

| Date risk added to register | Risk ref | Risk owner | Category | Risk description | Comment | Likelihood score (inherent) | Impact score (inherent) | Inherent risk score | Risk controls | Risk control owners | Likelihood score (residual) | Impact score (residual) | Residual risk score | Risk direction | Action plan | Action plan owners | Action plan completion dates | Comments on last risk review |
|-----------------------------|----------|---------------------|-----------|---|--|-----------------------------|-------------------------|---------------------|---|-------------------------------|-----------------------------|-------------------------|---------------------|----------------|--|----------------------------------|------------------------------|------------------------------|
| Sep-15 | FIN07 | Director of Finance | Strategic | The Medium term financial position worsens. | In that the general fund balance falls below the minimum prudent threshold and capital funding is insufficient to meet the capital programme. This appears as item no.8 in the Council's strategic risk register. | 3 | 4 | 12 | Regular budget monitoring reports to committees; Budgetary and Financial Risk Register reviewed and updated as part of the budget monitoring process; Early identification of budgetary pressure when reviewing the medium term financial plan during the budget setting process; Audited Statement of Accounts, including Annual Governance Statement. | Head of Finance | 3 | 3 | 9 | → | Service Reviews to identify efficiencies and additional income; Drive to increase Business Rate income; Drive to increase commercial income. Medium Term Financial planning. | Heads of Service/Head of Finance | Continuous | |
| Apr-06 | FIN08 | Director of Finance | Budgetary | Revenue balances insufficient to meet estimate pay award increases | The medium term planning period takes into account increases for the period 2018/19 to 2020/21. If there is a change due to government policy, then every effort would be made to secure extra funding for any increase. | 4 | 3 | 12 | Multi year pay award includes 2019. Maintain reserves to guard against risk. Early identification of new pressures. | Head of Finance | 3 | 3 | 9 | ↑ | MTFS to review pay pressure beyond 2019. | Head of Finance | Dec-18 | |
| Apr-06 | FIN09 | Director of Finance | Budgetary | Revenue balances insufficient to meet other inflationary increases | Other than contractual agreements, budgets have been cash limited where possible. | 2 | 3 | 6 | Monitor future inflation projections. Actively manage budgets to contain inflation. Maintain reserves . | Service Heads/Head of Finance | 3 | 1 | 3 | → | MTFS to review inflation assumptions | Head of Finance | Dec-18 | |
| Jan-15 | FIN10 | Director of Finance | Budgetary | Interest rates resulting in significant variations in estimated interest income | The interest rate has a significant impact on the proceeds from capital receipts that are invested in the money market. The volatility of the global economy continues to place uncertainty on the investment strategy. The PIB strategy has diversified investment income to provide a more certain rate of return. | 2 | 3 | 6 | PIB strategy has diversified interest rate risk to provide income security. | PIB/Head of Finance | 3 | 1 | 3 | → | PIB to identify new income opportunities including financial investments and joint ventures. | PIB | Mar-19 | |
| Apr-06 | FIN11 | Director of Finance | Budgetary | Inaccurate estimates of fees and charges income | See Key Budget Indicators shown in the latest Budget Monitoring report. Green Waste and Parking charges monitored by Management Board at each meeting | 4 | 2 | 8 | Budget levels realistically set and closely scrutinised | Service Heads/Head of Finance | 1 | 2 | 2 | ↓ | Fees and Charges to be reviewed as part of budget setting and estimates updated. | Service Heads | Mar-19 | |
| Apr-06 | FIN12 | Director of Finance | Budgetary | Revenue balances insufficient to meet loss of partial exemption for VAT | If the council's expenditure on functions for which it receives income that is exempt for VAT purposes exceeds 5% of its total vatable expenditure, then the Council may lose its ability to recover VAT on all of its exempt inputs. This is mitigated by close monitoring of exempt supplies and prudent VAT planning. The Council elects to tax on development schemes. | 2 | 4 | 8 | VAT Planning and opt to tax on schemes. VAT advisers employed. | Head of Finance | 1 | 4 | 4 | → | Maintain vigilance. Continue to opt to tax. | Head of Finance | ongoing | |
