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Risk Reference No	Risk Owner
Insert a unique reference number for each risk	Name of individual with responsibility for management of the risk (should be someone in a position of authority)
R_1	Ellie Nathan and Rory Shenton (operators of Grant Scheme)

R_2	Ellie Nathan and Rory Shenton (operators of Grant Scheme)
R_3	Ellie Nathan and Rory Shenton (operators of Grant Scheme)

Descr
Actor: Who commits the fraud (may be a single individual or one or more individuals);
SME applicant

SME applicant

SME applicant

Description of Fraud Risk
ibe identified fraud risk using the Actor, A
Action: What the fraudulent action is; .
SME fraudulently claims grant funding for a measure that wasn't installed.

Applicant not eligible for grant funding as they do not meet the definition of an SME, do not have commercial premises in Three Rivers district etc.

SME collaborates with installer to provide quotes that inflate the price of measures.

k
ction, Outcome format.
Outcome: What is the resulting impact or consequence(s). This will be mainly financial, but consider whether other aspects are relevant such as: reputational; social; physical harm; environmental; national security.
Grant funds used fraudulently and benefits not realised.

Grant funds used fraudulently and benefits not realised.
Grant funds used fraudulently and benefits not realised. SME receives more grant funding than they are entitled to, and deprives other SMEs from benefitting from the grant.

Description and Assessment of Controls in Place
Identify and describe the controls which will help mitigate the risk identified. Explain how the control mitigates the risk, but also describe any limitations and weaknesses in relation to this mitigation. Step 1: identify controls that have a role to play in mitigating the risk in question. Step 2: Identify the nature of each control - is it Directive (e.g. Guidance); Deterrent (designed to put people off of fraud); Preventative (designed to
Site visits pre- and post-installation to validate the correct measures have been installed. Requirement for at least 75% contribution to total cost by business (and maximum TRDC grant of £3,000) reduces likelihood of business attempting fraud as they will be required to invest in the system themselves, and the grant from TRDC will be of relatively low value. Requirement for business to pay for measures upfront, and claim the cost back from the council retrospectively reduces likelihood of SME attempting fraud. Requirement for evidence of installation via MCS certificate (for solar panels), invoice from installer and photographs of installation further mitigates risk of grant being paid out to fraudulent applicant.

Checks on applicants will include:
-Companies House checks to confirm company name, director, registered office address, company type, accounts etc.
-Business rates checks to confirm eligibility of SME.
-The application form, and the Grant Offer Letter will include a declaration that all the information provided by the applicant is true and accurate, and if not any monies could be recovered and they may be liable to prosecution - this should help deter fraud.

Requirement for at least two quotes to be provided by different installers will help to identify price discrepancies before any grant offer is made.
Requirement for measures to be installed by a Trustmark and MCS accredited installer reduces risk of unscrupulous installers collaborating with an SME to commit fraud.
Maximum grant of £3,000 and requirement for at least 75% match funding by SME reduces risk of SME attempting fraud as the value of the "reward" is low.

Description of Residual Risk
The purpose here is to use the identified limitations with the controls to describe how fraud could still happen with controls in place. Start your description with the words: "Fraud could still happen because…." Step 1: Summarise the overall limitations identified with the controls and explain the various ways that this could still allow fraud to happen Step 2: Describe the various ways that fraudsters could exploit weaknesses
Fraud could still happen despite the controls in place, because: SME applicants / grant applicants could collude with certified MCS installer to fake installation and invoices; if the detailed checks are not carried out post-installation (site visits and site photos) and suspicious of illicit installations are not raised.

Fraud could still happen despite the controls in place, because:

If checks on applicants are not rigorous and carried out by inexperienced parties, grants may still be granted to those who are ineligible.

Fraud could still happen despite the controls in place, because:

As applicant are only required to submit 2 installer quotes, the second quote could have been faked or further collusion between the MCS installers and applicant installer and applicant.

Likelihood of Occurrence	Likelihood of Frequency
How likely is it that this fraud will occur.	*How frequent (numbers of instances) do you think will occur within spend area.* *Assess the ability of the controls to deter or prevent fraud.*
2 A possibility it will happen	1 Only likely to be an occasional occurrence

2 A possibility it will happen	2 A few instances likely to occur
2 A possibility it will happen	1 Only likely to be an occasional occurrence

Assessment of Residual Risk (Scores)

Likelihood - Total Score	Impact - Duration of Fraud	Impact - Materiality
Add together scores for occurrence and frequency and divide by 2.	*Consider: possible duration of any single instance of fraud - can it be continuously repeated over a duration of time.* *Assess the ability of controls detect fraud.*	*Consider: materiality and reputational damage.* *Refer to your 'Outcome' assessment.*
1.5	2 Fraud should be prevented or detected quickly.	3 Could result in some material loss / reputational risk

2	4 Fraud could go undetected for a long duration.	1 Unlikely to result in a material loss / reputational risk
1.5	3 Fraud could go undetected for a period of time.	2 Material loss / reputational risk likely to be avoided.

