

## Risk Register Business Unit Display - GT VFM Tracker

	Risk Ref	Risk	Uncontrolled Risk	Action Required (In progress Only)	Control Owner Review Date Target Date	Current Risk Score	Controlled Risk Assessment for Financial Year	Comments
	<b>GTVFM0001</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 20/02/2019	<b>Risk Description:</b> External Audit - VFM: The council should review the format of its budget setting, monitoring and outturn reports to ensure they maximise the ability of both officers and members to understand and challenge delivery against budget. As part of this process, members should be consulted with to determine what they would like to see and, in particular, how risks to non-delivery will be flagged.  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>Review and improve further our <b>Budget Monitoring reports and how they link back to our budget setting documentation.</b> Budget Monitoring reports to include favourable and adverse variances separately in Quarter 1 (September) and more explanations of the reasons behind such variances. Use of reserves and capital receipts flexibilities to be shown as separate values. Interim, briefer reports now prepared on a monthly basis with more detailed reports on a quarterly basis. Month 6 report explains the budget movements caused by the cabinet decisions in Sept 2018. Risk Management report to Audit Committee (September and onwards) to include update on this Action Plan. <i>In Progress (50% complete)</i></li> </ul>	<b>Peter J Lewis</b> <a href="#">14/02/2019</a> 29/03/2019	Likelihood : Impact :  0	Likelihood : Impact :	02/01/2019 02 01 2019 Improvements to the budget monitoring reports have been well received by members of Scrutiny and Cabinet; robust control of the budget is being shown to reduce the projected overspending in 2018/19.  Preparation of the 2019/20 revenue budget has been undertaken in a thorough manner, with a detailed challenge of prior year savings and future pressures to ensure that all issues are understood and mitigated where possible.
	<b>GTVFM0002</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 22/02/2019	<b>Risk Description:</b> External Audit - VFM: The council should consider what is a realistic and achievable base budget for each service area, having regard to the previous year's performance. As part of this process, consideration should be given, to what level of contingency, if any, should be set aside for unexpected pressures versus direct service line allocation.  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li><b>Financial Imperative programme to turn around current in-year overspends with budget reductions</b> 31/10/2018: In-year savings proposals were presented to, and agreed by, the Cabinet on 12 Sept 2018. These proposals have now been applied to the budgets and are reported in the month's 6 monitor to Cabinet in November. Rigorous controls are in place to ensure that the savings are delivered according to plan reducing the overspend to £3m. <i>In Progress (70% complete)</i></li> </ul>	<b>Peter J Lewis</b> <a href="#">13/02/2019</a> 29/03/2019	Likelihood : Impact :  0	Likelihood : Impact :	02/01/2019 02 01 2019 A detailed review of each budget area has been undertaken in preparing the 2019/20 budget in order to identify pressures and to identify prior year unachievable savings amongst other challenges. it is now believed that the 2019/20 budget will be based upon sound budgeting principles. The next stage is to seek members' agreement to the proposals for the budget.

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				<ul style="list-style-type: none"> <li>◦ <b>Refreshing 2019/20 Medium Term Financial Plan - Development and Approach,</b> Report delivered to Cabinet on 17th October on "2019/20 Medium Term Financial Plan - Development and Approach", which identified a funding gap of £19m for 2019/20 &amp; of £30m for the MTFP period. Work is now ongoing to address the gap <i>In Progress</i> (50% complete)</li> <li>◦ <b>Establish a revised Financial Strategy</b> Establish this Autumn a revised Financial Strategy that is based upon a clear and better understanding of <ul style="list-style-type: none"> <li>• Our future cost drivers (demographic growth, national cost benchmarking, output of the Peopletoo work to establish a meaningful base budget for Childrens Services)</li> <li>• Our future income opportunities (council tax and business rates, national initiatives such as business rate retention pilots, local opportunities through planning gain, other options including commercial and investment opportunities)</li> <li>• Rightsizing the Council's budget and further adjusting our service delivery accordingly, potentially cutting non-essential and critical services – informed by the Financial Imperative Programme. <i>In Progress</i> (60% complete)</li> </ul> </li> </ul>	<p><b>Peter J Lewis</b> 13/02/2019 22/02/2019</p> <p><b>Peter J Lewis</b> 22/02/2019 22/02/2019</p>			

