager   Exchequer Manager</p>	
<b>Service-specific Risks</b>						
<p>12. Failure to correctly monitor / manage Finance budget.</p>	<p>Poor estimating.  Poor control mechanisms.</p>	<p>Over / under spends against agreed Budget.  Not factored in to future years' projections.  Failure to identify incorrect payments.</p>	<p>Monthly Budgetary Review system and reconciliations in place.  Appropriate financial training for relevant Finance staff.  Realistic budgets.  Ongoing Review of Budget Review System.  Training provided on Code of Financial Practice.</p>	<p>SFM to produce Budget meeting template. (End June 2019)</p>	<p>Strategic Finance Manager</p>	

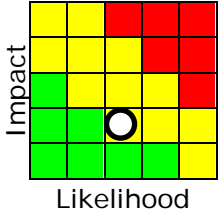
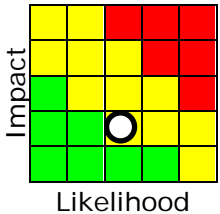
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
<p>13. Inaccurate medium term financial plans / forecasts (excluding external factors identified in SBRR).</p>	<p>Decision-making on a whim (Unplanned decision-making).            Changed local priorities.            Lack of specific guidance on funding from central government.            Lack of clarity in Corporate Planning and co-ordination with service requirements.            Service changes not communicated to staff in Finance.            Human error.            Unexpected council tax funding decisions by central government.            Introduction of 75% business rate retention.</p>	<p>Savings under / overstated.            Unstable finances.            Stop-go expenditure.            Impact on service provision.            Big surprise politically at council tax and budget setting.            Local implications of unexpected council tax funding decisions by central government.            Loss of credibility.            Figures potentially inaccurate.</p>	<p>Good linked service planning / risk management and budget preparation.            Continual updates and reporting.            Monitoring the political environment.            Regular reconciliations.            Presentation to Members.            Improved communications to promote awareness of all future developments.            Scrutiny of Executive reports.            Budget review process.            Ensuring liaison between Service Heads and Portfolio Holders.            Access to specialist consultancy advice.            Provision of 4-year financial settlement, making amount of external funding less critical.</p>	<p>Review of 'Below The Line' items to feed into MTFS process. (By end September 2019)</p>	<p>Strategic Finance Manager</p>	 <p>Impact</p>

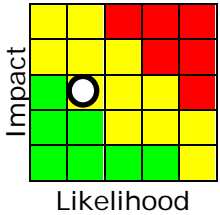
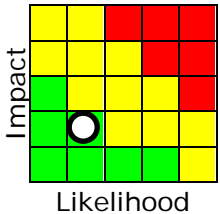


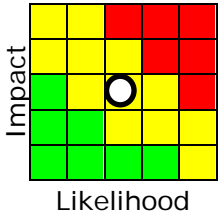
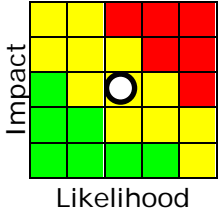
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
<p>14. Poor day to day treasury management of bank balances; borrowing; cash flow; investments and interest rate volatility.</p>	<p>Inexperienced staff. Lending outside of Council's counterparty lists or exceeding deposit limits with individual borrower. Collusion. External pressure to achieve unrealistic returns. Out of date information. Investing in wrong part of market. Not able to carry out daily function. Dependence on key staff. Unforeseen economic events e.g. recession.</p>	<p>Financial loss. Reputational loss. Adverse publicity. Failure to achieve PIs. Council has inappropriate bank accounts. Poor budgeting as a result. Unable to finance statutory payments.</p>	<p>Fully-trained staff. Adherence to Code of Practice / Treasury Management Policy and Strategy, TM Strategy approved by Members. Separation of duties. Up to date counterparty (bodies we invest with) lists. Use of, and regular meetings with, Treasury Management consultants. Continuous updating of counterparty list. Review of credit ratings. Regular reports to F&amp;A. Scrutiny committee. Treasury Management Practices. HSBC authorisation. Recent intervention has improved robustness of service. HRA self-financing project board risk register. 50-year HRA business plan. Workforce planning. Regular audits.