

Final Accounts 2020/21 Risk Register

ID	Date Opened	Risk Type	Event (description of risk)	Consequences of Event occurring	Existing Mitigation	Existing Assurances	Score with Existing Mitigation			Risk Option Chosen	Action	Score with Planned Mitigation			Contingency (should the Event actually occur)
							Likelihood 1 Minor 2 Moderate 3 High	Impact 1 Minor 2 Moderate 3 High	Calculated Risk Severity			Likelihood 1 Minor 2 Moderate 3 High	Impact 1 Minor 2 Moderate 3 High	Calculated Risk Severity	
1	05/11/2016	Internal Financial Systems and Funding Risks	External auditor will detect a material mis-statement in the accounts.	Could impact on the financial health of the Council and reputation of Financial Services	Regular review of GL transactions against budget, reconciliations, quality review of final account working papers, PBC owners designated	Senior officers review reconciliations and working papers. Checking systems throughout the year are in place. Tracy does a final review.	1	1	1	Accept risk as is	no further actions identified	1	2	2	Amend the financial statements and report to members
2	05/11/2016	Internal Governance - Risks around Non-Compliance re: Technical	The correct accounting treatment has not been followed due to omission, error in interpretation	Could lead to material misstatement and impact on the financial health of the Council and reputation of Financial Services	Updated procedures, up to date technical reference library, attendance at external briefings, learning & development framework	Internal audit reports. Final accounts working papers signed off by senior officer. Working papers are subject to second review by different senior officer.	2	1	2	Mitigate risk (reduce)	QA on all working papers undertaken by expert.	1	2	2	Amend the GL entries and financial statements
3	05/11/2016	Internal Financial Systems and Funding Risks	Errors are made in year end procedure for closing financial system	Could lead to late production of accounts, impact on the reputation of Financial Services and possible additional costs.	Civica close down timetable and documented procedures	Written procedure notes	2	1	2	Accept risk as is	Balance Sheet Review - to December Regular checking of control account balances over year end period to ensure no further movement after closing system	1	1	1	Restore Civica and re-process data with IT support
4	05/11/2016	Risks around Employment and People	Team members do not comply with the timetable	Could lead to late production of accounts, impact on the reputation of Financial Services and the Council and possible additional costs	Final accounts close down timetable that is clearer to follow and devolved responsibilities. Training delivered annually as part of close down process	Flexi rules suspended, 1-2-1 meetings with PBC owners, support and learning, procedures built into working papers, code guidance	2	2	4	Mitigate risk (reduce)	More support for officers in time management, improve communication over the close down plan. Expectation that additional hours will be required to manage	1	2	2	re-prioritise work, bring in weekend working if necessary and external resources
5	05/11/2016	Risks around Employment and People	Team members leave or are ill, together with in-experienced team members taking on new roles.	Could lead to late production of accounts, impact on the reputation of Financial Services and the Council and possible additional costs.	Procedure notes for main areas	Procedures built into working papers. Earlier preparation, so QA in January, flexible working	2	2	4	Mitigate risk (reduce)	Work with PBC owners to identify issues. Mentor new officers and provide training where necessary to ensure all work areas have sufficient cover so that no one officer has the sole knowledge	1	2	2	re-prioritise work, bring in overtime - external resources
6	05/11/2016	Risks around Employment and People	Team members do not provide adequate working papers	Could lead to additional audit costs by delaying time for completion	standard template in place	Two senior officer signs off working papers. PBC owner reviews	2	2	4	Mitigate risk (reduce)	All WPs include instructions. Officers responsible for checking against the Code. QA twice	1	2	2	Rework any deficient WPs
7	05/11/2016	Internal Financial Systems and Funding Risks	There are issues with the asset register	Could lead to material misstatement and impact on the financial health of the Council and reputation of Financial Services	Capital close down procedure notes in place. Principal Accountant supported by the Corporate Finance Team Manager understand capital and year end requirements	Principal Accountant oversees the work area. Team Manager Review	2	2	4	Mitigate risk (reduce)	Support to be provided to Corporate Principal Accountant if necessary. Capital close down work to be reviewed by senior officer. New capital WPs templates set up	1	2	2	re-work asset figures and transactions
8	05/11/2016	Operational Service Delivery Risks	Not providing audit with correct information in a timely manner.	Could lead to additional audit costs by delaying time for completion	New protocol established including WPs to meet PBC requirements	Regular liaison with audit	2	2	4	Mitigate risk (reduce)	Regular meeting with Audit Lead. Working Papers QA twice	1	1	1	
