



TO COUNCILLOR:

G A Boulter
Miss P V Joshi
J Kaufman

Mrs L Kaufman
K J Loydall (Chair)
D W Loydall

Mrs S B Morris

I summon you to attend the following meeting for the transaction of the business in the agenda below.

Meeting: Audit Committee
Date and Time: Wednesday, 5 October 2022, 6.00 pm
Venue: Council Offices, Bushloe House, Station Road, Wigston, Leicestershire, LE18 2DR
Contact: Democratic Services
t: (0116) 257 2775
e: democratic.services@oadby-wigston.gov.uk

Yours faithfully

Council Offices
Wigston
27 September 2022

Mrs Anne E Court
Chief Executive



Meeting ID: 2260



It has cost **£5.77** to print, package and post this single agenda pack for this meeting.
A full cost breakdown for all agenda packs for this meeting is provided further down.

ITEM NO.

AGENDA

PAGE NO'S

Live Stream of Meeting | Instructions

This meeting will be live streamed.

Press & Public Access:

YouTube Live Stream

A direct link to the live stream of the meeting's proceedings on the Council's YouTube Channel is below.

<https://www.youtube.com/watch?v=SH0qsRK9g2s>

1. Apologies for Absence

To receive apologies for absence from Members to determine the quorum of the meeting in accordance with Rule 7 of Part 4 of the Constitution.

2. Appointment of Substitutes

To appoint substitute Members in accordance with Rule 26 of Part 4 of the Constitution and the Substitution Procedure Rules.

3. Declarations of Interest

Members are reminded that any declaration of interest should be made having regard to the Members' Code of Conduct. In particular, Members must make clear the nature of the interest and whether it is 'pecuniary' or 'non-pecuniary'.

4. Minutes of the Previous Meeting

To read, confirm and sign the minutes of the previous meeting in accordance with Rule 19 of Part 4 of the Constitution.

a. **Audit Committee - Wednesday 22 June 2022, 6.00 pm** **4 - 6**

b. **Audit Committee, Extraordinary - Monday 4 July 2022, 6.00 pm** **7 - 8**

5. Action List Arising from the Previous Meeting

There was no Action List arising from the previous meeting.

6. Petitions and Deputations

To receive any Petitions and, or, Deputations in accordance with Rule(s) 11 and 12 of Part 4 of the Constitution and the Petitions Procedure Rules respectively.

7. Internal Audit Progress Report (September 2022) **9 - 16**

Report of the Strategic Director / Section 151 Officer

8. Audit Findings Report (2020/21) **17 - 48**

Report of the Interim Head of Finance / Deputy Section 151 Officer

9. Strategic Risk Update (2022/23) **49 - 65**

Report of the Strategic Director / Section 151 Officer

**You can access all available public meeting documents
and audio-visual live streams and recordings electronically on:**



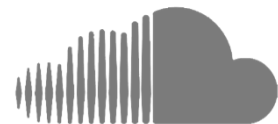
Our website **oadby-wigston.gov.uk** under 'Your Council' and 'Meeting Dates, Agendas & Minutes'



Your smart **iPad, Android** or **Windows** device with the intuitive '**Modern.Gov**' app



Our **YouTube** Channel available at **bit.ly/3vji3FY** or smart device with the '**YouTube**' app.



Our audio platform **soundcloud.com/oadbywigstonbc** or smart device with the '**SoundCloud**' app

Audit Committee

Wednesday, 5 October 2022, 6.00 pm

*Printed and published by Democratic Services,
Oadby and Wigston Borough Council, Council Offices,
Station Road, Wigston, Leicestershire, LE18 2DR*



The cost breakdown for printing, packaging and posting the agenda pack for this meeting (excluding any carbon footprint impact) is calculated as follows:

	This agenda pack (1)	All agenda packs (3)
Paper, ink and envelope (A4 white, colour, C4 envelope)	£3.53	£10.60
Postage (1st class, large)	£2.24	£6.72
Officer time (Pro rata hourly rate, 1 hour)	n/a	£10.31
Total cost(s)	£5.77	£27.63

Please contact Democratic Services to discuss the more cost-effective and environmentally-friendly options available for receiving this agenda pack, including any IT and/or training requirements.

Agenda Item 4a

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD AT/BY COUNCIL OFFICES,
BUSHLOE HOUSE, STATION ROAD, WIGSTON, LEICESTERSHIRE, LE18 2DR ON
WEDNESDAY, 22 JUNE 2022 COMMENCING AT 6.00 PM**

PRESENT

K J Loydall Chair



Meeting ID: 2228

COUNCILLORS

G A Boulter
Miss P V Joshi
J Kaufman
Mrs L Kaufman
D W Loydall

OFFICERS IN ATTENDANCE

T Bingham Strategic Director / Section 151 Officer
C Campbell Head of Finance / Deputy Section 151 Officer
C Eyre Housing Manager
D M Gill Head of Law & Democracy / Monitoring Officer
A Hunt Democratic & Electoral Services Officer

OTHERS IN ATTENDANCE

P Harvey Grant Thornton UK LLP
G Patterson Grant Thornton UK LLP
M Watkins CW Audit Services

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Mrs S B Morris.

2. APPOINTMENT OF SUBSTITUTES

None.

3. DECLARATIONS OF INTEREST

None.

4. MINUTES OF THE PREVIOUS MEETING

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The minutes of the previous meeting held on 30 March 2022 be taken as read, confirmed and signed.

5. ACTION LIST ARISING FROM THE PREVIOUS MEETING

Audit Committee
Wednesday, 22 June 2022, 6.00 pm

Chair / Vice-
Chair's Initials

None.

6. PETITIONS AND DEPUTATIONS

None.

7. INFORMING THE AUDIT RISK ASSESSMENT (2020/21)

The Committee gave consideration to the report and appendix (as set out on pages 7 – 37 of the agenda pack) which updated Members on the progress of the external audit 2020/21 Statement of Accounts made up to 31 March 2021.

It was moved by the Chair, seconded by Councillor D W Loydall and

UNANIMOUSLY RESOLVED THAT:

The Committee reviews, notes and approves the 2020/21 Informing the Audit Risk Assessment for the year ended 31 March 2021.

8. AUDIT FINDINGS REPORT (2020/21)

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The Audit Findings Report (2020/21) be deferred to the extraordinary Audit Committee meeting on Monday, 4 July 2022 at 6.00 pm

9. DRAFT LETTER OF REPRESENTATION

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The Draft Letter of Representation be deferred to the extraordinary Audit Committee meeting on Monday, 4 July 2022 at 6.00 pm.

10. STRATEGIC RISK UPDATE (2022/23)

The Committee gave consideration to the report and appendices (as set out on pages 38 - 55 of the agenda pack) which presented the Operational and Strategic Risk Registers for information.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The report and Operational and Strategic Risk Registers (as set out in Appendices 1 and 2) be considered.

11. INTERNAL AUDIT PROGRESS REPORT (JUNE 2022)

The Committee gave consideration to the report and appendix (as set out in pages 56 - 67 in the agenda reports pack) which gave members a final update on Internal Audit's progress on delivering the 2021/22 audit plan and audit work undertaken since the last

update in March 2022.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The Internal Auditors report be noted.

12. INTERNAL AUDIT ANNUAL REPORT AND OPINION (2021/22)

The Committee gave consideration to the report and appendix (as set out in pages 68 - 80 in the agenda reports pack) which provided the Committee with the Internal Auditors Annual Report and Opinion for 2021/22.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The report included on the audit opinion and the adequacy and effectiveness of the Council's arrangements for governance, risk management and internal control (as set out at Appendix 1) be noted.

