

Treasury strategy 2010-11: Report Risk Register

Risk Score **Impact Score:** 1 =Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic **Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Obj	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action:	Outcome required:	Q 1	Q 2	Q 3	Q 4	I	P
1		I	P		Mitigating Control: Level of Effectiveness: (HML)	I	P	Action: Action Owner: Mitigating Control: Control Owner:	Outcome required: Milestone Date:	Q 1 ☹	Q 2 ☹	Q 3 ☹	Q 4 ☹	I	P
2	Loss of capital investment – if counterparty invested in collapses and is unable to repay the original investment (VFM)	4	3	Collapse of counterparty, counterparty unable to repay investments	Mitigating Control: Reducing risk by limiting the use of high risk counterparties Limiting the value of investment with those counterparties on our investment list Level of Effectiveness: M	4	3	Action: Controls and procedures are in place to ensure those counterparties on the list are kept within their limits, and that any further changes to counterparties are monitored. Action Owner: Anna Winship Mitigating Control: Procedures in place, 3 stages of checking Control Owner:Anna Winship	Outcome required: All investments are repaid in full with relevant interest paid Milestone Date: Review of current proposed counterparty list as part of Miid Year Treasury Strategy Review. Sept 2010.						
3	Interest Rates – Although interest rates are currently at an all time low, the period of time that they remain at this level is to be considered. A prolonged period will affect the long term returns for the organisation. (VFM)	3	3	No change to base rate and associated market investment rates, or rates that only move upwards slowly over a prolonged period of time	Mitigating Control: Making investments with larger and more secure counterparties, over a longer period of time. Increase the counterparty list to include those eligible institutions Level of Effectiveness: M	2	2	Action: Monitor the base rate and rates achieved against budget to ensure that best value is being achieved Action Owner: Anna Winship Mitigating Control: Control Owner:	Outcome required: Investment interest earned that meets budget requirement Milestone Date Mid Year Treasury Strategy Review. Sept 2010.						

4	Revenue budgets are unable to meet borrowing costs of capital schemes (VFM)	3	3	Revenue budgets come under pressure from restricted government funding or non delivery of programmed savings	Revenue budgets monitored on monthly basis and future year forecasts undertaken. Reserve some capital receipts to cover borrowing costs in the short term. H	2	2	Action: Monthly financial reports and forecasts. Action Owner: Emma Burson	Revenue budget delivered on target. Monthly monitoring reports from May 2010.						
5	Capital schemes do not deliver revenue savings to fund borrowing costs (VFM)	3	3	Schemes do not meet their financial targets.	Effective project control, driving savings and monitoring scheme spend. H	2	2	Action: Regular project boards focussing on delivery of the financials Action owner: Project Sponsor	Projects delivered to budget. Milestone Date: Depends on each project						