

NEW CORPORATE RISK

To: Audit & Governance Committee

Date: 4 November 2009

Report Author: Nigel Pursey, Executive Interim Director of Finance

Risk Raised by: Finance

Risk Title (One line title)	Internal control and standards of financial administration
Corporate Objective(s) (What corporate objective would this risk impact on)	6: Transform OCC by improving value for money and Service performance (and indirectly potential impact on achievement of other objectives)
Risk Description (Description of the risk once it has been analysed)	The City Council's accounts for 2008/09 have been qualified by the District Auditor. Her Annual Governance Report and the subsequent review by the Interim Director show weaknesses in internal control and standards of financial administration
Risk Cause (What event or series of events must occur for the risk to transpire– consider internal and external factors)	1 System breakdown 2 Lack of Quality Control 3 Unclear roles and responsibilities, or ownership of the problems and their solution
Risk Summary Impacts (Mark as many as appropriate)	Missed Opportunities Management distraction Service Disruption Impaired performance Breach of contract/asset loss Staff morale Gov intervention Financial Cost Damaged reputation Health and Safety Inefficiency Strategy change
Risk Impact (Detail what would happen if the risk were to transpire)	Risk of possible financial loss Risk of further qualification of accounts with consequences for council reputation and Use of Resources scoring
Gross/Inherent Risk (Probability of the risk occurring and Impact if it does occur as at the time it has been identified rate 1-5)	Probability 3 Impact 4

<p>Mitigating Control & Owner (What if anything needs to be done to manage the risk balancing risk and reward – benefit vrs cost)</p>	<p>Review effectiveness of internal controls and standards of financial administration across the council, with corporate commitment to making the changes needed</p> <p>Introduce clear Quality Assurance procedures</p> <p>Ensure clear and strong finance service leadership</p> <p>Internal audit reviews of key controls and high risk areas</p>
<p>Actions & Owner (What actions need to be carried out and by whom)</p>	<p>Carry out action plan as per CE report to A&G 24/11/09</p>
<p>Net/Residual Risk (Evaluate the impact of the mitigating control. Adjust to reflect the effectiveness of the control mechanisms. Probability of risk occurring and what the impact would be – 1-5).</p>	<p>Probability 2 Impact 4</p>

Risk Reference: CRR12