

Final Accounts 2021/22 Risk Register

ID	Date Opened	Status	Service Area	Risk Type	Risk Owner	Event (description of risk)	Consequences of Event occurring	Existing Mitigation	Existing Assurances	Score with Existing Mitigation			Risk Option Chosen	Planned Mitigation (if any)	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	Open	Financial Control	Internal Financial Systems and Funding Risks	Tracey Bircumshaw	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. Tracey does a final review.	1	1	1	Accept risk as is	no further actions identified	Tracey Bircumshaw	1	2	2	Amend the financial statements and report to members
2	05/11/2016	Open	Financial Control	Internal Governance - Risks around Non-Compliance re: Technical accounting	Tracey Bircumshaw	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.	Tracey Bircumshaw	1	2	2	Amend the GL entries and financial statements
3	05/11/2016	Open	Systems	Internal Financial Systems and Funding Risks	Tracey Bircumshaw	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/Technology One closeown 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. Full reconciliation of cash transactions from Civica to Technology One at Go-Live.	Tracey Bircumshaw	1	1	1	Restore Civica/Technology One and re-process data with IT support
4	05/11/2016	Open	Financial Control	Risks around Employment and People	Tracey Bircumshaw	Team members do not comply or are unable to 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 closeown timetable that is clearer to follow and devolved responsibilities. Training delivered annually as part of closeown process	Final 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 closeown plan. Expectation that additional hours will be required to manage workload during this period	Tracey Bircumshaw	1	2	2	reprioritise work, bring in weekend working if necessary and external resources
5	05/11/2016	Open	Financial Control	Risks around Employment and People	Tracey Bircumshaw	Team members leave or are ill, together with 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	Tracey Bircumshaw	1	2	2	reprioritise work, bring in overtime - external resources
6	05/11/2016	Open	Financial Control	Risks around Employment and People	Tracey Bircumshaw	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 releases	2	2	4	Mitigate risk (reduce)	All WPs include instructions. Officers responsible for checking against the Code. QA twice	Paul Loveday	1	2	2	Rework any deficient WPs
7	05/11/2016	Open	Systems	Internal Financial Systems and Funding Risks	Tracey Bircumshaw	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 closeown 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 closeown work to be reviewed by senior officer. New capital WPs templates set up	Paul Loveday	1	2	2	re-work asset figures and transactions
8	05/11/2016	Open	Financial Control	Operational Service Delivery Risks	Tracey Bircumshaw	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	Paul Loveday	1	1	1	
9	05/11/2016	Open	Financial Control	Internal Financial Systems and Funding Risks	Tracey Bircumshaw	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	Tracey Bircumshaw	1	2	2	
10	05/11/2016	Open	Financial Statement	Client Risk managed by Financial Services	Tracey Bircumshaw	Service managers do not comply with closeown 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	Service Accountants	1	1	1	
11	05/11/2016	Open	Financial Statement	Client Risk managed by Financial Services	Tracey Bircumshaw	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 GAA. Early liaison with S151 and member services. Capture disclosures from any member/officer leaving during the year	Paul Loveday	1	1	1	
12	05/11/2016	Open	Financial Statement	Client Risk and Financial Services Risk	Tracey Bircumshaw	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 not authorisations and separation of duties	Tracey Bircumshaw	1	1	1	Amend the financial statements
13	07/06/2017	Open	Financial Statement	Client Risk managed by Financial Services	Tracey Bircumshaw	Subsidiaries/other companies do not provide the data needed for group accounting	Not issuing the Statement for publication by 31/07/22	Not issuing the Statement for publication by 31/07/22	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.	Caroline Bird/ Paul Loveday	1	2	2	
14	05/11/2016	Open	Financial Statement	Statutory Deadline exceeded	Ian Knowles	Not issuing the Statement for publication by 31/07/2022	Reputation, more items identified for amendment on Audit. ISA 260 recommendations, material misstatements & estimates to be used more	Prior years working towards earlier closeown, successfully achieved	Tighter timetable monitoring, ownership of tasks, any issues picked up on audits 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	Paul Loveday	1	2	2	Communicate with Auditor and Members as national publication for those authorities which do not achieve deadline - reputational risk
15	12/11/2020	Open	Financial Statement	Client Risk managed by Financial Services	Tracey Bircumshaw	Impact from Covid-19 Pandemic	A de-escalation in the impact of the Covid-19 pandemic resulting in year. A lessening in the material change impact to the valuation of Property at the 31/03/2022, with particular reference to those assets valued using rental income as a factor. A lessening of adverse effect on the economy with slowly increasing interest rates and but increasing inflation rates. A lessening of the material change to the valuation of the Pension Fund/treatments due to fluctuations in equities and so forth. Weakening in the detrimental effect on balance sheet Staff illness and absence impacting on the resource to close the Council's accounts	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. However, the widespread vaccination programme and other mitigating measures are beginning to have an effect in returning to a relative state of normality.	2	2	4	Mitigate risk (reduce)	Work closely with Auditor and External Valuers to agree the level of assurance and evidence required for Property valuations. Discuss 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 31/07/2022. Embed additional resources into the team in January for familiarisation of processes	Paul Loveday	1	2	2	Communicate with Auditor and external experts for updated reports and assurance on valuations. Embed additional resource into the team in January to provide residence and familiarisation of processes
16	14/11/2019	Open	Financial Statement	Client Risk managed by Financial Services	Tracey Bircumshaw	Impact from Brexit	A lessening in the material change to the valuation of property at the 31/03/2022, with particular reference to those assets valued on the Direct Replaceable Cost (DRC method). A lessening in the material change to the valuation of the Pension Fund due to fluctuations in equities and so forth. Would a weaker effect on balance sheet	Liaison with key officers, external valuers Wilks, Head and Eve and Pension Fund Administrators Lincolnshire County Council and Actuary. Financial Services control accounting	The uncertainty of the effects of Brexit have reduced with the passing of time.	2	2	4	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 31/07/2022	Paul Loveday	1	2	2	Additional funds to be set aside to mitigate financial risk of capital loss on sale of assets. Higher contributions to Pension fund over the long term