THE MEETING CLOSED AT 7.31 pm



Chair / Vice-Chair

Monday, 4 July 2022

Printed and published by Democratic Services, Oadby and Wigston Borough Council, Council Offices, Station Road, Wigston, Leicestershire, LE18 2DR

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD AT COUNCIL OFFICES,
BUSHLOE HOUSE, STATION ROAD, WIGSTON, LEICESTERSHIRE, LE18 2DR ON
MONDAY, 4 JULY 2022 COMMENCING AT 6.00 PM**

PRESENT

K J Loydall Chair



Meeting ID: 2443

COUNCILLORS

G A Boulter
Miss P V Joshi
D W Loydall
Mrs S B Morris

OFFICERS IN ATTENDANCE

T Bingham Strategic Director / Section 151 Officer
C Campbell Head of Finance / Deputy Section 151 Officer
A Hunt Democratic & Electoral Services Officer
R Sohal Finance Manager

OTHERS IN ATTENDANCE

P Harvey Grant Thornton UK LLP
G Patterson Grant Thornton UK LLP

13. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors J Kaufman and Mrs L Kaufman.

14. APPOINTMENT OF SUBSTITUTES

None.

15. DECLARATIONS OF INTEREST

None.

16. AUDIT FINDINGS REPORT AND MANAGEMENT REPRESENTATION LETTER (2020/21)

The Committee gave consideration to the report and appendices (as set out in pages 3 – 162 in the agenda reports pack and pages 3 – 35 in the second agenda reports pack), which updated members on the progress of the external audit of the 2020/21 Statement of Accounts made up to 31 March 2021.

It was moved by the Chair, seconded by Councillor G A Boulter and

UNANIMOUSLY RESOLVED THAT:

(i) The Statement of Accounts and Annual Governance Statement for the

- year ended 31 March 2021 (Appendix 1) be reviewed and approved.
- (ii) In order to comply with the Council's statutory obligations, the Statement of Accounts and Annual Governance Statement for the year ended 31 March 2021 can be published and the Section 151 Officer be authorised, following consultation with the Chair of the Audit Committee, to make any required final changes to the accounts that may be agreed with Grant Thornton LLP, the Council's external auditors, be confirmed.
- (iii) The Management Representation Letter be approved.

THE MEETING CLOSED AT 7.07 pm



Chair / Vice-Chair

Wednesday, 5 October 2022

Printed and published by Democratic Services, Oadby and Wigston Borough Council, Council Offices, Station Road, Wigston, Leicestershire, LE18 2DR

Agenda Item 7



Audit Committee	Wednesday, 05 October 2022	Matter for Information
------------------------	---------------------------------------	-----------------------------------

Report Title: **Internal Audit Progress Report (September 2022)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To give an update on Internal Audit's progress on delivering the 2022/23 Audit Plan.
Report Summary:	Full assurance opinion provided for audit of Car Park Income. Certifications provided on Test & Trace Grant and Contain Outbreak Management Fund. Summary of recommendation tracking results.
Recommendation(s):	That the progress made in delivering the 2022/23 Audit Plan be noted.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 tracy.bingham@oadby-wigston.gov.uk Mark Watkins (Head of Internal Audit) 07926 252619 mark.watkins@cwaudit.org.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Key Supplier / Partnership Failure (CR2) Reputation Damage (CR4) Effective Utilisation of Assets / Buildings (CR5) Regulatory Governance (CR6) Increased Fraud (CR10)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.

Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	1. OWBC IA Progress Report – September 2022

1. Information

- 1.1 The Internal Audit Progress Report attached at **Appendix 1** provides an overall summary of the work undertaken to date relating to the audit plan.
- 1.2 The activities to be reviewed throughout the financial year are listed in Table 4 of the Progress Report. The quarter in which the work is to be started is shown along with the current progress status. Internal Audit then provides an opinion on the level of assurance that is given once the work has been completed.
- 1.3 Internal Audit progress reports are presented to every meeting of the Audit Committee so Members can be kept up to date with Internal Audit work and findings.
- 1.4 Under the Local Government Act 1972, section 151 and the Accounts and Audit (England) Regulations 2011(as amended), the Council has a responsibility to maintain an adequate and effective Internal Audit function. At Oadby and Wigston Borough Council this responsibility is delivered by CW Audit Services.
- 1.5 In responding to this requirement, the Internal Audit service works to best practice as set out in the Public Sector Internal Audit Standards (2017), which is published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Oadby & Wigston Borough Council

Internal Audit Progress Report

September 2022



cw audit
internal audit services

Bringing public value to life

1. Introduction

This report summarises the progress made to the end of August 2022 on delivering the 2022/23 Audit Plan. Good progress has been made and we do not anticipate any difficulties in delivering our full programme of work. Section 4 provides a summary of the current status of all audits included on the 2022/23 plan.

2. 2022/23 Reviews completed

Review	Summary	Level of assurance
IT Governance Healthcheck	<ul style="list-style-type: none"> This was an advisory piece of work that helped management to identify the programme of work necessary to provide appropriate governance over the new IT function that was recently brought back in-house. 	N/A

Review	Key issues	Level of assurance			
Car Park Income	<ul style="list-style-type: none"> No key issues to report 	Full			
System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
All parking income due to the Council is properly collected and banked in a timely manner in accordance with approved fees and charges and budget.	✓				
There is a valid and comprehensive contract in place for car park income collection/banking and performance against contract requirements is effectively monitored.	✓				
There is a valid and comprehensive contract in place for the maintenance of pay & display machines and malfunctions are reported and dealt with promptly.	✓				

Review	Summary	Level of assurance
Test & Trace Grant Certification	<ul style="list-style-type: none"> Head of Internal Audit certification provided in accordance with terms & conditions of grant. 	N/A

Review	Summary	Level of assurance
COMF Certification	<ul style="list-style-type: none"> Head of Internal Audit certification provided in accordance with terms & conditions for monies received from the Contain Outbreak Management Fund. 	N/A

3. Recommendation tracking

We provide a system for tracking the implementation of agreed Internal Audit recommendations as a management assurance tool for the Council and this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first table below represents the status of agreed actions due to be implemented by 31/08/22 for all recommendations raised since 1st April 2020. The second table outlines the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit has verified the status in all cases.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 31/08/22	-	20	88	40	148
Implemented / Closed	-	20	81	32	133
Still to be completed	-	0	7	8	15

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	0	3	1	4
3 – 6 months	-	0	3	4	7
Greater than 6 months	-	0	1	3	4
Total	-	0	7	8	15

The number of recommendations that remain unimplemented by their original target date continues to be relatively low and has reduced from the 20 that were reported to the June 2022 Audit Committee meeting. The table below provides more detail on the medium risk recommendation that has been outstanding for more than six months.

'Medium risk' recommendations overdue for more than six months from original implementation date

Review	Recommendation	Risk	Original target date	Revised target date	Current status
Housing Allocations	Develop written procedures covering Choice Based Lettings and housing allocations.	3	30 Sept 21	31 Dec 22	CBL procedures need to reflect the revised Housing Allocations Policy, which is due for public consultation week commencing 3 rd October 2022 and is scheduled for approval by the PFD Committee on 6 th December 2022. CBL procedures will be drafted in line with the Policy once it has been formally approved.

4. 2022/23 Internal audit plan

Review	Scheduled	Status	Level of assurance
Human Resources – Staff Development	Quarter 4	Scope agreed	
Risk Management	Quarter 2 / 3	Scope agreed	
Counter Fraud & Corruption	Quarter 1 / 2	Draft report	
National Fraud Initiative	Throughout year	Ongoing	N/A
Financial Management & Reporting	Quarter 4		
Creditors	Quarter 4		
Income & Debtors	Quarter 4		
Treasury Management	Quarter 4		
Grounds Maintenance & Street Cleaning	Quarter 2 / 3	In progress	
IT Governance Healthcheck	Quarter 1	Complete	N/A - advisory
Capital Programme & Project Management	Quarter 2 / 3	In progress	
Alcohol & Entertainment Licensing	Quarter 2 / 3	In progress	
Benefits / Council Tax Support	Quarter 4		
Safeguarding	Quarter 2	In progress	
Car Park Income	Quarter 2	Final report	Full
Housing Rents	Quarter 2 / 3	In progress	
Homelessness	Quarter 2	In progress	
Development Control	Quarter 3	Scope agreed	
Test & Trace Grant Certification	Quarter 1	Certification provided	N/A
COMF Certification	Quarter 1	Certification provided	N/A

Agenda Item 8



Audit Committee	Wednesday, 05 October 2022	Matter for Information and Decision
------------------------	---------------------------------------	--

