

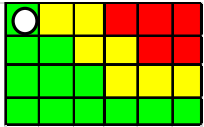
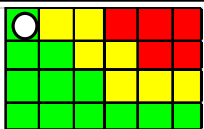
Risk Code	Risk Title	Current Risk Score	Residual Risk Score	Risk Owner	Risk Manager	LOIP Themes
Fin001	Financial Compliance	8	4	Jonathan Belford	Carol Smith	Prosperous Economy
Fin002	NESPF Administration	4	4	Jonathan Belford	Laura Colliss	Prosperous Economy

Code	Fin001	Risk of poor financial compliance			
Definition	The Council is bound to comply with financial stewardship requirements and is subject to regular scrutiny.				
Potential Impact	<ul style="list-style-type: none"> Negative financial impact Inability to deliver essential services Government censure/special measures Credit Rating downgrade Qualified annual accounts Reputational damage 	Causes <ul style="list-style-type: none"> Critical financial procedures not followed Failure to set a balanced budget Failure of council tax billing / collection Failure of NDR billing / collection Failure to comply with LSE requirements 	Control Effectiveness		Current Risk Assessment
			Control	Control Assessment	
			Key financial procedures adhered to	Partially Effective	
			Annual corporate budget-setting process.	Fully Effective	
			Internal and external audit assurance	Fully Effective	
			Governance – assurance framework / robust delegated powers framework	Partially Effective	
			Financial reporting framework with Quarterly reporting to senior management and City Growth and Resources Committee	Fully Effective	
LSE reporting arrangements and training	Fully Effective				
Risk Owner	Jonathan Belford	Risk Manager	Carol Smith	Residual Risk Assessment	
Latest Note	<ul style="list-style-type: none"> Reviewed and embedded Scheme of Delegation in place Reviewed and embedded Financial Regulations in place The revised Scheme of Delegation and Financial Regulations were approved by Council in March 2018. 		2 November 2018	<p>Impact Likelihood</p> <p>Very Serious Almost Impossible</p>	

Assurance Actions

Action	Progress	Original Due Date	Amended Due Date
Key financial procedures adhered to - 18/19 Financial Management Plan	60%	30-April-2018	
Description	Ensuring that our key financial procedures are followed will result in our 18/19 financial out-turn position being as predicted at the Q2 monitoring position to Committee as at 31/10/2018 and maintaining sustainable finances for the council.		
Update	Complete - communications provided to budget holders; purchasing controls put in place; initial actions taken place in Accounting and Business Services Transactions team e.g. escalation of debt; monitoring arrangements put in place with CMT. To be Completed: Continuous review and reduction of forecast out-turns to meet essential spend criteria Review of areas of budget pressure Additional actions council-wide to adapt to meet financial position and monitor position		
Assigned To	Jonathan Belford		

Action	Progress	Original Due Date	Amended Due Date
Governance – assurance framework / robust delegated powers framework	30%	31-December-2019	
Description	Ensuring that our governance and assurance framework is fully understood by all staff and Members with a financial role (budget holders, administrators, project managers) will result in assurance that standing orders, delegated powers and financial regulations are competently applied.		
Update	Initial Member and budget holder training has been undertaken; systems and specific financial responsibility training (e.g. FPP) has been rolled out. Rolling out the remainder of the training and applying the competency framework in practice with regular updates through PRD and team meetings is yet to have been implemented. Recording of competencies and actions to manage knowledge and competency gaps is yet to be implemented.		
Assigned To	Jonathan Belford		

Code	Fin002	Risk of poor Administration of the North East Pension Fund (NESPF)		
Definition	The Council is Administering Authority for the NESPF and therefore accountable for its performance.			
Potential Impact	Causes	Control Effectiveness		Current Risk Assessment
		Control	Control Assessment	
<ul style="list-style-type: none"> Negative financial performance Poor service delivery Reputational damage Loss of confidence by Members / Employers 	<ul style="list-style-type: none"> Lack of effective risk management Poor governance including effectiveness of Pensions Committee and Pensions Board Lack of performance measures Operational disaster, unable to access workplace Failure to recruit and develop staff Inappropriate or failure to follow agreed Investment Strategy 	Annual review of governance including Pensions Committee and Board	Fully Effective	 <p>Very Serious Almost Impossible</p>
		Statutory and local KPI's in place	Fully Effective	
		Disaster Recovery Policy in place, incorporated into ACC	Fully Effective	
		Ongoing review of staffing requirements and annual review of staff training plans	Fully Effective	
		Specific investment team and systems team in place	Fully Effective	
		Specific governance and employer relationship teams to provide focus and dedicated time to ensuring confidence in decision making and relationships	Fully Effective	
		Training programme for benefits officers to develop skilled staff	Fully Effective	
Risk Owner	Jonathan Belford	Risk Manager	Laura Colliss	Residual Risk Assessment
Latest Note	<ul style="list-style-type: none"> Management structure fit for purpose and reviewed regularly Training and development scheme for benefit officers Governance arrangements embedded in the Council Constitution Pension Board established and working with the Council Diversified investment strategy and multiple fund managers Risk register reviewed and updated quarterly <p>Updated for submission to Committee. As all the necessary controls have been identified and are fully effective, this risk will be removed from the register and be monitored as part of business as usual for the Finance Function.</p>		2 November 2018	 <p>Very Serious Almost Impossible</p>