

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 9 OCTOBER 2019

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| Title of report | CORPORATE RISK UPDATE |
| Contacts | Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Head of Finance and S151 Officer Tel: 01530 454707 tracy.bingham@nwleicestershire.gov.uk |
| Purpose of report | To receive the Quarter 1 Corporate Risk Update |
| Council priorities | Value for Money |
| Implications: | The Council manages its risks within existing budgets. Effective risk management protects the Council from insurance and/or compensation claims, fraud, and a range of other financial liabilities. As detailed in the report. Not applicable. Not applicable. Not applicable. |
| Financial/Staff | |
| Risk Management | |
| Equalities Impact Screening | |
| Human Rights | |
| Transformational Government | Not applicable. |
| Consultees | None |
| Background papers | None |
| Recommendations | THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE QUARTER 1 CORPORATE RISK UPDATE. |

1.0 BACKGROUND

- 1.1 Cabinet approved the updated Risk Management Policy at its meeting on 1 May 2018.
- 1.2 One of the requirements of the Policy is for members of this Committee, Corporate Scrutiny and Cabinet to receive details of the high level risks monitored through the

Corporate Risk Register. The updated Risk Register can be found at Appendix 1 and a quarterly review of this is a standing agenda item for this Committee.

2.0 SUMMARY

- 2.1 The Risk Scrutiny Group reviews the corporate risks quarterly and recommends any changes through the Corporate Leadership Team prior to the information being presented to this committee.
- 2.2 The Head of Finance is satisfied that the main risks posed to the organisation have been captured within the risk register and that mitigating actions to control these risks are appropriate.
- 2.3 The following information summarises the changes to the risk register since it was last presented to the Committee on 24 July 2019.
- 2.4 Wording on risks 1 and 4 have been updated to reflect how modern slavery could cause death/serious harm to a vulnerable person (risk 1) or reflect how the council's contracts are not procured or managed properly (risk 4). Control measures have also been updated on both of these risks in line with the Motion adopted by Council on 21 May 2019 and the Council's commitment to raise awareness of modern slavery and ensure contracts and supplies do not contribute to modern slavery and exploitation. There have been no changes to the risk rating of each of these risks.
- 2.5 The wording around the risk of infiltration of Council ICT systems (Risk 7) has been updated to reflect the potential causes of this risk, with the wording strengthened for the control measures around the increased ICT activity in this area. There have been no changes to the risk rating of each of these risks. The movement of risk will be reviewed following completion and analysis of an ICT 'Phishing campaign' that is being undertaken to assess the susceptibility of Council staff and members in relation to fraudulent emails.
- 2.6 Control measured for risk 10, around fraud, corruption and theft, has been updated to reflect the Council's participation and strengthening of involvement in the National Fraud Initiative and Leicestershire Fraud Intelligence Hub.
- 2.7 Following the Spending Review announcement on 4 September 2019 which confirmed the deferral of proposed changes to the local government funding system through the Fair Funding Review, Business Rates Reform and Local Government Spending Review, risk 11, around the Council being subject to a reduction in income, has been updated to 'stable'.
- 2.8 Risk 12, which refers to local government reorganisation, has also been updated to 'stable'.
- 2.9 Finally, with the continued uncertainty at a national level around the UK's departure from the European Union, the register has been updated to reflect an increased inherent and residual risk scoring. The control measures continue to reflect the activities currently being undertaken.

- 2.10 Audit and Governance Committee are asked to review and note this risk update, and provide any feedback they wish to be considered by the Risk Scrutiny Group. The current version of the risk register is included in Appendix 1.