Report Title: **Audit Findings Report (2020/21)**

Report Author(s): **Tony Gwam (Interim Head of Finance / Deputy Section 151 Officer)**

Purpose of Report:	To update Members on the progress of the external audit of the 2020/21 Statement of Accounts made up to 31 March 2021.
Report Summary:	<p>The Council's draft statement of accounts are required to be audited each year by set dates. The Council's draft accounts were approved by the Section 151 Officer in August 2021 and have been subject to audit by OWBC external auditors, Grant Thornton. The Council's accounts were approved by the Audit Committee at its meeting in July 2022 and delegated authority was given to the Section 151 Officer, in consultation with the Audit Committee Chair to make any final changes to the accounts that the auditors require.</p> <p>This report provides an update on the progress of the audit of the accounts since the July 2022 Audit Committee.</p> <p>Grant Thornton Audit Findings report also includes recommendations for the Council to implement following the audit of the Council's 2020/21 Statement of Accounts. These were previously presented in July 2022.</p>
Recommendation(s):	That the Audit Findings report 2020/21 issued by the External Auditors be noted and any recommendations outlined be approved.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 Tracy.Bingham@oadby-wigston.gov.uk</p> <p>Tony Gwam (Interim Head of Finance / Deputy Section 151 Officer) (0116) 257 2608 Tony.Gwam@oadby-wigston.gov.uk</p> <p>Rashpal Sohal (Finance Manager) (0116) 257 2705 Rashpal.Sohal@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.

Financial:	There are no implications arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	<ul style="list-style-type: none"> • The Accounts and Audit (England) Regulations 2015 • Delivering Good Governance in Local Government
Appendices:	1. Audit Finding Report 2020/21

1. Introduction and Background

- 1.1 The publication of the Statement of Accounts is governed by the requirements of the Accounts and Audit (England) Regulations 2015. These require the Statement of Accounts to be certified by the Council's Section 151 Officer as presenting a true and fair view of the financial position of the Council by 31 May each year. The accounts must then be submitted for external audit to publish audited accounts by no later than 31 August each year.
- 1.2 Following certification by the Acting Section 151 Officer in August 2021, the accounts have been subject to detailed and rigorous review by the Council's external auditors, Grant Thornton.

2. Audit Findings Report

- 2.1 The Audit finding report for OWBC financial statements is complete, subject to any outstanding queries being resolved. It is anticipated that an unqualified Audit opinion will be issued in October 2022. Members are asked to approve this updated version shown in **Appendix 1**.

The Audit Findings for Oadby & Wigston Borough Council

Year ended 31 March 2021

Oadby & Wigston Borough Council

June 2022

Updated September 2022

~ Page 19 ~



Contents



Your key Grant Thornton team members are:

Grant Patterson

Key Audit Partner

T 0121 232 5296

E Grant.B.Patterson@uk.gt.com

Paul Harvey

Manager

T 0116 257 5589

E Paul.M.Harvey@uk.gt.com

Janette Scotchbrook

Assistant Manager

T 0121 232 5409

E Janette.K.Scotchbrook@uk.gt.com

Section

1. Headlines	3
2. Financial statements	5
3. Value for money arrangements	19
4. Independence and ethics	21

Appendices

A. Action plan	23
B. Follow up of prior year recommendations	24
C. Audit adjustments	25
D. Fees	29

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with management and the Audit Committee.

Name : Grant Patterson
For Grant Thornton UK LLP
Date : June 2022

Page

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

1. Headlines

This table summarises the key findings and other matters arising from the statutory audit of Oadby & Wigston Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2021 for those charged with governance.

This report provides an update on changes since the June 2022 report. The changes are highlighted in red and the key pages are 25 and 26.

~ Page 21 ~

Financial Statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:

- the Council's financial statements give a true and fair view of the financial position of the Council and its income and expenditure for the year; and
- have been properly prepared in accordance with the CIPFA/LASAAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS) and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our audit work was completed remotely during over the past year. Our work has again been significantly delayed due to issues with the Collection Fund and the valuation of Land & Buildings and Council Dwellings.

Our findings are summarised on pages 5 to 18.

We have identified a number of adjustments to the financial statements that have resulted in a £2.289m adjustment (increase) to the Council's Comprehensive Income and Expenditure Statement (CIES). **This is a movement of £4.915m from the figure we reported in June 2022 (£1.926m reduction in expenditure).** It has driven by further work in respect of the Collection where the Council identified that it had incorrectly accounted for small business rates relief grants which were repayable. These had been taken to the Collection Fund Reserve when they should have been recognised as creditors (have now been repaid). The grants were to compensate the Council for potential losses. As the losses did not materialise the grant was repayable i.e. they were not additional resources to spend at the discretion of the Council but to compensate for potential losses. The income and expenditure needs to be recognised in CIES to ensure the Movement in Reserves Statement is properly stated. The Council has therefore not lost any spending power.

There has also been a further £245k reclassification on the Balance sheet to reflect the transfer of Oadby Pool asset from investment properties to surplus assets.

Audit adjustments are detailed in Appendix C, **see pages 25 and 26 for the amendments above.**

We have also identified **two uncertainties totalling £346k** which the Council cannot adjust as they are based upon extrapolations.:

- As part of our testing on creditors we review a number of items that had been accrued for based on the GRNI list. Testing identified that for 3 items (totalling £2,188) that had been accrued had already been paid. We have extrapolated these error across the GRNI population and it is potentially misstated by £96,265.
- As in 2019/20 the Council and valuer were unable to provide the original source data used in the revaluation of a sample of other land & buildings assets. Officers have provided alternative evidence to support the data used in the revaluations, however these didn't exactly agree to the data used. **We originally estimated an uncertainty of £334k but this has now been refined to a £250k uncertainty in the valuation of PP&E.** This is being addressed as part of the 2021/22 revaluation.

We have also raised recommendations for management as a result of our audit work in Appendix A. Our follow up of recommendations from the prior year's audit are detailed in Appendix B.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion or material changes to the financial statements, subject to the following outstanding matters:

- internal quality review checks – **as unadjusted uncertainties are between our performance materiality and headline materiality (see page 6) as part of the Firm's risk management arrangements we are required to consult with a Partner Panel before issuing our opinion. We will update the Audit Committee on the outcomes of this at the meeting.**
- receipt of management representation letter; and
- review of the final set of financial statements.

We have concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the financial statements we have audited.

Our anticipated audit report opinion will be unmodified.

1. Headlines

Value for Money (VFM) arrangements

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are now required to report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Auditors are required to report their commentary on the Council's arrangements under the following specified criteria:

- Improving economy, efficiency and effectiveness;
- Financial sustainability; and
- Governance

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. An audit letter explaining the reasons for the delay is attached in the Appendix G to this report. **We expect to issue our Auditor's Annual Report in October.** This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements.

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified a risk in respect of Financial Sustainability and Delivery of Savings as part of our audit planning work. Our work on this risk is underway and an update is set out in the value for money arrangements section of this report.

Statutory duties

The Local Audit and Accountability Act 2014 ('the Act') also requires us to:

- report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and
- to certify the closure of the audit.

We have not exercised any of our additional statutory powers or duties.

We expect to certify the completion of the audit upon the completion of our work on the Council's VFM arrangements, which will be reported in our Annual Auditor's report in September 2022.

2. Financial Statements

Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ("the Code"). Its contents have been discussed with management and the Audit Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Audit approach

Our audit approach was based on a thorough understanding of the Council's business and is risk based, and in particular included:

- An evaluation of the Council's internal controls environment, including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks

Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we now anticipate issuing an unqualified audit **opinion in October 2022**.

These outstanding items include:

- internal quality review checks
- receipt of management representation letter; and
- review of the final set of financial statements.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff. As highlighted in our audit plan presented to the Audit Committee in December 2021, the impact of the pandemic has meant that both your finance team and our audit team faced audit challenges again this year, such as remote access working arrangements i.e. remote accessing financial systems, video calling, physical verification of assets, verifying the completeness and accuracy of information provided remotely produced by the entity, cover for sickness absence, access to key data from Council staff.