</p>	<p>Updating of Treasury Management procedures. (December 2019)</p>	<p>Strategic Finance Manager</p>	 <p>The residual risk rating is represented by a 4x4 grid. The vertical axis is labeled 'Impact' and the horizontal axis is labeled 'Likelihood'. The grid cells are colored as follows: (Impact 1, Likelihood 1) is Green; (Impact 1, Likelihood 2) is Yellow; (Impact 1, Likelihood 3) is Yellow; (Impact 1, Likelihood 4) is Yellow; (Impact 2, Likelihood 1) is Green; (Impact 2, Likelihood 2) is Yellow; (Impact 2, Likelihood 3) is Yellow; (Impact 2, Likelihood 4) is Yellow; (Impact 3, Likelihood 1) is Green; (Impact 3, Likelihood 2) is Yellow; (Impact 3, Likelihood 3) is Red; (Impact 3, Likelihood 4) is Red; (Impact 4, Likelihood 1) is Green; (Impact 4, Likelihood 2) is Yellow; (Impact 4, Likelihood 3) is Red; (Impact 4, Likelihood 4) is Red. A white circle with a black outline is placed in the cell corresponding to Impact 2 and Likelihood 2.</p>

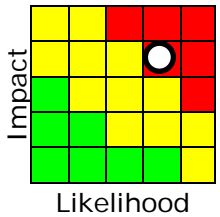
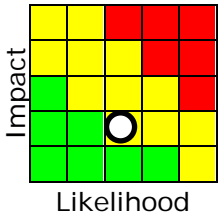
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
15. Additional Value Added Tax liabilities.	<p>Loss of key staff.</p> <p>Lack of up to date knowledge.</p> <p>Staff not properly informed by Service Areas.</p> <p>Lack of understanding.</p> <p>Lack of engagement by services areas with Finance staff.</p> <p>VAT implications of new projects not considered.</p> <p>Finance not involved in projects at early stage so VAT implications of new projects not considered.</p> <p>Improper administration.</p> <p>Delays in processing.</p>	<p>Failure to meet deadlines and errors leading to financial loss - penalties, fines.</p> <p>Reputation.</p> <p>Staff morale.</p> <p>Partial exemption breached.</p> <p>Opportunities to recover VAT are missed.</p> <p>Increased project costs.</p>	<p>VAT return reviewed by line management and another accountant.</p> <p>Access to VAT Help Desk.</p> <p>Internal audit.</p> <p>VAT audit.</p> <p>Robust, well-trained staff in service areas (particularly FSTeam).</p> <p>Coverage from Asst. Accountant.</p> <p>VAT accountant and cover advise on project structure.</p> <p>Monitoring against limit.</p> <p>Provide and maintain up-to-date guidance on VAT and make available to all staff.</p> <p>Procedure notes for calculations.</p> <p>Adequate training.</p> <p>Careful scrutiny of Executive Reports.</p> <p>Finance representation on project boards.</p> <p>Delays in manually processing VAT allocations.</p> <p>Implementation of automatic allocation of VAT at source.</p> <p>Debtors Training run.</p> <p>Greater centralisation of sundry debtor invoices.</p> <p>Alert VAT accountant to any issues which could affect VAT claim.</p> <p>VAT knowledge kept up to date through review of Public Sector Tax Circulars, access to PW VAT Committee minutes, and the use of the VAT helpline when necessary (for which we pay KPMG an annual fee to access).</p>			 <p>The residual risk rating is represented by a 4x4 matrix. The vertical axis is labeled 'Impact' and the horizontal axis is labeled 'Likelihood'. The matrix cells are colored as follows: top-left (Yellow), top-middle (Yellow), top-right (Red), middle-left (Green), middle-middle (Yellow with a circle), middle-right (Red), bottom-left (Green), bottom-middle (Green), bottom-right (Green).</p>

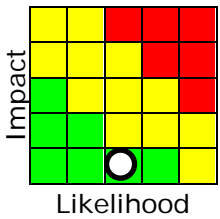
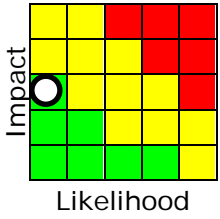
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
16. Insufficient Housing Benefit Subsidy and Admin Grant received from Central Government.	Lack of guidance / support from central government. Poor estimating. Poor monitoring mechanisms. Universal credit. Cut in grant. Reduction subsidy. Increased take-up. Poorly trained staff. Incorrect calculation of awards.	Negative material budget variations. Uncertainty of consequences regarding universal credit- Financial pressure for the council. Repayment of subsidy.	Quarterly estimate update Additional Benefit team leaders enable accuracy checking for individual staff. Monthly monitoring. Scheme for council tax reduction Monitoring the economic environment (e.g. through LG Futures). Internal and external audit. Where auditing regime identifies errors, ensure appropriate action taken.			
