

Agenda item 7

For Decision: Approval of Financial Risk Assessment

Author: Jackie Wheeler, Responsible Finance Officer

Background

There is a responsibility on a Council to demonstrate best practice in all aspects of their governance, and the assessment of risk can be seen as a key test.

Risk assessment is an examination of working conditions, workplace activities and environmental factors that will enable the Council to identify potential risks and take all practical and necessary steps to reduce or eliminate them, insofar as is practically possible.

Each year the Risk Register is updated, assessed and scored taking into consideration the controls the Council has in place. As RFO, I have considered the management of risk relating to the Council finance, and this risk assessment document forms part of the larger Risk Register (Appendix 7).

The other sections making up the Risk Register will be considered and assessed by the appropriate Manager and brought to Council Matters for approval at a later meeting.

The evaluation process involves simple effective scoring and directs the Council's attention to those risks that may require attention or monitoring.

Each risk is scored by:

a. selecting a value of the likelihood of this happening with the controls the Council has in place:

- 1 = Highly Unlikely
- 2 = Unlikely
- 3 = Possible
- 4 = Probable
- 5 = Highly probable

b. estimating the likely impact of this risk on the Council, with the controls the Council has in place:

- Low (little or no impact)
- Medium (low to medium impact)
- High (great impact on the Council)

Where relevant, risks are cross referenced with the current Financial Regulations. Areas of work scoring 4 or above will be monitored and improvements made where possible.

Recommendation

Note the Financial Risk Assessment at Appendix 7 and delegate approval of the detail to the Chair of Council Matters