2. Financial Statements



Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Materiality levels remain the same as reported in our audit plan in December 2021

We detail in the table to the right our determination of materiality for Oadby & Wigston Borough Council

	Council Amount (£)	Qualitative factors considered
Materiality for the financial statements	420,000	We determined materiality for the audit of the Council's financial statements as a whole to be £420k in our audit plan, which equated to approximately 1.85% of the Council's 2019-20 gross operating expenses. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Council has expended its revenue and other funding.
Performance materiality	294,000	Performance materiality drives the extent of our testing and this was set at 70% of financial statement materiality. Our consideration of performance materiality is based upon a number of factors: <ul style="list-style-type: none"> • We are not aware of a history of deficiencies in the control environment. • The prior year included a prior period adjustment for an error relating to classification of Council Dwellings within the Beacon property revaluation approach; and • Changes in key reporting personnel within the finance department
Trivial matters	21,000	Triviality is the threshold at which we will communicate misstatements to the Audit Committee.
Materiality for senior officer remuneration	25,000	In accordance with ISA320 we have considered the need to set lower levels of materiality for sensitive balances, transactions or disclosures in the accounts. We consider the disclosures of senior officer's remuneration to be sensitive as we believe these disclosures are of specific interest to the reader of the accounts.

2. Financial Statements - Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan

Commentary

Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Authority faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.

We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- evaluated the design effectiveness of management controls over journals
- obtained the listing of journal entries and other adjustments for the year and reconciled this back to the trial balance to ensure it was complete
- analysed the journals listing and determined the criteria for selecting high risk or unusual journals
- identified and tested 42 high risk or unusual journals made during the year and the accounts production stage for appropriateness and corroboration
- gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness
- reviewed material estimates and judgements for evidence of material bias.
- reviewed the accounting policies adopted by the Authority.

Our review of accounting policies found them to be in line with the relevant financial reporting standards. Details of our findings on the material estimates and judgements can be found on pages 11 to 13.

Our audit work has not identified any issues in respect of management override of controls.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Fraudulent revenue recognition (rebutted)

Having considered the risk factors set out in ISA 240 and the nature of the revenue streams at the Council, we determined that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition.
- opportunities to manipulate revenue recognition are very limited.
- the culture and ethical frameworks of local authorities, including Oadby & Wigston Borough Council, mean that all forms of fraud are seen as unacceptable.

Therefore, we did not consider this to be a significant risk for Oadby & Wigston Borough Council. There were no changes to our assessment as reported in the audit plan that we need to bring to your attention.

Whilst not a significant risk, as part of our audit work we have undertaken work on material revenue items. Our work has not identified any matters that would indicate our rebuttal was incorrect.

Fraudulent expenditure recognition (rebutted)

Having considered the risk factors set out in Practice Note 10 and the nature of expenditure at the Council, we determined that the risk of fraud arising from revenue recognition could be rebutted, because:

- there is little incentive to manipulate revenue recognition.
- opportunities to manipulate revenue recognition are very limited.
- the culture and ethical frameworks of local authorities, including Oadby & Wigston Borough Council, mean that all forms of fraud are seen as unacceptable.

Therefore, we did not consider this to be a significant risk for Oadby & Wigston Borough Council.

There were no changes to our assessment as reported in the audit plan that we need to bring to your attention.

Whilst not a significant risk, as part of our audit work we have undertaken work on material expenditure items. Our work has not identified any matters that would indicate our rebuttal was incorrect.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of land and buildings

The Authority revalues its land and buildings on a rolling five-yearly basis.

This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.

Additionally, management will need to ensure the carrying value in the Authority financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.

We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have:

- evaluated the processes, controls and assumptions put in place by management to ensure that the PP&E valuation is not materially misstated and evaluate the design of these and whether they are sufficient to mitigate the risk of material misstatement;
- assessed the competence, capabilities and objectivity of management's experts (valuers) who carried out your PPE valuations;
- evaluated the instructions issued by management to their management expert (a valuer) for this estimate and the scope of the valuer's work;
- communicated with the valuer about the basis on which the valuation is carried out and where necessary challenge the key assumptions;
- reviewed and challenged the information used by the valuer to ensure it is robust and consistent with our understanding
- tested revaluations made during the year to ensure they are consistent with the valuer's report and input correctly into the Council's asset register; and
- evaluated the assumptions made by management for those assets not revalued during the year and how management have satisfied themselves that these are not materially different to current value.

We experienced a number of issues in obtaining information from the Council's valuer that was necessary to support our audit. This information included the source data used by the valuer and copies of their valuation workings. This has resulted in delays to completing our work in this area and has significantly increased the actual amount of time required for us to complete our testing.

As part of our testing we selected a sample of 16 assets to agree to the source data (e.g. floor plans) used by the valuer in preparing their valuation. In all cases officers were unable to identify the source data used. For the five highest value assets the valuer has remeasured the Gross Internal Area (GIA) and provided updated measurements. For the remaining sample items officers provided alternative evidence to support the data used in the revaluations, however this didn't agree to the data used. We have considered these differences and extrapolated the error across the other land and buildings population, resulting in an estimated error of £0.25m. Officers have not amended the financial statements for this error.

As part of this work we also identified that the acreage for land at Flude's Lane was incorrect. The valuer had based his valuation on the area being 64.21 acres when the size was actually 5.39 acres. The Valuer has updated its valuation to reflect the correct size and the valuation has decreased by £709k to £59k. As this error also existed at 31 March 2020 this Details of the amendments to the accounts for this issue can be found in Appendix B. Officers also identified that this error existed in previous years and have included a prior period adjustment in the financial statements to correct the comparatives.

Apart from the issues identified above our audit work has not identified any further issues in respect of the valuation of land and buildings.

2. Financial Statements - Significant risks

Risks identified in our Audit Plan

Commentary

Valuation of pension fund net liability

The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.

The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.

We therefore identified valuation of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.

We have, relying where appropriate on work carried out by ourselves as auditors of the Leicestershire Pension Fund:

- updated our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls;
- evaluated the instructions issued to the management expert (actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation;
- assessed the accuracy and completeness of the information provided by the Authority to the actuary, through the Pension Fund, to estimate the liability;
- tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary;
- undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- documented and evaluated the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Our testing did not identify any issues in respect of the pension fund net liability. We have also considered the key judgements and estimates in relation to the pension fund liability. Our findings can be found on page 13.

Officers have received an updated IAS19 report from the actuary for Leicestershire Pension Fund. Based on an initial review the net pension liability has reduced by c£0.834m. The accounts have been amended for this (page 25).

2. Financial Statements – key judgements and estimates

This section provides commentary on key estimates and judgements inline with the enhanced requirements for auditors.

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Land and Building valuations – £24.864m	<p>Operational land and buildings comprises £24.864m of assets which are valued at existing use value (EUV) where market data is available or if specialised i.e. leisure centres at depreciated replacement cost (DRC) at year end, reflecting the cost of a modern equivalent asset necessary to deliver the same service provision</p> <p>The Council has engaged Innes England to complete the valuation of properties as at 31 March 2021, this includes all assets which are required to be measured at fair value.</p> <p>Management have demonstrated through correspondence with the valuer their challenge of assumptions used in the estimation of asset values.</p> <p>The total year end valuation of land and buildings was £24.864m, a net decrease of £0.043m from 2019/20 (£24.907m).</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work, which has included the user of our own valuer to assist with our review and challenge evaluated the competence, capabilities and objectivity of the valuation expert written to the valuer to confirm the basis on which the valuations were carried out considered the completeness and accuracy of the underlying information used to determine the estimate tested on a sample basis revaluations of the Council's operational properties and investment properties during the year to ensure they have been input correctly into the Council's asset register and financial statements considered the Council's process for reviewing the carrying value of assets not revalued in the year. <p>We identified issues with the underlying data used to in the valuer's revaluation of other land and buildings. See page 9 for more information.</p>	Grey

