

Risk Register

Treasury Management

As at: 30 September 2024

Ref	Title	Risk description	Risk Oppr threat	Cause	Consequence	Date Raised	Owner	Gross		Current		Target		Comments	Controls				
								I	P	I	P	I	P		Control description	Due date	Status	Progress	Action Owner
Treasury Management																			
1	Loss of capital investment due to a counterparty collapsing	The Council loses its principal investment or an investment becomes impaired.	T	Counterparty collapses or hits a financial crisis rendering it unable to repay investments.	The Council may lose money or repayment of funds could be significantly delayed which could have an adverse impact on operational funding levels	05/08/16	Bill Lewis	5	3	5	3	5	3		Reducing risk by limiting the use of high risk counterparties. Imposing a maximum investment value on approved counterparties in order to spread and reduce risk. Controls and procedures are in place to ensure investment and durations limits with approved counterparties are not exceeded. Counterparties are also monitored and reviewed on a weekly basis at least, or more regularly if considered necessary to do so.	Ongoing	Ongoing	100%	Bill Lewis
2	Pooled fund investments lose value	The value of the Council's units held in pooled fund investments decreases.	T	Uncertainty in the commercial property market and investment markets following Brexit, Covid and slowdown in general economic activity.	Capital depreciation will decrease the overall value of the investment.	05/08/16	Bill Lewis	4	3	4	4	3	2		The Council receives monthly valuations from the fund managers detailing the indicative redemption value of the individual units. These are reported to the Head of Finance on a monthly basis. The Council has the option to sell its units if there is a concern that the fund value is likely to decrease for a prolonged period.	Ongoing	Ongoing	100%	Bill Lewis
3	Interest rates	Interest rates change with adverse financial effects on the Council	T	Economic growth forecasts remain subdued leading to low interest rates; Consequently lower risk counterparties tend to offer low investment rates. Or Inflation is high and the Bank of England base rate is raised to counteract this leading to an increase in borrowing costs	The Council may not achieve its target level of interest returns. The cost of debt increases. Costs passed on to subsidiary companies have to increase leading to lower profitability expectations and lower dividends.	05/08/16	Bill Lewis	3	3	3	3	2	3		Interest rate forecasts from treasury advisors are monitored closely and investment and borrowing decisions are taken using these as guide as to durations and timing.	Ongoing	Ongoing	100%	Bill Lewis
4	Fraudulent activity	Potential fraud by staff	T	Fraudulent activity	Loss of money for the Council Disciplinary action for the staff involved	05/08/16	Bill Lewis	3	3	2	1	2	1		Segregation of staff duties, reviewing and monitoring of internal controls to ensure the correct protocol is being followed. Ensuring all insurance policies and the fidelity guarantee are fully up to date.	Ongoing	Ongoing	100%	Bill Lewis
5	Money laundering	Money laundering by external parties	T	External parties pay a transaction by cash and subsequently request a refund	Fine and/or imprisonment	05/08/16	Bill Lewis	4	2	4	1	4	1		Ensuring the money laundering policy is reviewed and up to date. Checking refunds back to source. Raising awareness of this issue	Ongoing	Ongoing	100%	Bill Lewis
6	Network failure/Barclays.net being inaccessible	The Council is unable to carry out its daily treasury functions due to a network failure	T	Barclays.net is unavailable or the Council's network has failed	Daily Treasury functions will not be carried out	05/08/16	Bill Lewis	2	3	1	2	1	2		Invoke the business continuity plan to minimise the effects of a network issue.	Ongoing	Ongoing	100%	Bill Lewis
7	Revenue Budgets	Revenue budgets are unable to meet borrowing costs of capital schemes	T	Revenue budgets come under pressure from restricted government funding or non delivery of programmed savings	The Council may not be able to execute some desired projects.	05/08/16	Bill Lewis	3	3	2	2	2	2		Revenue budgets monitored on monthly basis and future year forecasts undertaken. Reserve some capital receipts to cover borrowing costs in the short term. Monthly financial reports and forecasts.	Ongoing	Ongoing	100%	Bill Lewis
8	Lack of suitable counterparties	The Council does not have enough "space" with approved counterparties to place investments/deposit surplus cash balances.	T	Rising cash balances and a restricted counterparty list	Use of counterparties not paying best value rates.	05/08/16	Bill Lewis	3	4	2	2	2	2		The Council continually monitors its approved counterparty listing in conjunction with cash balances. Any potential new investment opportunities are discussed at Treasury Management performance meetings. The Council utilises money market and enhanced cash funds to deposit surplus cash balances in the event of no space with other counterparties and also to ensure there is always cash instantly available in order to meet payment obligations when they fall due. However, there are also limits on the amounts deposited to such funds. The Council has a facility to deposit cash with the Debt Management Office should all other investment options be exhausted.	Ongoing	Ongoing	100%	Bill Lewis

Current Risk Score

This is the risk score at the time that the risk is reviewed. When the risk is first identified it will be the same as the gross risk score. The current risk score is tracked to ensure that progress is being made to manage the risk and reduce the Council's exposure.

Residual Risk Score

This is the risk score after mitigating actions have taken place. The residual risk score shows how effective your action plans are at managing the risk.

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