9	05/11/2016	Internal Financial Systems and Funding Risks	Ensuring all accounts are reconciled where there are system related imbalances	Could lead to additional audit costs by delaying time for completion.	policies established including balance sheet recs	Monitored by senior officer and at monthly team meeting	1	2	2	Accept risk as is	no further actions identified	1	2	2	
10	05/11/2016	Client Risk managed by Financial Services	Service managers do not comply with close down timetable or provide adequate information	Could lead to additional audit costs by delaying time for completion.	Training and Briefings. Meetings with Key Stakeholders	No issues in prior years	1	1	1	Mitigate risk (reduce)	regular liaison, no previous year issues	1	1	1	
11	05/11/2016	Client Risk managed by Financial Services	Elected members do not return related party questionnaires	Could lead to additional audit costs by delaying time for completion	liaise with key members	Monitoring and reminders issued. Members who leave during year now complete a return as part of exit process	3	1	3	Mitigate risk (reduce)	Engage the support of the Chair/Vice Chair of GSA. Early liaison with S151 and member services. Capture disclosures from any member/officer leaving during the	1	1	1	
12	05/11/2016	Client Risk and Financial Services Risk	Material MisStatement due to Fraud	Could lead to material misstatement and impact on the financial health of the Council and reputation of Financial Services	Systems of internal control including internal audit	Audit reports monitored by Senior managers and CMT	1	3	3	Mitigate risk (reduce)	Regular budget and reconciliation monitoring, internal controls incl authorisations and separation of duties	1	1	1	Amend the financial statements
13	07/06/2017	Client Risk managed by Financial Services	Subsidiaries/other companies do not provide the data needed for group accounting	Not issuing the Statement for publication by 31/5/21	Liaison with key officers. Financial services control accounting	Minimal and no issues last year. Group accounts not material	2	2	4	Mitigate risk (reduce)	Plan with external accounts when statement of accounts to be completed by and if they require auditing	1	2	2	
14	05/11/2016	Statutory Deadline	Not issuing the Statement for publication by 31.5.2021	Reputation, more items identified for amendment on Audit. ISA 260 recommendations, material misstatements if estimates to be used more	Prior years working towards earlier close down, successfully achieved	Tighter timetable monitoring, ownership of tasks, any issues picked up on audit are amended.	1	3	3	Mitigate risk (reduce)	Work closer with Auditor, agreement of estimates and process and PBC list, deal with issues as they come along. Appoint agency support and or additional working hours	1	2	2	Communicate with Auditor and Members as national publication for those authorities which do not achieve deadline - reputational risk
15	14/11/2019	Client Risk managed by Financial Services	Impact from Brexit	Material Change to the valuation of Property at the 31/03/2021, with particular reference to those assets valued on the Direct Replacable Cost (DRC) method	Liaison with key officers, external valuers Wilks, Head and Eve and Pension Fund Administrators Lincolnshire County Council and Actuary. Financial Services control accounting.	Uncertainty remains the impact of Brexit in the mid to longer term	3	3	9	Mitigate risk (reduce)	Work closely with Auditor and External Valuers to agree the level of assurance and evidence required for Property valuations. Close the accounts using the Pension Estimate report and make the relevant accounting adjustments, then obtain an actual report in May to compare for material change. If a material change is deemed to of occurred the relevant accounting amendments will be made prior to the publication of the draft financial	2	3	6	Communicate with Auditor and external experts for updated reports and assurance on valuations. Embed additional resource into the team in January to provide resilience and familiarisation of processes
16	12/11/2020	Client Risk managed by Financial Services	Impact from Covid-19 Pandemic	Material Change to the valuation of Property at the 31/03/2021, with particular reference to those assets valued using rental income as a factor - Adverse effect on the economy with sustained low interest rates and volatile markets	Liaison with key officers, external valuers Wilks, Head and Eve and Pension Fund Administrators Lincolnshire County Council and Actuary. Financial Services control accounting. Additional resource for the Finance Team to secure sustainability	Uncertainty remains on the long term impact of covid-19 and the economy, with no clear exit from the pandemic and concern about wide scaleability of a vaccine	3	3	9	Mitigate risk (reduce)	Work closely with Auditor and External Valuers to agree the level of assurance and evidence required for Property valuations. Close the accounts using the Pension Estimate report and make the relevant accounting adjustments, then obtain an actual report in May to compare for material change. If a material change is deemed to of occurred the relevant accounting amendments will be made prior to the publication of the draft financial statements 31/05/2021. Embed additional resource into the team in January for familiarisation of processes	2	3	6	Additional funds to be set aside to mitigate financial risk of capital loss on sale of assets. Higher contributions to pension funds over the long term