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	<b>GTVFM0003</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 22/02/2019	<b>Risk Description:</b> External Audit - VFM: The council should ensure that there is consistency of reporting between budget setting and monitoring with a clear approach to how savings are identified, quantified financially and monitored. If annual savings are to be identified on a thematic basis, they should also be monitored on a thematic basis. Where savings are built into service line budgets, a full reconciliation should be provided to show how these impact on thematic savings targets  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>Review &amp; improve budget monitoring reports &amp; their links back to budget setting documentation</li> </ul> 31/10/2018: Monitoring reports have been revised and improved to ensure that financial information is conveyed to Members & the public more clearly. Further improvements to be made in coming months <i>In Progress (20% complete)</i>	<b>Peter J Lewis</b> <a href="#">15/02/2019</a> 22/02/2019	Likelihood : Impact :  0	Likelihood : Impact :	02/01/2019 02 01 2019 Monitoring reports have been revised and improved to ensure that financial information is conveyed to members & the public more clearly. These improvements appear to have been well received.  There has been a move away from thematic savings due to the potential dangers of double counting or lack of ownership that they present.  It is intended that the Q3 report is even more comprehensive, being the final, major monitoring report of the year.
	<b>GTVFM0004</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 10/02/2019	<b>Risk Description:</b> External Audit - VFM: Committees and meetings responsible for monitoring financial delivery should explicitly minute the challenge and actions taken, where necessary, in response to in year overspends. These should be followed-up at the next meeting to ensure the proposed action is having the desired effect and to inform what further action, if any, is needed.  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>Discuss with Democratic Services to ensure challenges &amp; actions are expressly minuted.</li> </ul> Discussions with Democratic Services have lead to increased detail in the minutes of the meeting. Officers & Members are also more conscious of provoking and inquisitive debate. There is also an audio recording of every public meeting that is available. <i>In Progress (10% complete)</i>	<b>Peter J Lewis</b> <a href="#">12/02/2019</a>	Likelihood : Impact :  0	Likelihood : Impact :	10/01/2019 The Policies and Place Scrutiny Committee and the Cabinet have become more robust in challenging the monitoring report, especially in regard of delivery of the MTFP1 and MTFP2 savings. Often, reports to future meetings take account of the observations made at a previous meeting

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	<b>GTVFM0005</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 14/02/2019	<b>Risk Description:</b> External Audit - VFM: Reporting of financial performance to members should be transparent and understandable and include greater analysis of areas such as use of reserves or grants and application and achievement of transformational projects through the use of capital flexibilities.  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>Review and improve further our <b>Budget Monitoring reports, making them more transparent and understandable</b> We will review and improve further our Budget Monitoring reports and how they link back to our budget setting documentation. It is noted that our current format has previously served us well but given our current financial context we will seek to make them more transparent for all members to see our progress and recommendations. This will include a statement on the use of the Capital Receipts Flexibilities directive and a fuller disclosure of the transformation projects that are being considered for funding through this mechanism. <i>In Progress (60% complete)</i></li> </ul>	<b>Peter J Lewis</b> <a href="#">14/02/2019</a>	Likelihood : Impact :  0	Likelihood : Impact :	10/01/2019 The monitoring reports have been improved for clarity and ease of understanding and the quarterly report (next is Q3) will include details on reserves, CRF and the broader financial strategy. Presentations to members make the linkage between the projected outturn for 2018/19 and the prospects for 2019/20 including in regard of increased resilience.
	<b>GTVFM0006</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 14/02/2019	<b>Risk Description:</b> External Audit - VFM: Capital flexibilities should be reported and monitored in line with Central Government guidelines. All identified projects should be included in the budget process and approved prior to the financial year along with achievement against prior year projects. In-year reporting should update for any changes including newly identified projects or those projects that are delayed or unlikely to deliver  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>Review and improve our reporting of <b>the use of Capital Receipt Flexibilities</b> There is improved reporting of the use of capital receipts in the monitoring reports. but there is more detail that can be supplied in future, especially around the impact of the transformational spending. A clear marker has been put down about reviewing all uses of CRF for the next financial year. <i>In Progress (40% complete)</i></li> </ul>	<b>Peter J Lewis</b> <a href="#">14/02/2019</a>	Likelihood : Impact :  0	Likelihood : Impact :	10/01/2019 There is considerable focus on this for the MTFP report for 2019/20, which will also comment on the spending of CRF for 2018/19. Attention is closely focused on making sure that there are strong business cases for the expenditure to be drawn from CRF and that the demand for capital receipts is reduced to the minimum necessary.

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	<b>GTVFM0007</b>  <b>Risk Owner:</b> Peter J Lewis  <b>Next Risk Review Date:</b> 22/03/2019	<b>Risk Description:</b> External Audit - VFM: The S151 officer in his/her annual reporting under Section 25 of the LG Act 2003 on the adequacy of reserves should clearly articulate their view on the adequacy of both general fund and other reserves (including earmarked reserves) along with any proposed actions to strengthen these going forward. As part of this process, consideration should be given, to the appropriateness of holding negative earmarked reserves.  <b>Cause:</b>  <b>Consequence:</b>		<ul style="list-style-type: none"> <li>◦ <b>Refreshing our 2019/20 Medium Term Financial Plan - Development and Approach</b> The Cabinet received a report on refreshing the MTFP at its meeting in October; this report revealed a £19m gap between anticipated spend and the level of budget provision. Work is now well advanced to identify proposals for change that, if agreed, will bridge the funding gap. Additional money has been granted to local government by the Government in the Autumn Statement; the precise impact of that is awaited at the time of this update. <i>In Progress</i> (30% complete)</li> </ul>	<b>Peter J Lewis</b> <a href="#">22/02/2019</a>	Likelihood : Impact :  0	Likelihood : Impact :	02/01/2019 02 01 2019 A review of reserves, including the negative earmarked reserves, to identify movements in 2018/19 and projections for future years has been undertaken. Opportunities are being sought in both 2018/19 and in 2019/20 to replenish the General Fund and reduce or eliminate the negative earmarked reserves. Details will be described in the budget reports to Cabinet and Council.

Report Selection Criteria

Status Flag=ACTIVE - Business Unit Code=GTVFM