17. Failure of a banking service e.g. BACS or systems at one bank	Failure of BACS system. Failure of CHAPS. Internet and/or network unavailable. Failure of bank systems. Telecommunication failure. Failure of Capita system. Failure of Epay.	Customers and suppliers not paid causing hardship. Customers unable to pay WDC resulting in recovery action. Complaints. Bad publicity. Litigation. Cash flow. Financial loss. Unable to reconcile bank balances. Cyber security breached.	Use available alternative payment methods e.g. typing up cheque, going down to bank, obtaining cash, purchasing card. We ask tenderers to provide confirmation, by an independent Certification Body acceptable to the Authority, that they meet fully the requirements of the Cyber Essentials Scheme. Information Security Risk Statement received from HSBC Dec 2017.			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
18. Ineffective / inappropriate insurance cover.	<p>Poor risk analysis.  Inadequately trained staff.  Poor procedures.  Lack of internal communication particularly regarding projects.  Exclusions within policy wording.  Insurance invalidated by actions of WDC or contractor.  WDC fined.  Claim for uninsurable risk e.g. compensation due under statute, asbestos exposure, Chancel repair liability, TPO work refusal.  Liability claim received where insurer no longer exists.  Lack of response to insurance procurement which is to take place in 2019.  Deteriorating claim history.</p>	<p>Financial loss.  Increased premiums.  Loss of reputation.  Political embarrassment.  Losses not insured.  Insurers don't pay.</p>	<p>Operational/procedures and Manual.  Brokerage assistance.  Insurer expertise.  Risk Management Group.  Claims handling system.  Annual and Quarterly Reports to SMT raising awareness of need to notify Insurance Officer.  Staff cover arrangements put in place.  Insurance arrangements publicised on intranet so that services are aware of their obligations e.g. to notify Insurance &amp; Risk Officer of insurable events and risks.  Reserves for uninsured losses.</p>	<p>Full OJEU compliant procurement exercise to take place alongside requesting quote from the LGA Insurance Mutual.</p>	<p>Audit and Risk Manager</p>	
19. Insufficient provision to meet liabilities under MMI scheme of arrangement.	<p>Receipt of new claim which should be covered under insurance which was held with MMI.</p>	<p>Insurance reserve insufficient as only provided for current known potential liability.</p>	<p>Insurance reserve covers 100% towards known potential clawback levies.  On-going monitoring of the situation.  Level of insurance reserve reviewed.</p>			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
