

## AUDIT COMMITTEE - 27 SEPTEMBER 2018

### PART 1 - DELEGATED

#### **6. FINANCIAL RISK REGISTER (DoF)**

##### **1 Summary**

- 1.1 This report advises the Committee on the latest position in respect of the evaluation of financial risks facing the Council for discussion and any recommendations/ comments they wish to make.

##### **2 Details**

- 2.1 The financial risk register has been updated to reflect the proposed new format for the Council. This brings together the assessment of risks, risk mitigation and management actions into a single table. The new format also allows the Committee to record comments on its review of individual risks should it wish to do so.

- 2.2 In addition to the new format, the Committee's attention is drawn to the following:

- The risk associated with the MTFs has increased, this is not specific to the Council but reflects the position nationally with increasing pressure on budgets and the sustained period of austerity making future savings increasingly hard to identify. Three Rivers Borough Council remains in a good position relative to other authorities.
- The risk associated with NDR income has increased in the light of the Government's intention to roll out 75% NDR retention to local authorities, currently 50% of NDR is retained locally. Three Rivers will continue to be part of the Hertfordshire pool and is part of the Hertfordshire application to become a pilot authority for 2019/20..
- A new risk has been introduced in relation to the Councils decision to lend to two local housing registered social providers for development. The Council will receive security against these loans in the form of the development sites which will mitigate any financial risk.
- A new risk has been introduced in respect of new commercial developments as the Council continues to become more self- funding. This highlights the need to be alert to new developments and ensure all are supported by business cases and risk considered in their development.

##### **3 Options and Reasons for Recommendations**

- 3.1 The recommendations allow the Committee to review the financial risks faced by the Council and record any comments it wishes to make in respect of individual risks.

**4 Policy/Budget Reference and Implications**

4.1 The recommendations in this report are within the Council’s agreed policy and budgets.

**5. Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

5.1 None specific.

**6. Recommendation**

6.1 That: the Committee review the risk register and make any comments it wishes to make against individual risks.

Report prepared by: Alison Scott, Head of Finance.

**Data Quality**

Data sources:

SIAS Audit Update Report

SIAS

Data checked by:

Client Audit Manager (PSIAS).

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	
<b>3</b>	<b>High</b>	√

**Background Papers**

None

**APPENDICES / ATTACHMENTS**

Financial Risk Register