

West Dunbartonshire Council



Operational Risk Register

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Finance

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West Dunbartonshire Council Strategic and Operational Risk Assessment Form



Service: Payroll	Department: Corporate Services - Finance & ICT	Date of Assessment: 31st August 2009
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Business Objective: To pay all employees accurately and timeously, ensuring adequate controls are in place while providing a high quality, best value service.

Responsible Person: David Connell **Date Completed: 31st August 2009**

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measurers	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
P1	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	2	3	6	MEDIUM	Previous years payrolls are available on the server. Employing departments should also have papers to support payments through payroll. Other agencies have all statutory returns. Existing arrangements in place by Legal to combat the effect of fire or water damage.	2	2	4	LOW	
P2	Loss of electronic records through power outage /system failure/human error	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up on the main server by IS	1	2	2	LOW	
P3	Inability to have IT issues resolved due to loss of staff through ill health or leaving the organisation.	2	4	8	MEDIUM	Provide additional staff with training to resolve ICT problems. Possibility of obtaining a support contract from the payroll provider	2	2	4	LOW	
P4	Inability to function due to loss of staff through ill health or leaving the organisation.	1	4	4	LOW	As a short term gap existing staff from other areas could be utilised. Develop written procedures/manuals for all aspects of the payroll	1	2	2	LOW	
P5	Unable to pay employees correctly through lack of training	1	2	2	LOW	Provide staff training. Link training needs to PDP's of existing staff.	2	1	2	LOW	
P6	Excessive workload associated with single status, equal pay, upgrades to comply with legislation and the procurement of a new payroll system.	4	3	12	HIGH	Additional resources would have to be found and utilised.	3	2	6	MEDIUM	

West Dunbartonshire Council Strategic and Operational Risk Assessment Form



Service: Revenues | **Department: Corporate Services - Finance & ICT** | **Date of Assessment: 31st August 2009**

Business Objective: To collect Council revenues while providing a high quality, best value service.

Responsible Person: David Connell | **Date Completed: 31st August 2009**

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measures	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
REV1	Inability to function due to loss of staff through ill health or leaving the organisation.	1	4	4	LOW	As a short term gap existing staff from other areas could be utilised.	1	2	2	LOW	
REV2	Unable to deliver notices due to strike action by Royal Mail.	2	4	12	HIGH	Employ private company to deliver notices or use office staff.	2	2	4	LOW	
REV3	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	2	2	4	LOW	Most documentation since Nov 05 is stored electronically and is backed up on the main server by IS. Documents not scanned can be re run from computer systems or resubmitted by other agencies	2	2	4	LOW	
REV4	Loss of electronic records through power outage /system failure/human error	2	2	4	LOW	Essential documentation is stored electronically and backed up on the main server by IS. Previous period benefit payment files and manual cheques can be used to pay out to benefit recipients.	2	2	4	LOW	

West Dunbartonshire Council Strategic and Operational Risk Assessment Form



Service: Accountancy

Department: Corporate Services - Finance & ICT

Date of Assessment: 31 August 2009

Business Objective: To provide a high quality, best value service.

Responsible Person: David Connell

Date Completed: 31st August 2009

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measures	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
ACC1	Failing to finalise the (draft) final accounts/ budget / statutory returns on time due to the failure of plant and equipment	1	4	4	LOW	Back up of all systems available. Electronic copy of files available by alternative source if required	1	2	2	LOW	
ACC2	Failing to finalise the (draft) final accounts / budget / statutory returns / committee reports on time due to staffing absence (sickness / vacancies/ strike) - including other departments	1	4	4	LOW	Timetable for completion available to identify bottlenecks. Alternative staff available for work purposes / overtime/ agency. Previous years papers and files available on shared network area for easy access. Rotation of selected Corporate Finance staff on a regular basis. Guidance notes available	1	2	2	LOW	
ACC3	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	2	3	6	MEDIUM	Existing fire fighting arrangements currently in place. Electronic copies of file held within network systems which are backed up	1	2	2	LOW	
ACC4	Loss of electronic records through power outage /system failure/human error	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up on the main server by IS.	2	2	4	LOW	
ACC5	Failing to make payment of grants / monitor grants due to staffing issues or ICT failure	2	4	8	MEDIUM	ICT failure - refer to Creditors. Staffing supplied for a short term from accountancy backup - staff having relevant experience from holiday cover / Section Head knowledge Page 4	2	2	4	LOW	

West Dunbartonshire Council Strategic and Operational Risk Assessment Form



Service: Treasury (including banking, reconciliations, cash collection, capital) | **Department:** Corporate Services - Finance & ICT | **Date of Assessment:** 31 August 2009

Business Objective: To pay all employees accurately and timeously, ensuring adequate controls are in place while providing a high quality, best value service.