20. Increase in insurance claims numbers and/or cost.	<p>Ministry of Justice reforms</p> <p>Departments settle claims without going through insurance and set precedent for claims being paid.</p> <p>Word gets round that claims are being settled.</p> <p>Solicitors looking for new areas to make claims</p> <p>Change in 'Ogden Discount Rate' (used in injury claims)</p>	<p>Financial loss.</p> <p>Claims being settled too high.</p> <p>Insurance cover invalidated.</p> <p>Premium increase.</p>	<p>Good record-keeping.</p> <p>Contact details for claims are on new intranet.</p> <p>Code of Financial Practice 14.4</p> <p>Details of how to claim are on the website.</p> <p>Monitoring plus analysis of claims.</p> <p>Inspection regime – health and safety inspections.</p> <p>Responsive planned repairs.</p> <p>Code of Financial Practice training.</p> <p>Ensure ad-hoc updates provided to service area when significant claims are settled.</p> <p>All new starters automatically receive Code of Financial Practice training as part of the Meta Compliance.</p> <p>Quarterly reports to SMT on claims and incidences. (Insurance &amp; Risk Officer – Ongoing.)</p> <p>Ensure inclusion in all service risk registers and/or service area plans. Deal with at RMG meetings. (Audit &amp; Risk Manager – ongoing)</p>			
21. Failure of insurance company.	<p>Market conditions.</p> <p>Recession.</p> <p>Major disaster.</p> <p>Company has not been underwriting risks profitably.</p>	<p>No external insurance provision.</p> <p>Financial loss.</p> <p>Uncertainty.</p> <p>Need to arrange quickly alternative emergency cover that may be expensive and not as good.</p>	<p>Credit risk of insurer.</p> <p>Insurance reserves.</p> <p>Procurement process.</p> <p>External broker advice.</p> <p>Reserves.</p> <p>Companies logged with CreditSafe.</p> <p>Notified of changes in rating.</p>			

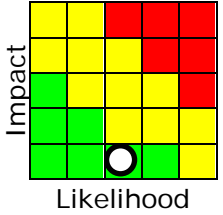
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
22. Council tax, NNDR and customer bills can't be issued or are delayed.	Postal Strike. IT failure. Failure of DMC / Print Services. Software supplier fails to deliver changes correctly or timely. Referendum. Delay in setting Council Tax. Legislative changes. Contractor failure.	Bills not paid by customers. Loss of revenue to Council and other Local Authorities (depends on timing) Cost implications of rectification. Bills not served in accordance with legislation. Cash flow issues. Software unable to cope with changes in timely fashion.	In-house production and dispatch of bills. IT support. System provider helpdesk. E-billing. Weekend working. Overtime. Treasury Management. Alternative year-end back-up plan (council tax setting delayed). Revert to contingency plan.			
23. Failure to pay Housing Benefits, delay in making payment, incorrect amount paid, failure to calculate and advise as to entitlement.	System failure. Staff shortage. Poorly trained staff. Increased workload. Introduction of universal credit and uncertainty thereof. Increase in staff turnover. DWP/Job Centre delays in sending information, or sending incorrect information. Legislative changes. Contractor failure.	Customers distressed due to rent arrears. Staff stressed. Absence and health issues. Financial loss. Tenants made homeless. Reputational. Software unable to cope with changes in timely fashion.	Weekly performance monitoring (service plan). Internal audit. Grant claim is externally audited. Forward Planning. Team Leaders monitor performance. Ongoing training. Checks by senior staff. Agency staff. Regular meetings with all relevant bodies, including DWP. Service restructured to meet new challenges.			