~ Page 29 ~

Assessment

- [Purple] We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- [Blue] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- [Grey] We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- [Light Purple] We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Significant judgement or estimate	Summary of management's approach	Audit Comments	Assessment
Council Dwellings – £65.999m	<p>The Council owns 1,199 dwellings and is required to revalue these properties in accordance with MHCLG's Stock Valuation for Resource Accounting guidance. The guidance requires the use of beacon methodology, in which a detailed valuation of representative property types is then applied to similar properties. The Council has engaged Innes England to complete the valuation of these properties.</p> <p>The total year end valuation of land and buildings – council dwellings was £65.999m, a net increase of £3.211m from 2019/20 (£62.788m).</p>	<p>We have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work evaluated the competence, capabilities and objectivity of the valuation expert written to the valuer to confirm the basis on which the valuations were carried out tested on a sample basis revaluations of the Council's council housing properties during the year to ensure they have been input correctly into the Council's asset register and financial statements <p>Our audit work has not identified any issues.</p>	Light Purple

~ Page 30 ~

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - key judgements and estimates

Area	Summary of management's approach	Audit Comments	Assessment																									
Net pension liability – £30.09m	<p>The Council's net pension liability at 31 March 2021 is £30.09m (PY £22.47m) comprising the Leicestershire Local Government Pension Scheme and unfunded defined benefit pension scheme obligations in relation to Teachers.</p> <p>The Council uses Hymans Robertson to provide actuarial valuations of the Council's assets and liabilities derived from this scheme. A full actuarial valuation is required every three years.</p> <p>The latest full actuarial valuation was completed in 2019. Given the significant value of the net pension fund liability, small changes in assumptions can result in significant valuation movements. There has been a £7.62m net actuarial loss during 2020/21.</p>	<p>We have</p> <ul style="list-style-type: none"> Undertaken an assessment of management's expert Reviewed and assessed the actuary's roll forward approach taken, Used an auditors expert (PwC) to assess the actuary and assumptions made by the actuary. This led to further detailed discussions with the Pension Fund and Actuary whereby we challenged these assumptions and the calculation method applied 	Light Purple																									
		<table border="1"> <thead> <tr> <th>Assumption</th> <th>Actuary Value</th> <th>PwC range</th> <th>Assessment</th> </tr> </thead> <tbody> <tr> <td>Discount rate</td> <td>2.00%</td> <td>1.95% - 2.05%</td> <td>●</td> </tr> <tr> <td>Pension increase rate</td> <td>2.85%</td> <td>2.8% - 2.85%</td> <td>●</td> </tr> <tr> <td>Salary growth</td> <td>3.35%</td> <td>Scheme specific</td> <td>●</td> </tr> <tr> <td>Life expectancy – Males currently aged 45 / 65</td> <td>22.6 / 21.7 years</td> <td>Consistent</td> <td>●</td> </tr> <tr> <td>Life expectancy – Females currently aged 45 / 65</td> <td>25.9 / 24.2 years</td> <td>Consistent</td> <td>●</td> </tr> </tbody> </table>		Assumption	Actuary Value	PwC range	Assessment	Discount rate	2.00%	1.95% - 2.05%	●	Pension increase rate	2.85%	2.8% - 2.85%	●	Salary growth	3.35%	Scheme specific	●	Life expectancy – Males currently aged 45 / 65	22.6 / 21.7 years	Consistent	●	Life expectancy – Females currently aged 45 / 65	25.9 / 24.2 years	Consistent	●	
		Assumption		Actuary Value	PwC range	Assessment																						
		Discount rate		2.00%	1.95% - 2.05%	●																						
		Pension increase rate		2.85%	2.8% - 2.85%	●																						
		Salary growth		3.35%	Scheme specific	●																						
		Life expectancy – Males currently aged 45 / 65		22.6 / 21.7 years	Consistent	●																						
Life expectancy – Females currently aged 45 / 65	25.9 / 24.2 years	Consistent	●																									
<p>In addition to this, we have:</p> <ul style="list-style-type: none"> identified no issues with the completeness and accuracy of the underlying information used to determine the estimate. confirmed there have been no changes to the valuation method since the previous year, other than the updating of key assumptions above. satisfied ourselves in respect of the reasonableness of: <ul style="list-style-type: none"> the Council's share of pension assets. of the decrease in the estimate, and the adequacy of disclosure of estimate in the financial statements 																												

Assessment

- **Dark Purple** We disagree with the estimation process or judgements that underpin the estimate and consider the estimate to be potentially materially misstated
- **Blue** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider optimistic
- **Grey** We consider the estimate is unlikely to be materially misstated however management's estimation process contains assumptions we consider cautious
- **Light Purple** We consider management's process is appropriate and key assumptions are neither optimistic or cautious

2. Financial Statements - other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

Issue	Commentary
Matters in relation to fraud	We have previously discussed the risk of fraud with the Audit Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	A letter of representation will be requested from the Council.

2. Financial Statements - other communication requirements



Issue	Commentary
Confirmation requests from third parties	We requested from management permission to send a confirmation request to your bank. This permission was granted and the appropriate confirmation was obtained.
Accounting practices	We have evaluated the appropriateness of the Council's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements.
Audit evidence and explanations/ significant difficulties	Due to the turnover of finance staff over the past 18 months there has been a loss of officers with detailed knowledge of the financial systems. This has resulted in difficulties in the provision of suitable audit evidence to support some of the balances (in particular the Collection Fund). This has been coupled with the late start of the 2020/21 audit due to delays in completion of the 2019/20 audit.

2. Financial Statements - other communication requirements



Our responsibility

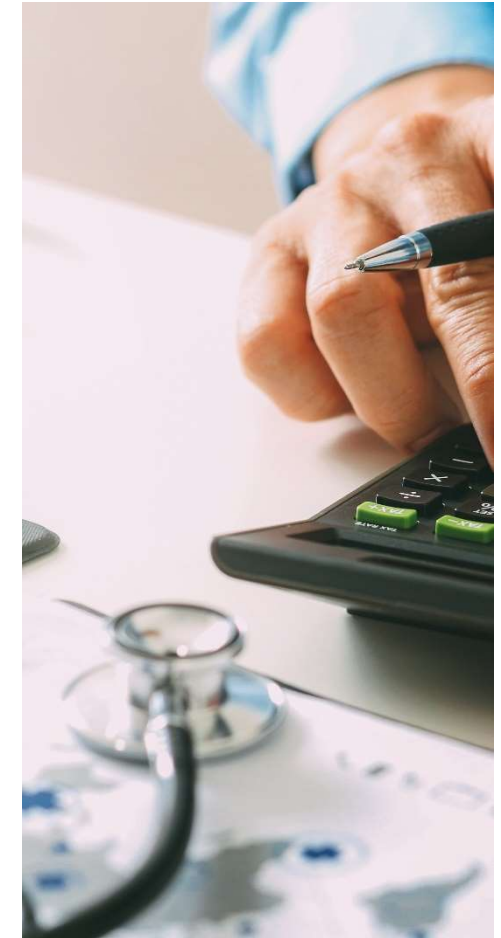
As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

Issue	Commentary
Going concern	<p>In performing our work on going concern, we have had reference to <i>Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020)</i>. The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities:</p> <ul style="list-style-type: none"> the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. Our consideration of the Council's financial sustainability is addressed by our value for money work, which is covered elsewhere in this report. <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by the Council meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated:</p> <ul style="list-style-type: none"> the nature of the Council and the environment in which it operates the Council's financial reporting framework the Council's system of internal control for identifying events or conditions relevant to going concern management's going concern assessment. <p>On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that:</p> <ul style="list-style-type: none"> a material uncertainty related to going concern has not been identified management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Other information	<p>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Annual Governance Statement and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>No inconsistencies have been identified by management. We plan to issue an unmodified opinion in this respect</p>
Matters on which we report by exception	<p>We are required to report on a number of matters by exception in a number of areas:</p> <ul style="list-style-type: none"> • if the Annual Governance Statement does not comply with disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit, • if we have applied any of our statutory powers or duties. • where we are not satisfied in respect of arrangements to secure value for money and have reported [a] significant weakness/es. <p>We have nothing to report on these matters. During the year, we finalised our response to an objection to the accounts for a previous year, but did not exercise our statutory powers as a result of this.</p>

