

## Adequacy of Reserves – Risk Assessment

Three key assessment areas:

1. identification of risks during the financial planning and budget setting process as set out the report to Council on 9 February;
2. risk assessment of the agreed investment and savings proposals in the agreed budget package, and;
3. key risks identified, monitored and managed through the Council's risk management strategy and included in the corporate risk register.

	Budget exposure	Risk	Residual
	£m	%	£m
<b>1. Budget process</b>			
- Temporary accommodation	7.0	75%	3.7
- Looked after children	19.0		
- Employment costs	2.0	Low to	
- Supporting people (grant reduction)	1.0	medium	
- Asylum	1.0	risk / 10%	
- Economic recession	1.5	to 50%	
- Adult social care	49.0	residual	
- Waste disposal	7.9	impact	
- Interest earnings	2.0		
- Alexandra Palace and Park	2.0		11.8
	<b>92.4</b>		<b>15.5</b>
<b>2. Savings &amp; investment proposals</b>			
- total savings in 2010/11	7.9	Low to med / 10% to 50%	2.2
- total new investments in 2010/11	7.9	Very low risk of negative financial impact	0.0
			<b>2.2</b>
<b>3. Corporate Risk Register</b> (not already dealt with in 1. above)		Impact score (from risk register)	
- Data quality		4	
- Treasury management		2	
- Capital / project delivery		3	
- Corporate IT systems		4	
- Business continuity plans		2	
			<b>1.5</b>
<b>4. Unidentified risks</b>			<b>3.0</b>
Less earmarked reserves for the above			<b>(3.6)</b>
<b>Grand total</b>			<b>18.6</b>