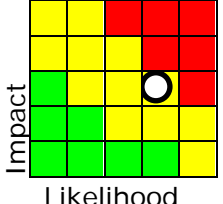
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
24. Qualified opinions; Late accounts; Late Government Returns.	<p>Dependence on key staff. High workload. Staff shortages e.g. long term sickness. Change of duties of staff. IT system failure. Guidance coming out late. Flawed guidance. Accounts challenged by members and public. Inadequate and inaccurate record-keeping. Early closure of accounts. Legislative requirements. Changes to Accounting Code of Practice. McCloud pension benefits ruling.</p>	<p>Inappropriate information. Reputation. CPA Governance failure. Absence and health issues for staff. Morale. Financial penalties. Increased audit fees. Staff time / additional pressure.</p>	<p>Timetables for closure of accounts and budget setting. Monitoring of key returns / reconciliations. Rotation in staff duties allows sharing of knowledge. Asset reconciliation work. System and processing controls (SPC). Audit liaison. Officer training. CPD. Workforce planning. Project set up to manage early closure. Use of temporary staff. Principal Accountant appointed to project-manage. Weekly progress reports to CMT and monthly reports to Executive. Fortnightly team meeting with principal accountants meeting on the other weeks. Guidance and templates have been issued for working papers. Journal authorisation process implemented. Audit dates have been agreed and staff availability confirmed.</p>	<p>Ensure detailed working papers. (Ongoing)  Close down to agreed timetable. (ongoing)  Review of processes post closedown. (By end September 2019)</p>	<p>Strategic Finance Manager  Strategic Finance Manager  Strategic Finance Manager</p>	
25. Shared service failure	<p>Termination by third party.</p>	<p>Loss of resilience. TUPE implications. Cost. Staff morale. Service failure. No fraud resource.</p>	<p>Memorandum of understanding. Letter of variation. Regular meetings. Notice period. Supplier has appropriate contingency arrangements. Separate risk register in place.</p>			

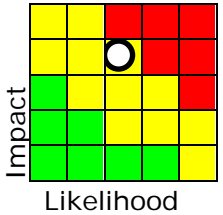
Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
26. Creditor payment error e.g. overpaying, paying twice.	Human error. Staff shortage. Duplicate invoices. System error / failure. Fraud (including fraudulent invoices).	Financial loss. Reputation. Additional workload. Loss of investment interest.	National Fraud Initiative. Staff knowledge. Staff cover. Code of financial practice. Separation of duties. Manuals. Reconciliations. Budget monitoring. System controls (to prevent fraud). Ongoing review of processes and process manuals. NAFN membership. Centralised processing of invoices. Ongoing Order training. Utility invoices now entered on Total and they go to FSTeam to process payment. Implementation of creditor payment auto-scanning system. Random sampling. System controls.			
27. Procurement of services by Finance non-compliant with legislation.	Finance Dept. not following Procurement Code of Practice. Staff shortage. Absence of key staff. Lack of staff training.	Financial loss. Litigation. Loss of reputation. Confidence of contractors. Delay in awarding contract. Failure to secure best value. Cost of rectification. Morale. Staff pressures. Successful challenge.	2 Procurement Business partners appointed. Procurement documentation in place. Procurement training. Procurement software in place. Procurement action plan. Working with other network groups e.g. centre of excellence. Insurance. Use of external expertise. Ongoing Order training. Ongoing reviews of contract register. Procurement partnership with WCC.			



Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
28. Council Tax set is illegal, late or incorrect.	Incorrect resolution. No estimates. Other preceptors don't deliver information or it is incorrect (e.g. typing error). Referendum. Reduction. Government changes to Regulations / Intervention.	Rebilling. Cost of rectification. Cash flow issues. Reputational damage. Legal challenge. Staff morale. Staff pressures.	Monitoring timetable. Budget timetable. Keeping up to date with developments. Checking of figures and papers. CTB1 reconciliation spreadsheet checks.			
29. Failure to produce cheques.	Failure of equipment. System failure. Inadequate stock level. Staff shortages.	Customers don't get paid causing hardship. Bad publicity. Dissatisfied customers. Staff morale.	Manual production of cheques. Overwhelming majority of customers now paid by BACS. More customers encouraged to receive payment by BACS payments. Make payment by CHAPS. Procedure notes. Use available alternative payment methods e.g. typing up cheque, going down to bank, obtaining cash.			
30. Inadequate Internal Audit Plan.	Limited or ineffective consultation. Incompetent head of internal audit. Senior management and/or Members misdirect resources.	Poorly prioritised assignments. Problems go undetected. Reduced assurances re Annual Governance Statement. More external audit – unable to rely on internal audits.	Extensive consultation process. Properly qualified and experienced head of internal audit. Senior management and Member support for internal audit function. Peer review of internal audit function. Professional standards.			
31. Internal Audit Plan substantially uncompleted.	Staff turnover. Diversion of resources. Poor productivity. No cooperation / management support.	Problems undetected. Reduced assurances re Annual Governance Statement. More external audit – unable to rely on internal audits.	Prioritisation mechanism. Buy in resources. Peer review action plan. Monitoring by Finance & Audit Scrutiny Committee.			