~ Page 35 ~



2. Financial Statements - other responsibilities under the Code

Issue	Commentary
Specified procedures for Whole of Government Accounts	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <ul style="list-style-type: none"> Note that work is not required as the Council does not exceed the threshold;
Certification of the closure of the audit	We intend to delay the certification of the closure of the 2020/21 audit of Oadby & Wigston Borough Council in the audit report as our work on VfM is still to be completed

3. Value for Money arrangements

Revised approach to Value for Money work for 2020/21

On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money. (VFM)

There are three main changes arising from the NAO's new approach:

- A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
- More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria.
- Auditors undertaking sufficient analysis on the Council's VFM arrangements to arrive at far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The Code require auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

~ Page 37 ~

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

3. VFM - our procedures and conclusions

We have not yet completed all of our VFM work and so are not in a position to issue our Auditor's Annual Report. We expect to issue our Auditor's Annual Report by September 2022. This is in line with the National Audit Office's revised deadline, which requires the Auditor's Annual Report to be issued no more than three months after the date of the opinion on the financial statements

As part of our work, we considered whether there were any risks of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. We identified the risk set out below. Our work to date has not identified any issues that we need to bring to your attention or would require immediate reporting. We have given consideration as to whether the delay in the completion of the audit might meet the criteria of a significant weakness in arrangements that required immediate reporting. Given the impact of the pandemic and the fact that Council was actively addressing long term recruitment to key finance positions we have concluded, on balance, that this is not required at this time.

~ Page 38 ~

Risks of significant weakness

Those risks identified in our Audit Plan as requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.



Financial Sustainability and Delivery of Savings

For 2021/22 the Council has approved a balanced budget, however this includes utilising £580k from reserves. This includes the full utilisation of the remaining selective licencing income (£400k) in 2021/22, which was intended to be released equally over the next four years to 2025/26.

The Council's latest medium term financial plan has significantly reduced the funding gap over the medium term to £400k in 2022/23 and £250k in 2023/24.

The medium term financial planning process is challenging due to the uncertainty over future local government funding arrangements, especially given that the 2021/22 financial settlement was only for one year. The longer-term reforms for the local government finance system, including business rates retention and fairer funding have been delayed and the Council recognises the significant risk that these reforms, including the planned Business Rates Reset, will have a significant effect on the Council's funding level from 2022/23.

Our value for money risk assessment remains in progress. However, given the in-year challenges and those anticipated looking forward we believe a residual VFM risk in respect of planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions remains. We will review the Council's Medium Term Financial Strategy and financial monitoring reports and assess the assumptions used and savings being achieved. This is consistent with our value for money assessment's at other local authorities'.

4. Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Audit and non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The following non-audit services were identified, as well as the threats to our independence and safeguards that have been applied to mitigate these threats.

Service	Fees £	Threats identified	Safeguards
Audit related			
Certification of Housing capital receipts grant	3,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £3,500 in comparison to the total estimated fee for the audit of £55,444 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services)	To mitigate against the self review threat, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
Certification of Housing Benefit Claim	10,250	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £10,250 in comparison to the total estimated fee for the audit of £55,444 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
		Self review (because GT provides audit services)	To mitigate against the self review threat, the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.

These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Audit Committee. None of the services provided are subject to contingent fees.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

Appendices

A. Action plan – Audit of Financial Statements

We have identified 2 recommendations for the Council as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2021/22 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

~ Page 41 ~

Assessment	Issue and risk	Recommendations
	<p>Other Land & Buildings Revaluations – Source Data</p> <p>The Council and valuer were unable to provide the original source data used in the revaluation of a sample of other land & buildings assets.</p>	<p>The Council should ensure that it holds the source data used by the valuer in revaluing Other Land & Buildings Assets</p> <p>Management response</p> <p>In 2022/23 the council will be revaluing all our assets by ensuring the valuer has been on site and remeasured all of them. In preparation for this, all the floor plans for all the assets on the General Fund have already been provided to the valuer earlier this year.</p>
	<p>Accruals – GRNI</p> <p>Testing identified that a number of items on the GRNI list that had been accrued for had already paid and were not outstanding.</p>	<p>The Council should undertake a review of the GRNI list to ensure that it is kept up to date and only includes items that have not been paid.</p> <p>Management response</p> <p>It is recognised that a clean-up of the GRNI register needs to be completed. Finance will look to review the report for the 2021/22 statement of accounts.</p>

Controls

- High – Significant effect on financial statements
- Medium – Limited Effect on financial statements
- Low – Best practice

B. Follow up of prior year recommendations

We identified the following issues in the audit of the Council's 2019/20 financial statements, which resulted in 4 recommendations being reported in our 2019/20 Audit Findings report. We have followed up on the implementation of our recommendations and note one is still to be completed.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
X	<p>Other Land & Buildings Revaluations – Source Data</p> <p>The Council and valuer were unable to provide the original source data used in the revaluation of a sample of other land & buildings assets.</p>	<p>Due to the late completion of the 2019/20 the revaluation process for 2020/21 had already been completed. As an interim measure the Valuer has remeasured the 6 highest value assets during 2020/21 to ensure that there were not material differences in the areas used for the valuations.</p> <p>This recommendation is being addressed for the 2021/22 financial statements.</p>
✓	<p>Finance Function Capacity</p> <p>During the last year the Council has experienced a significant turnover of senior staff within the Function. This includes the Head of Finance, Director of Finance and the Deputy Chief Executive.</p>	<p>The Council have strengthened the Finance team by appointing a new s151 officer and finance manager.</p>
✓	<p>Collection Fund</p> <p>Our testing on the collection fund identified that the NNDR figures used in the collection fund didn't agree to supporting evidence. We also identified that the collection fund balances within short term debtors, short term creditors and provision were the 2018/19 amounts and had not been updated for 2019/20 figures.</p>	<p>The Council put in place procedures to run the correct reports in a timely manner.</p> <p>However, we still identified an adjustments to the collection fund (see appendix C), which related to 2019/20 balances being included within short term creditors.</p>
✓	<p>Property, Plant & Equipment - Useful Economic Lives</p> <p>The Council have assigned useful economic lives which are shorter than those recommend by their valuer. It was also identified that Belmont House had an useful economic live that wasn't within the range specified in the accounting policy.</p>	<p>The Council have reviewed and updated the useful economic lives of its assets and incorporated these into the 2020/21 financial statements.</p>

Assessment

- ✓ Action completed
- X Not yet addressed

C. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net expenditure for the year ending 31 March 2021.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
Testing identified that the acreage for land at Fludes Land was incorrect. The valuer had based their valuation on the area being 64.21 acres when the size was actually 5.39 acres. A revised valuation has been obtained resulting in a decrease in value of £0.709m.	-	Dr Revaluation Reserve £709 Cr Community Assets £709	-
At the year end the Council had a £5m investment with Thurrock Council. This was incorrectly included in cash and cash equivalents balance and not short term investments	-	Dr Short Term Investments £5,000 Cr Cash and Cash Equivalent £5,000	-
Covid grants received had been incorrectly included in reserves rather than creditors.	-	Dr Earmarked Reserves £2,414 Cr Creditors £2,414	-
Revised IAS19 figures following an updated actuarial report	Cr Actuarial (Gains)/Losses on Pension Fund Assets and Liabilities £834	Dr Pension Reserve and Other Long Term Liabilities £834	£(834)
Correction of balances relating to the collection fund	Dr Taxation and Non Specific Grant Income and Expenditure £2,865 Dr Corporate Write Offs £21k	Dr Debtors £37 Cr Creditors £1,511 Cr Provisions £1,338	£2,913
Our testing on after date testing identified a number of invoices that related to 2020/21 but hadn't been accrued for in the accounts. Officers	Dr Net Cost of Services £100	Cr Creditors £100	£100
Long term debtors included an amount of £100k relating to an investment in a subsidiary which was dissolved on 8th January 2019. The balance on the company's bank account of £73k was paid out by cheque in early January 2019 to HM Treasury as a consequence of the company's dissolution. The Council are currently in the process of reclaiming this amount and the long term debtor has been amended to reflect the recoverable amount of £73k	Dr Net Cost of Services £27	Cr Long Term Debtors 27	£27
Impact Carried Forward			£2,206

