

Title of Report	CORPORATE RISK UPDATE	
Presented by	Tracy Bingham Head of Finance and Section 151 Officer 01530 454 707 tracy.bingham@nwleicestershire.gov.uk	
Background Papers	Anti-Fraud and Corruption Policy Anti-Money Laundering Policy	Public Report: Yes
Purpose of Report	To provide Committee members with an update in respect of the Council's corporate risk register.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES AND COMMENTS ON THE QUARTER 3 CORPORATE RISK UPDATE	

1.0 BACKGROUND

- 1.1 Cabinet approved the updated Risk Management Policy at its meeting in May 2018 and in line with the policy, members of this Committee, Corporate Scrutiny and Cabinet to receive details of the high level risks monitored through the Corporate Risk Register. A quarterly review of this is a standing agenda item for this Committee
- 1.2 The updated Risk Register can be found at Appendix 1 and a summary of changes since the last update is below.

2.0 SUMMARY OF CHANGES AND REVIEW

- 2.1 The Risk Scrutiny Group reviews the corporate risks bi-monthly and recommends any changes through the Corporate Leadership Team prior to the information being presented to this committee.
- 2.2 Each time the group meets, an in-depth review of risks is undertaken through engagement with a risk owner. At the January meeting, all risks owned by the Head of Finance were scrutinised in detail.
- 2.3 The following table summarises the changes to the risk register since it was last presented to the Committee on 4 December 2019:

Risk No.	Risk Title	Changes made by Risk Scrutiny Group
3	REPUTATIONAL/ LEGAL COMMERCIAL Insufficient resources due to unplanned / unforeseen absences / vacancies	<p>The inherent risk scoring for 'likelihood' was increased from 2 to 3 to reflect the current Covid-19 global outbreak.</p> <p>The residual scoring for 'likelihood' was also increased from 2 to 3 and control measures updated to reflect the messages being delivered to staff around self-isolation if returning from an affected area and maintaining good hygiene.</p>
4	LEGAL / FINANCIAL Contracts are not properly procured and managed	The residual risk scoring for 'likelihood' was increased from 2 to 3 following identification that a training programme was not currently in place and that there is a need to a) reassess the current level of skills, knowledge and experience of procuring and

		<p>contract managers; and b) design a responsive training programme. The wording around the training programme control measure was also updated to reflect this.</p> <p>The Risk Scrutiny Group asked the Head of Finance to report back at the next meeting with an update in respect to progress on this matter.</p>
10	<p>FINANCIAL / LEGAL / REPUTATIONAL</p> <p>Council is subject to fraud, corruption or theft</p>	<p>The residual risk scoring for 'likelihood' was agreed to increase from a 2 to a 3. This is to reflect the recommendations arising from a review carried out by Leicester City Council Fraud Hub on NWLDC Compliance with CIPFA's "Code of Practice on Managing the Risk of Fraud and Corruption"</p> <p>The review was commissioned by the Head of Finance in response to an action previously not taken forward arising from the 2016/17 internal audit report in respect of our "compliance with the CIPFA Code of Practice on Managing the risk of fraud and corruption" which recommended that a review should be undertaken "to confirm that the policy framework is satisfactory and policies are up to date", with a target date of May 2017.</p> <p>A copy of this confidential report can be found at Appendix 2. The report has been made confidential in line with LCC's recommendation in this regard and it is recommended that the Committee go into private session if they wish to discuss in detail.</p> <p>Given the Audit and Governance Committee's role in reviewing risk but also the progress of actions identified through internal audits, the organisational response to the findings is included in confidential Appendix 3.</p> <p>Finally, the wording of this risk, surrounding the reference to the Fraud Hub as a control measure was also updated to reflect that the arrangements will cease from April 2020. The Head of Finance will be reviewing the</p>
11	<p>FINANCIAL / COMMERCIAL / ECONOMIC</p> <p>The Council is subject to a reduction in income</p>	<p>The wording on the control measures has been updated to reflect the preparedness of the council in the event of adverse consequences.</p>
12	<p>POLITICAL / ORGANISATIONAL</p> <p>The Council is affected by Local Government Reorganisation</p>	<p>The residual risk scoring for 'likelihood' was increased from 2 to 3 in line with increased likelihood of structural and functional reform following publication of the Devolution White Paper and current discussions around and East Midlands Combined Authority. The inherent risk has not increased since it was considered to be of suitable rating.</p>

2.4 The Head of Finance acts as lead for corporate risk and is satisfied that the main risks posed to the organisation have been captured within the risk register and that control measures to mitigate these risks are appropriate.

2.5 The following information summarises other considerations of the Risk Scrutiny Group around specific risks but where there were no changes made to the risk register.

2.5.1 Risk 13 (around the Council being affected by the UK's departure from the EU, including a potential 'no deal' Brexit) was also considered. In light of the UK leaving the EU on 31 January and the ongoing trade negotiations, the group decided to not adjust the scoring or control measures.

2.6 The 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.

Policies and other considerations, as appropriate	
Council Priorities:	Effective risk management underpins the ability of the Council to deliver against its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	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.
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