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
32. Failure to collect all Council Tax income.	<p>Debts not being collected or controlled.</p> <p>Lack of clear debt recovery policy.</p> <p>Changes to Bailiff Charging Scheme.</p> <p>Council tax avoidance tactics.</p> <p>Poor procedures and / or lack of manual.</p> <p>Irregular monitoring.</p> <p>System failure.</p> <p>Lack of procedures manual.</p> <p>Change of customer circumstances e.g. unemployment.</p> <p>Loss of staff expertise.</p> <p>Diminishing knowledge base regarding specialist debts.</p> <p>Changes in Council Tax Reduction Scheme.</p> <p>Council Tax reforms.</p> <p>Economic environment.</p> <p>Increase in number of people claiming reduction.</p> <p>Council tax reduction scheme not fit for purpose.</p> <p>Growth in properties.</p> <p>Introduction of Universal Credit may have impact on collection of Council Tax (customer may, incorrectly, stop claiming CTR).</p>	<p>Incorrect message to debtors.</p> <p>Cash flow.</p> <p>Injustice.</p> <p>Financial loss.</p> <p>Complaints.</p> <p>Adverse publicity.</p> <p>Staff morale.</p> <p>Cost to Collection Fund.</p> <p>Many small debts to chase from people with limited resources.</p> <p>Liabilities are reduced and therefore less money is due to be collected than estimated.</p> <p>Backlog.</p> <p>Lower collection rates (as a result of late billing).</p>	<p>Formal monthly monitoring of outstanding debt and recovery rates.</p> <p>Recovery timetables.</p> <p>Documented control systems.</p> <p>Use of automated procedures in systems.</p> <p>Use of new enforcement agents.</p> <p>Property debts control group.</p> <p>Code of Financial practice.</p> <p>System / credit control.</p> <p>Internal audit.</p> <p>Careful authorisation of write-offs.</p> <p>Staff knowledge.</p> <p>Staff cover.</p> <p>Encourage pre-payment.</p> <p>Encourage direct debit payment.</p> <p>Ongoing review of procedures.</p> <p>Recovery and Corporate Debt Policies reviewed.</p> <p>Service restructured to meet challenges.</p> <p>Monitoring of backlog to enable proactive rather than reactive response.</p>	Implementing Open Channel. (By end of July 2019)	Exchequer Manager	 <p>The risk rating matrix is a 4x4 grid. The vertical axis is labeled 'Impact' and the horizontal axis is labeled 'Likelihood'. The grid cells are colored as follows: (Impact 1, Likelihood 1) Yellow; (Impact 1, Likelihood 2) Yellow; (Impact 1, Likelihood 3) Yellow; (Impact 1, Likelihood 4) Red; (Impact 2, Likelihood 1) Yellow; (Impact 2, Likelihood 2) Yellow; (Impact 2, Likelihood 3) Yellow; (Impact 2, Likelihood 4) Red; (Impact 3, Likelihood 1) Green; (Impact 3, Likelihood 2) Green; (Impact 3, Likelihood 3) Yellow; (Impact 3, Likelihood 4) Yellow; (Impact 4, Likelihood 1) Green; (Impact 4, Likelihood 2) Green; (Impact 4, Likelihood 3) Green; (Impact 4, Likelihood 4) Green. A white circle with a black border is placed in the center of the (Impact 3, Likelihood 3) cell, indicating a risk level of 3.</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
<p>33. Reduction in Business Rates Income.</p>	<p>Economy.  Decline in collection rates.  Increase in Insolvencies.  Business Rate avoidance tactics.  Major companies relocating/closing.  Business growth not matching RPI.  Pooling partners may suffer loss in business rates income.  Revaluations and appeals against RVs.  CIL too high.  Uncertain business rate retention scheme.  Implementation of Local Plan.  Planning decisions.  Future changes to Business Rate Retention Scheme including:</p> <ul style="list-style-type: none"> <li>- re-set (worst case is that growth in tax base is taken off us)</li> <li>- Fair Funding Review (how much we need)</li> <li>- 75% Business Rate Retention Scheme.</li> </ul>	<p>Financial Loss.  Unable to balance the budget.  Incorrect medium term financial planning.  