Impact - Total Score	Total Risk Score
Add together scores for duration and materiality and divide by 2.	Normally a risk score is derived by multiply likelihood by impact. This gives potential scores in range of 1 - 25. To maintain a similar range we add together each score for likelihood and impact, divide each by 2 and then multiple each resulting answer by the other.
2.5	3.75

2	4
2.5	3.75

Rationale &/or Evidence Used for Risk Assessment Scores
Document your rationale and evidence used for each score given for Occurrence; Frequency; Duration and Materiality. Record if there is any element of subjectivity in your assessments. Also record if there any limitations of the evidence base used to complete the FRA.
LIKELIHOOD OF OCCURRANCE scored as POSSIBILITY IT COULD HAPPEN (2) whilst this was not experienced in the previous SME grant scheme (UKSPF SME Energy Efficiency Grant 2024/25), it is not inconceivable this type of fraud may be attempted. LIKELIHOOD OF FREQUENCY scored as ONLY LIKLEY TO BE AN OCCASIONAL OCCURANCE (1) as this grant is for a relatively small amount (up to £3000) compared with the previous SME grant scheme (up to £12,000) in which no fraud occurred: it is unlikely that this would be a frequent occurrence. IMPACT - DURATION OF FRAUD scored as FRAUD SHOULD BE PREVENTED OR DETECTED QUICKLY (2) as this is a pass/fail grant, applications will not be assessed and thus a SME applicant colluding with MCS certified installer could be deemed a recipient of the grant; however as the grant is to be paid retrospectively following site-visit checks, it is likely any fraud would be discovered prior to payment.

LIKELIHOOD OF OCCURRANCE scored as POSSIBILITY IT COULD HAPPEN (2) as although checks will be in place to determine if applicants are SMEs; if checks are carried out by inexperienced officers, third sector applicants may be admitted.

LIKELIHOOD OF FREQUENCY scored as A FEW INSTANCES LIKEY TO OCCUR (2) as the grant is a pass/fail grant, applicants from third sector organisations and non SMEs that have registered incorrect information may not be picked up at application registration; as stated above if subsequent checks are not carried out correctly this may lead to a limited number of instances likely to occur.

IMPACT - DURATION OF FRAUD scored as COULD REMAIN UNDETECETD FOR A LONG DURATION (4) as despite the checks for SMEs put in place, if these are done incorrectly then it is likely that the applicant will remain undetected throughout the grant process.

LIKELIHOOD OF OCCURRANCE scored as POSSIBILITY IT COULD HAPPEN (2) as both quotes could be fraudulently created and this may be missed by the team; although the grant is unlikely to cover the full cost, given the small nature of the grant (up to £3000) compared with the cost of a Solar PV system (small systems cost £5000, and applicants are anticipated to be large systems), it is feasible this fraud could result in a higher percentage of the grant going towards the installation (at least 75% match funding required).

LIKELIHOOD OF FREQUENCY scored as ONLY LIKLEY TO BE AN OCCASIONAL OCCURANCE (1) as the nature of solar PV properties on commercial premises are typically upwards of £12,000 (previous UKSPF grant 2024/25 offers an example of this), it is unlikely that multiple SMEs are seeking funding on an installation that is less that the 75% match funding required and thus would need to commit fraud on the application to ascertain an increased level of funding.

IMPACT - DURATION OF FRAUD scored as FRAUD COULD GO UNDETECTED FOR A PERIOD OF TIME (3) as if the scale of the fraud committed is minor

Risk Owner Decision	
Residual Risk - Tolerated (Y/N)	Additional Planned Action
Yes / No - Driver for discussion about risk tolerance with risk owner and senior managers.	Agreed actions / controls that are planned but not yet in place. - Treat; - Transfer; - Terminate
YES	Ensure outlined procedure is in place for post-installation checks and evidence. Encourge team members to report any suspicious to delay grant payment.

YES	Ensure due diligence is done on all SME applicants and request assistance from those within NNDR for determining SMEs and third sector applicants.
YES	Ensure that all installation quotes are assessed with diligence and ensure that both quotes provided are cross referenced if suspicions are raised on small scale grants.

