

## Surrey LPC Financial Risk Register

Risk management is an essential part of LPC governance, leadership and an integral part of LPCs planning and decision-making processes.

Risk management processes may differ in terms of sophistication, nevertheless most follow broadly the same steps that combine to make up an overall approach to risk, as described below. It is important to take a balanced view to managing opportunity and risks, to make the process meaningful.

### Key to risk assessment

#### Assessment of unmitigated risk (risk rating (F))

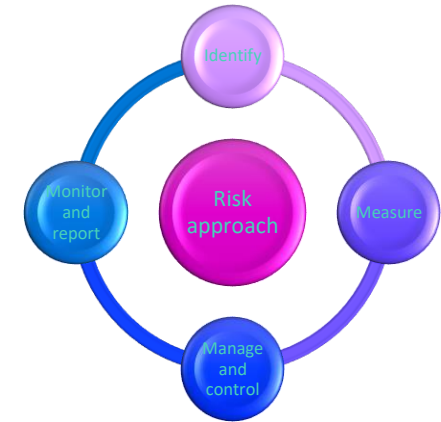
Unmitigated risks are assessed on the basis of **likelihood (E)** – how likely they are to occur – and **impact (D)** – if they occur, how significant would this be; and are given an overall traffic light rating of – **red, amber or green (RAG)** and a score from 1 to 5, for both impact and likelihood which is multiplied together to give the overall unmitigated risk (E).

#### Likelihood (E)

1. – highly improbable
2. – less than likely
3. – likely
4. – more than likely
5. – highly probable

#### Impact (D)

1. – minor
2. – moderate
3. – significant
4. – substantial
5. – catastrophic





Assessment of risk is based on both the overall score matrix below (likelihood x impact) and individually how likely the event and how great the impact of the event if it occurs.

**Assessment of mitigated risk (residual rating (H))**

Residual ratings or mitigated risks (H) are assessed by considering how the mitigations (G) reduce the impact (D) and likelihood (E) of the overall unmitigated risk (F).

- Low (L)            Green            - under control
- Med (M)        Amber           - broadly under control but significant risks remain
- High (H)        Red              - little control and the risk is unacceptably high

Impact	Catastrophic 5					
	Substantial 4		8	7a 7b	6	11
	Significant 3		1 5 13	4	2	
	Moderate 2		3 9	10 12		
	Minor 1					
			Highly improbable 1	Less than likely 2	Likely 3	More than likely 4
		Likelihood				



A Risk No	B Risk (Text)	C Impact (Text)	D Impact Rating (1-5)	E Likeli- hood (1-5)	F Risk Rating (D x E)	G Mitigation (Text)	H Residual Rating (L/M/H)	I Comments	J Risk Owner
<b>Finance: LPC Financial Accounts</b>									
1	LPC accounts are rejected by contractors.	Accounts would need to be reviewed and re-done. Lack of confidence in the LPC.	4	3	12	Implementing guidance set out in the CPE LPC finance guide to comply with network-wide standards.	L	Used assured accounts from 21/22.	Treasurer and Chief Officer
2	LPC financial record lost.	Unable to provide contractors with financial transparency and overview. Unable to complete end of year accounts.	4	2	8	Review use of paper records.	M	Review where record data can be backed up to mitigate the risk.	Treasurer and Chief Officer
3	Loss of LPC Treasurer.	No-one in role to fulfil treasurer functions.	4	2	8	Use of Finance Sub-Committee to support in the interim.	M	Finance sub-committees in place across all CPSS LPC's.	Finance Sub-Committee and Chief Officer
4	Loss of staff, unable to authorise payments.	Impact on payment of expenses, bills. Potential issues with claims for non-payment.	4	4	16	Ensuring a minimum of three people are able to authorise banking payments.	H	In process of setting up 3 per LPC.	Treasurer and Chief Officer



Finance: LPC Budget									
5	LPC budget is challenged by contractors or NHSE.	Budget would need to be reviewed and re-submitted for scrutiny. Lack of confidence in the LPC.	4	3	12	Implementing guidance set out in the CPE LPC finance guide to comply with network-wide standards.	L		Treasurer and Chief Officer
Finance: HMRC challenge									
6	LPC successfully challenged by HMRC on self-employment status.	Implications on tax and potential financial penalties.	4	2	8	Implementation of CPE template expense policy.	M	In process of setting up Tax/NI for all payments to individuals e.g. honoraria.	Treasurer and Chief Officer
7	LPC successfully challenged by HMRC on expenses / allowance policy.	Implications on tax and potential financial penalties.	4	2	8	Implementation of CPE template expense policy.	L	Any changes in expenses/allowances by HMRC to be updated in policy. Expenses policy reviewed at least annually.	Treasurer and Chief Officer
Finance: LPC banking									
8	Cyber-attack on online banking system.	Loss of income or access to income, effecting ability to operate e.g. pay employees.	5	3	15	Use of secure banking arrangements, safeguarding passwords etc.	M		Treasurer and Chief Officer



9	Unauthorised payments made from LPC bank account.	Loss of income, effecting ability to operate e.g. pay employees.	5	2	10	Double authorisation needed for payments.	L	In process of setting up 3 per LPC.	Treasurer and Chief Officer
<b>Finance: LPC Contractors</b>									
10	Inadvertent financial loss to contractors through incorrect advice.	Lack of confidence in LPC. Potential issue with financial compensation claims.	2	3	6	Addition of statements to documents e.g. deadline tracker regarding the information provided. Requests for financial advice referred to appropriate provider.	L	LPC members and staff to refer for professional advice.	LPC Members and Staff

Reviewed: May 2022, May 2023.

Next review date: May 2024.