| Dec-13 | FIN13 | Director of Finance | Budgetary | The estimated cost reductions and additional income gains are not achieved | Savings identified and included in the budget will be monitored as part of the budget monitoring process. Property income target of £1m will be achieved once recent acquisitions are completed. See fees and charges above. | 3 | 3 | 9 | Service Heads to take responsibility for achieving savings. Budget monitoring to highlight any issues to allow corrective action to be taken. | Service Heads/Head of Finance | 2 | 2 | 4 | ↓ | Budget process to clearly identify savings to be achieved and ensure clarity over responsibility over delivery. Savings to be challenged. | Head of Finance | ongoing | |
| Apr-06 | FIN14 | Director of Finance | Budgetary | The Council is faced with potential litigation and other employment related risks | The Council has no outstanding litigation cases. | 2 | 3 | 6 | Council procedures are adhered to | Solicitor to the Council | 1 | 3 | 3 | → | Adherence to council procedures to be monitored and procedures maintained | Solicitor to the Council | ongoing | |

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| Dec-13 | FIN17 | Director of Finance | Budgetary | Right to Buy Receipts & VAT Shelter Receipts | Under the housing stock transfer with Thrive Homes Limited (THL) the Council is entitled to use its share of the proceeds to fund the capital programme. The level of activity on these income streams are outside the Council's control. | 3 | 3 | 9 | This arrangement comes to an end mid way through next financial year. Impact to be built into Capital programme and MTFS. | Head of Finance | 4 | 2 | 8 | ↑ | Capital programme and MTFS to identify other sources of funding and review level of receipts. | Head of Finance | Mar-19 |
| Dec-13 | FIN18 | Director of Finance | Budgetary | Fluctuations in Business Rates Retention | The Council is legally obliged to cover the first 7.5% loss on its pre- determined baseline level. From April 2020 the system will be subject to reset and increase to 75% retention. | 4 | 4 | 16 | Membership of the Hertfordshire Pool, currently bidding for pilot status for 75% retention for 2019/20. Maintain reserves against risk. | Head of Finance | 3 | 3 | 9 | → | Hertfordshire pilot bid to be submitted 23 September 2018. Outcome will be know Dec 2018. | Head of Finance | Dec-19 |
| Mar-16 | FIN19 | Head of Property Services | Budgetary | Failure to deliver the South Oxhey Initiative to desired outcomes and objectives | This is a key project. This appears as item no.7 in the Council's strategic risk register. Phase 1 delivered. | 3 | 3 | 9 | Project management team appointed to advise Council; Project management processes in place and reviewed reularly; Policy and Resources Committee receive regular reports on progress of project | Head of Property Services | 2 | 3 | 6 | → | Continue to manage project | Head of Property | Mar-19 |
| Jul-16 | FIN20 | Director of Finance | Budgetary | Failure of ICT systems | The Council's integrated Financial Management System (FMS) is held on an ICT platform. If this were to fail then potentially there will be a loss of functionality occurring during any downtime | 3 | 2 | 6 | System migrated to new platform. Downtime can be managed if short term and not at criticalpints in the financial year. Financial System to be updated to latest version Q1 2019. Project plan agreed and initiated. | Head of Finance | 2 | 2 | 4 | → | Monitor reliability | Head of Finance | ongoing |
| Mar-18 | FIN21 | Director of Finance | Budgetary | Property Investment | The Council set up a Property Investment Board in 2017 to manage its property portfolio in order to secure additional income of £1 million to support its general fund. Risk moving forward relates to ongoing income. | 2 | 3 | 6 | Portfolio to be actively managed to maintain income levels. Income to be reviewed regularly when MTFS is updated. | Head of Property Services | 1 | 3 | 3 | ↓ | PIB to assume responsibility for ongoing oversight. | Head of Property Services | Continuous |
| Sep-18 | FIN22 | Director of Finance | Budgetary | Financial Investment | The Council is currently negotiating the provision of two loans to local RSPs. It is likely that the council will need to borrow to fund the loans. The major loan has been agreed and is place. | 3 | 3 | 9 | Due dilligence to include legal advice on vires and state aid and to ensure security is of sufficient value in relation to the loan. | Head of Finance/Head of Property Services/ Solicitor to the Council | 2 | 2 | 4 | ↓ | Loans to be agreed within PIB framework. | Head of Property Services | Continuous |
| Sep-18 | FIN23 | Director of Finance | Budgetary | Commercial Investment | The Council is currently exploring other commercial options to improve self sustainability. Currently there is a commercial income target of £1M which has been met. | 3 | 2 | 6 | Oversight mechanisms to be put in place to ensure oversight by PIB or similar mechanism. Council to determine approach to risk and level of income dependency within budget. | Head of Finance | 2 | 2 | 4 | → | Monitor new developments | Head of Property Services | Continuous |