Deter development.  Risk of local plan being unsound or delayed.</p>	<p>Robust recovery procedures for collection of Business rates.  Resilience in Business Rates Team through shared service with Stratford DC.  Safety net payments through business rate retention scheme.  Risk Sharing through Pooling with other authority/s.  Monthly monitoring of Net Debit and co-ordination with Development Services of new properties coming on line-  Visiting team undertake pro-active initiatives.  "Yellow Box" initiative. (Or Electronic version.)  Liaison with Development Services.  Quarterly meetings with partner authorities.  Healthy Business Rate Volatility Reserve.  Consultants (Analyse Local) appointed to identify additional properties and future projections.  Service restructured to meet challenges.  Paper on Local Discount Scheme.  New Admin. Post for Visiting Team.</p>			 <p>Impact</p> <p>Likelihood</p>

Risk description	Possible Triggers	Possible Consequences	Risk Mitigation / Control	Required action	Responsible Officer	Residual Risk Rating
34. Inadequate Procurement Guidance and Support.	<p>Limited or ineffective consultation.</p> <p>Incompetent head of internal procurement.</p> <p>Senior management and/or Members misdirect resources.</p> <p>Staff turnover.</p> <p>Diversion of resources.</p> <p>Poor productivity.</p> <p>No co-operation / management support.</p>	<p>Poorly prioritised assignments.</p> <p>Problems go undetected.</p> <p>Procurement fraud (both internal and external)</p> <p>Non-compliant procurement activity.</p> <p>Poor value procurements and inefficient spend of public funds.</p> <p>Ineffective contracts.</p> <p>Unsuitable suppliers appointed.</p> <p>Reduced assurances re Contract Register.</p> <p>Reputational damage.</p> <p>Legal costs.</p> <p>Anticipated savings not achieved.</p> <p>Budget overrun.</p>	<p>Extensive consultation process.</p> <p>Properly qualified and experienced procurement lead.</p> <p>Shared service arrangement with WCC for strategic procurement and additional support.</p> <p>Senior management and Member support for internal procurement function.</p> <p>Procurement board.</p> <p>Procurement Champions (members group).</p> <p>Professional standards.</p> <p>Prioritisation mechanism.</p> <p>Monitoring by Finance &amp; Audit Scrutiny Committee.</p> <p>Intranet guidance documents</p> <p>Interactive procurement workflow.</p> <p>Accessible contract register.</p> <p>Code of Procurement Practice 2018.</p> <p>Corporate Procurement Strategy 2019.</p> <p>Procurement Awareness training.</p> <p>Contract Management Principles training.</p>	<p>Senior Procurement Business Partner to become CIPS qualified by Jan 2020.</p> <p>Develop project monitoring application to allow project overview by the Procurement Board. (By Sept 2019)</p> <p>Develop self-serve online quotation mechanism within the e-procurement portal for procurements between £10,000-£24,999. (March 2020).</p>	<p>Senior Procurement Business Partner / Head of Finance</p> <p>Senior Procurement Business Partner</p> <p>Senior Procurement Business Partner</p>	 <p>The residual risk rating is represented by a 4x4 grid. The vertical axis is labeled 'Impact' and the horizontal axis is labeled 'Likelihood'. The grid cells are colored as follows: (Impact 1, Likelihood 1-2) are Green; (Impact 1, Likelihood 3-4) are Yellow; (Impact 2, Likelihood 1-2) are Yellow; (Impact 2, Likelihood 3-4) are Red; (Impact 3, Likelihood 1-2) are Yellow; (Impact 3, Likelihood 3-4) are Red; (Impact 4, Likelihood 1-2) are Yellow; (Impact 4, Likelihood 3-4) are Red. A white circle with a black outline is placed in the cell corresponding to Impact 3 and Likelihood 2.</p>

**Note:** This risk register comprises Finance’s own service risks. The Council’s significant financial risks are contained in the Significant Business Risk Register.