C. Audit Adjustments

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000
Impact Brought Forward			£2,206
VAT debtor did not agree to the VAT returns. Officers have undertaken a reconciliation to agree the amount owed at the year end.	Dr Net Cost of Services £73	Dr Creditors £38 Cr Debtors £111	£73
Transfer of Oadby Pool asset from investment properties to surplus assets	-	Dr Investment Properties £245 Cr Surplus Asset £245	-
Trivial Adjustments			£10
Overall impact			£2,289

C. Audit Adjustments

Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Adjusted?
Contingent Liability – Municipal Mutual Insurance	In previous years the Council have included a contingent liability in respect of the municipal mutual insurance arrangements. These date back to pre 1992. The Council is still a scheme creditor however the impact is not clear or whether there will be any future funding requirements. Therefore it is appropriate to include this as a contingent liability within the accounts.	✓
Prior Period Adjustments	As already identified during the 2020/21 audit we identified a valuation issue in respect of land at Flude's Lane. Officers undertook an assessment of this error and identified that the valuation approach was taken in previous years and that the error was material to the accounts. Therefore a prior period adjustment has been undertaken for this issue and a prior period adjustment note has been added to explain the changes.	✓
Note 45 Remuneration of Senior Staff	The officers salary exceeding £50,000. This section should disclose the number of officers who receive over £50,000 in bands of £5,000. The Code says all employees, incl Snr Officers should be included in the banding, however the draft accounts excluded the senior officers from the banding.	✓
Collection Fund Note 3	Within the note the non-domestic rateable value at 31 March 2021 did not agree to the figure provided by the Valuation Office. The note has been updated to include the correct figure.	✓

C. Audit Adjustments

Impact of unadjusted misstatements

The table below provides details of adjustments identified during the 2020/21 audit which have not been made within the final set of financial statements. The Audit Committee is required to approve management's proposed treatment of all items recorded within the table below.

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting
As in 2019/20 the Council and valuer were unable to provide the original source data used in the revaluation of a sample of other land & buildings assets. Officers have provided alternative evidence to support the data used in the revaluations, however these didn't exactly agree to the data used.	0	Dr Other Land and Buildings £250 Cr CAA / Revaluation Reserve £(250)	0	This issue will be addressed in 2021/22 financial statements as part of the 2021/22 revaluation exercise that has already taken place.
As part of our testing on creditors we review a number of items that had been accrued for based on the GRNI list. Testing identified that for 3 item (£2,188) that had been accrued had already been paid. We have extrapolated these error across the GRNI population and it is potentially misstated by £96,265.	Cr Net Cost of Services £{96}	Dr Creditors £96.	£{96}	Actual error identified is £2k which is trivial.
Overall impact	(£96)	£96	£96	

Impact of prior year unadjusted misstatements

Detail	Comprehensive Income and Expenditure Statement £'000	Statement of Financial Position £' 000	Impact on total net expenditure £'000	Reason for not adjusting
The Council and valuer were unable to provide the original source data used in the revaluation of a sample of other land & buildings assets. Officers have provided alternative evidence to support the data used in the revaluations, however these didn't exactly agree to the data used. We have extrapolated this difference and estimate the total difference to be £288k	0	Dr Other Land and Buildings £288 Cr CAA / Revaluation Reserve £(288)	0	This issue will be address in 2020/21 financial statements as part of the 2020/21 revaluation exercise that has already taken place.
Overall impact	£0	£0	£0	

D. Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

The fees reconcile to the financial statements.

Audit fees	Proposed fee	Estimated Final fee
Council Audit	£55,444	£99,709
Total audit fees (excluding VAT)	£55,444	£99,709

We have reviewed the time we have charged to the 2020-21 audit. In broad terms it has taken us twice as long as envisaged in our plan to deliver our work. We are therefore discussing a potential fee variation with the Director of Finance. It should be noted that any proposed fee variation will also be subject to scrutiny and approval from PSAA.

Non-audit fees for other services	Proposed fee	Final fee
Audit Related Services		
• Certification of Housing Subsidy Claim	£10,250	£10,250
• Certification of Housing Capital receipts grant	£3,500	£3,500
Other		
• None		
Total non-audit fees (excluding VAT)	£13,750	£13,750



Agenda Item 9



Audit Committee	Wednesday, 05 October 2022	Matter for Information
------------------------	---------------------------------------	-----------------------------------

Report Title: **Strategic Risk Update (2022/23)**

Report Author(s): **Tracy Bingham (Strategic Director / Section 151 Officer)**

Purpose of Report:	To present the Strategic Risk Register for information.
Report Summary:	In accordance with the requirements of the Council's Opportunity and Risk Management Policy, this report presents the Strategic Risk Register for the Committee's consideration. The register is updated on a regular basis through discussions the internal Risk Management Group and members of the Senior Leadership Teams.
Recommendation(s):	That the report and Strategic Risk Register (as set out at Appendix 1) be considered.
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) tracy.bingham@oadby-wigston.gov.uk Tony Gwam (Interim Head of Finance / Deputy Section 151 Officer) (0116) 257 2713 tony.gwam@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report.
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.

Consultees:	None.
Background Papers:	None.
Appendices:	1. Strategic Risk Register (Q2 2022/23)

1. Background

- 1.1 In line with the Opportunity Risk Management Policy which was approved by the Audit Committee at its meeting in July 2021, this report presents the Strategic Risk Register at Appendix 1.
- 1.2 As part of the new approach to managing risk across the organisation, introduced in April 2022, the new staff 'Risk Management Group' has met and reviewed and updated the risk register. The register has subsequently been presented to the Senior Leadership Team (SLT) who have ratified and enhanced the changes made.
- 1.3 The Operational Risk Registers (which have previously been shared with the Committee) will no longer be presented to the Committee, in line with the update on this at the June Audit Committee meeting. This is because the Opportunity Risk Management Policy sets out that operational risks are a matter for review by the Council's Corporate Management Team (CMT) and SLT. The Operational Risk Registers remain under quarterly review and any risks with a risk rating of 10 or above is escalated to SLT for consideration and inclusion on the strategic risk register as necessary.
- 1.4 This paper presents a summary of the profile of risks contained within the register and highlights key movements in scores from the position reported in June 2022.

2. Strategic Risk Register

- 2.1 The Strategic Risk Register contains a total of 15 risks and there have been no additional risks added or any removed since the last Audit Committee update.
- 2.2 Several changes have been made which are detailed in the final column of the risk. In summary, these are:
- CR1 (financial resources) – existing controls updated to reflect work undertaken around cost of living crises.
 - CR4 (demographic engagement) - Existing controls updated to reflect sports & physical activity commissioning work that the Council undertakes and the new wellbeing hub that is due to open on Bell Street which will act as a walk-in facility for vaccinations and also be used by other health and care partners for providing services within the community. In addition, the management actions were also updated to capture work that will be included as part of developing the Customer Experience Strategy.
 - CR6 (reputational damage) – Updated to reflect that the Corporate Peer Review Action Plan recommendation around implementing a standardised approach to appraisal and affordability assessments for projects has now been addressed via the new medium term financial strategy.
 - CR7 (asset utilisation) – Existing control updated in respect of work ongoing to repurpose the public toilets.

- CR9 (failure to respond) – Given the heatwaves experienced throughout the Summer, the emerging cost-of-living impacts on residents and the likely adverse weather throughout winter, the inherent and mitigated scoring for this risk has increased. Given this, a revised target date for undertaking a business continuity training exercise and updating of plans has been moved forward from March 2023 to December 2022.
- CR10 (Change/Transformation) – The inherent risk based on likelihood of changes as a result of financial outlook for the Council has been increased. The root cause has also been updated to reflect moving offices and mitigations around that.
- CR11 (Economy/Regeneration) – Updated existing controls where further controls noted on the last version of the register have now been actioned.