Responsible Person: David Connell

Date Completed: 31st August 2009

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measurers	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
TRE1	Failing to finalise the (draft) final accounts/ budget / statutory returns / committee reports on time due to the failure of plant and equipment	1	4	4	LOW	Back up of all systems available. Electronic copy of files available by alternative source if required	1	2	2	LOW	
TRE2	Failing to finalise the (draft) final accounts / budget / statutory returns / committee reports on time due to staffing absence (sickness / vacancies/ strike) - including other departments	1	4	4	LOW	Timetable for completion available to identify bottlenecks. Alternative staff available for work purposes / overtime/ agency. Previous years papers and files available on shared network area for easy access. Rotation of selected Corporate Finance staff on a regular basis. Guidance notes available	1	2	2	LOW	
TRE3	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	2	3	6	MEDIUM	Existing fire fighting arrangements currently in place. Electronic copies of file held within network systems which are backed up	1	2	2	LOW	
TRE4	Loss of electronic records through power outage /system failure/human error	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up on the main server by IS.	2	2	4	LOW	
TRE5	Loss of specialised knowledge due to long term absence / leaving the authority	2	4	8	MEDIUM	Procedure documents and guidance notes in place. Rotation of selected staff below Section Head on a regular basis	2	2	4	LOW	
TRE6	Increases in interest rates overnight with the Council due to borrow substantial sums of long term money	1	4	4	LOW	Use of treasury advisers to forecast risks of likely changes and advise of imminent changes. Levels of annual borrowings as % of overall council borrowing (unless substantial prudential borrowing) minimise level of impact. Use of Prudential code to borrow when best suits the authority rather than timing of 'need' minimises risk	1	2	2	LOW	
TRE7	Signatories of cheques not being available to sign urgently required cheques	1	3	3	LOW	Number of authorised signatories allows cover to be available at most times. Signatories are contactable throughout the day if not in the office	1	2	2	LOW	
TRE8	Non detection of Fraud/ theft/ critical errors due to staffing absence and non timeous reconciliations/ inadequate separation of duties	1	4	4	LOW	Monthly listing of receonciliation position given to Section Head for monitoring position. Other staff brought in from another service area as a short term solution	1	2	2	LOW	

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Service: Treasury (including banking, reconciliations, cash collection, capital) | **Department:** Corporate Services - Finance & ICT | **Date of Assessment:** 31st August 2009

Business Objective: To pay all employees accurately and timeously, ensuring adequate controls are in place while providing a high quality, best value service.

Responsible Person: David Connell

Date Completed: 31st August 2009

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measurers	Risk Analysis of Residual Risk				
		Likeliho	Impact	Risk Sco	Risk Rating		Likeliho	Impact	Risk Sco	Residual Risk Rating	Risk Improve
TRE9	Safe key / alarm being lost/ broken or stolen giving unauthorised access to blank cheques/ cash OR stopping access to blank cheques / cash	1	4	4	LOW	More than one key is held by authorised personnel. Safe is also alarmed as a another precaution	1	2	2	LOW	
TRE9	Council's bank overdraft limit being breached due to equipment breakdown - either at the bank or at the Council	2	4	8	MEDIUM	Manual procedures are available and agreed between the bank and the Council in event of this	1	2	2	LOW	
TRE10	Council's bank overdraft limit being breached due to money market conditions	2	4	8	MEDIUM	Procedures are in place with the bank to grant temporary authorisation of an extended	2	1	2	LOW	

West Dunbartonshire Council Strategic and Operational Risk Assessment Form



Service: Creditors | **Department: Corporate Services - Finance & ICT** | **Date of Assessment: 31st august 2009**

Business Objective: To pay all employees accurately and timeously, ensuring adequate controls are in place while providing a high quality, best value service.

Responsible Person: David Connell

Date Completed: 31st August 2009

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measurers	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
CRE1	Failing to make payment of invoices on time due to the failure of plant and equipment	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up regularly on the main IS Server	1	2	2	LOW	
CRE2	Loss of electronic records through power outage /system failure/human error	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up on the main server by IS	1	2	2	LOW	
CRE3	Inability to have IT issues resolved due to loss of staff through ill health or leaving the organisation.	2	4	8	MEDIUM	Provide additional staff with training to resolve ICT problems.	2	2	4	LOW	
CRE4	Inability to function due to loss of staff through ill health or leaving the organisation.	2	4	8	MEDIUM	As a short term gap existing staff from other areas could be utilised. Develop written procedures/manuals for all aspects of the function.	1	2	2	LOW	
CRE5	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	2	3	6	MEDIUM	Most documentation is stored on CD and held in 2 places	1	2	2	LOW	

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Service: Payroll | **Department: Corporate Services - Finance & ICT** | **Date of Assessment: 31st August 2009**

Business Objective: To pay all employees accurately and timeously, ensuring adequate controls are in place while providing a high quality, best value service.

Responsible Person: David Connell

Date Completed: 31st August 2009

Ref No	Risk to Business Objective	Risk Analysis				Risk Control Measurers	Risk Analysis of Residual Risk				
		Likelihood	Impact	Risk Score	Risk Rating		Likelihood	Impact	Risk Score	Residual Risk Rating	Risk Improvement Plan
PRO1	Destruction of manual records, files and books. Loss of paper records/files due to fire or water damage.	1	2	2	LOW	Previous years payrolls are available on the server. Employing departments should also have papers to support payments through payroll. Other agencies have all statutory returns. Existing arrangements in place by Legal to combat the effect of fire or water damage.	2	2	4	LOW	
PRO2	Loss of electronic records through power outage /system failure/human error	2	4	8	MEDIUM	Essential documentation is stored electronically and backed up on the main server by IS	1	2	2	LOW	
PRO3	Inability to function due to loss of staff through ill health or leaving the organisation.	1	4	4	LOW	As a short term gap existing staff from other areas could be utilised.	1	2	2	LOW	