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR1	Decreasing Financial resources / Increasing Financial Pressures	All Objectives	<input type="checkbox"/> Increase demand for services e.g. benefits <input type="checkbox"/> Continuing Austerity <input type="checkbox"/> Political promises <input type="checkbox"/> Change in priorities <input type="checkbox"/> Reduction in recycling value <input type="checkbox"/> Deflated housing market <input type="checkbox"/> Lack of business growth <input type="checkbox"/> Further changes in legislation <input type="checkbox"/> Pooling/Unpooling of NNDR <input type="checkbox"/> Universal Credit <input type="checkbox"/> Inefficient running costs of Bushloe House <input type="checkbox"/> Political hesitancy in decision making for fundamental service reform. <input type="checkbox"/> Cost-of-living crises	<input type="checkbox"/> Cuts in services <input type="checkbox"/> Political and customer expectations not met <input type="checkbox"/> Quality of service <input type="checkbox"/> Reputation damage <input type="checkbox"/> Knock on impact on the local community and economy e.g. spiral effect <input type="checkbox"/> Legal challenge, Reduction in rent/monies owed to the council through the introduction of UC, increased homelessness adding stresses to council finances and the local economy.	5	4	20	<input type="checkbox"/> Budgetary Control processes and committee reporting <input type="checkbox"/> Medium Term Financial Strategy and HRA Business Plan - including scenario planning <input type="checkbox"/> Setting and monitoring of savings and efficiency targets <input type="checkbox"/> Annual Fees and Charges review <input type="checkbox"/> Disclosure of expenditure over £250 <input type="checkbox"/> Review of reserves and balances <input type="checkbox"/> Treasury Management and Investment Strategy <input type="checkbox"/> Prudential Indicators <input type="checkbox"/> Revised Financial Regulations <input type="checkbox"/> Business Rates Pooling <input type="checkbox"/> New Procurement Policy, <input type="checkbox"/> Homelessness team increased <input type="checkbox"/> Assessment of viability of capital projects. <input type="checkbox"/> Members have approved move out of Bushloe House to Brocks Hill. <input type="checkbox"/> Financial Inclusion Officer in post. <input type="checkbox"/> Scenario planning for budgets <input type="checkbox"/> Transformation Programme across the council to improve service <input type="checkbox"/> Cost of Living impact assessment undertaken and action plan now in place (presented to Service Delivery Committee 6 Sept). <input type="checkbox"/> Cost of Living focus group meeting fortnightly to monitor actions of action plan <input type="checkbox"/> Q1 financial assessment of inflationary impacts to in-year budget undertaken. <input type="checkbox"/> Ongoing impacts of inflation captured in medium term financial plan. <input type="checkbox"/> Updates to members on cost of living and inflation in members bulletin	4	3	12	<input type="checkbox"/> Review of Financial Regulations <input type="checkbox"/> Training on Contract Procedure Rules; <input type="checkbox"/> enhance budget monitoring <input type="checkbox"/> Creating a new MTFS	<input type="checkbox"/> September 2023 <input type="checkbox"/> March 2023 <input type="checkbox"/> March 2023 <input type="checkbox"/> September 2022	3	2	6
CR2	Key Supplier Failure	All Objectives	<input type="checkbox"/> Change in circumstances <input type="checkbox"/> Capacity and competency <input type="checkbox"/> Further decline of the Economy <input type="checkbox"/> Relationship breakdown <input type="checkbox"/> Changes in legislation <input type="checkbox"/> Changes in personnel <input type="checkbox"/> Liability issues <input type="checkbox"/> Economic conditions - inflation and interest rates	<input type="checkbox"/> Cost implications <input type="checkbox"/> Business Continuity <input type="checkbox"/> Loss of revenue <input type="checkbox"/> Service failure <input type="checkbox"/> TUPE issues <input type="checkbox"/> Potential court action <input type="checkbox"/> Increased complaints <input type="checkbox"/> Reputation issues <input type="checkbox"/> Political damage <input type="checkbox"/> Delays	4	4	16	<input type="checkbox"/> Formal contracts and agreements including realistic notice periods <input type="checkbox"/> Tender arrangements and pre qualification financial assessments <input type="checkbox"/> Qualified internal officers to provide legal advice <input type="checkbox"/> Use of external counsel <input type="checkbox"/> Performance management of contracts, Comprehensive Contract Register, Partnership working with Local Authority Partners <input type="checkbox"/> Welland Procurement also providing support. <input type="checkbox"/> Part of management Board to oversee delegated services such as Lightbulb and Building Control. <input type="checkbox"/> Creation of Project and Procurement Team <input type="checkbox"/> Partnership and contract risk registers <input type="checkbox"/> Contract term renegotiation with key providers as necessary	4	3	12	<input type="checkbox"/> Incorporate service contract register and plans for managing contracts into Service Plans	Mar-23	2	2	4

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR3	Failure to work effectively with other public sector partner organisations (PSOs)	All Objectives	<input type="checkbox"/> Poor service delivery from PSOs the Council has agreements with <input type="checkbox"/> Lack of engagement from partner PSOs <input type="checkbox"/> Governance arrangements which foster effective relationships may be inadequate leading to relationship breakdown Failure of relationships at stratgic level in County & across members	<input type="checkbox"/> Loss of public confidence in Community Safety Partnership <input type="checkbox"/> Loss of funding for LLR Sports Alliance partnership <input type="checkbox"/> Impact on service delivery of poor ICT service <input type="checkbox"/> May not realise potential economies of scale <input type="checkbox"/> Impact on staff morale	4	3	12	<input type="checkbox"/> Formal agreements with public sector partners which clearly identify roles & responsibilities <input type="checkbox"/> Governance arrangements which manage performance against agreements <input type="checkbox"/> Lead officer arrangements/contract manager <input type="checkbox"/> Financial controls ensuring payments are only authorised where service being delivered by partner organisation is received and is of appropriate quality <input type="checkbox"/> Strategic Planning Group - governance arrangements are in place for this. Member Advisory Group also in place Southern Alliance (OWBC, HDC, Blaby & Hinckley working together) Performance of these arrangements is formally reviewed and changes are made if necessary.	3	3	9			3	3	9
CR4	Hard to reach demographics feel disenfranchised through lack of specific communication and engagement.	All Objectives	<input type="checkbox"/> Staff capacity could impact on engagement <input type="checkbox"/> hard to reach communities <input type="checkbox"/> some resident groups not digitally connected <input type="checkbox"/> change in political power could result in non-statutory service being stopped <input type="checkbox"/> Failure to consult when appropriate to do so <input type="checkbox"/> Funding changes impacting on roles <input type="checkbox"/> Digital exclusion as a result of cost of living crises	<input type="checkbox"/> Reputational damage <input type="checkbox"/> lack of support for community initiatives <input type="checkbox"/> missed opportunity to impact on equalities agenda and HWB of residents <input type="checkbox"/> Citizens panel not representative of demographic. <input type="checkbox"/> Services may not meet the needs of this demographic	4	4	16	<input type="checkbox"/> Public consultation surveys to obtain feedback for influencing strategy/policy through Citizens Panel and other communication channels, compliant with the Code of Practice on Consultations <input type="checkbox"/> Refreshed Communications Strategy launch due June 2022 <input type="checkbox"/> Gov.Delivery digital e-mail system – targeted delivery on specific topics e.g. tenants newsletter – launch June 2022 <input type="checkbox"/> Two new Community Health Improvement Officers <input type="checkbox"/> Financial Inclusion Officer <input type="checkbox"/> Volunteer community champion Digital Newsletter - specifically relating to health and wellbeing targeting socially vulnerable <input type="checkbox"/> Events programme run by Community Health Improvement Officers to target vulnerable and hard to reach residents/communities. <input type="checkbox"/> Statement of community involvement in place <input type="checkbox"/> Residents Forums reinstated <input type="checkbox"/> Sports and physical activity commissioning plan to target hard to reach <input type="checkbox"/> Health and Wellbeing Community Hub on Bell Street due to open in coming weeks, will act as a walk-in facility dor vaccination drop-in and health and well-being hub (for non-clinical issues), funded for 18m period.	4	3	12	Customer Experience Strategy will pick up engagement and demographic profiling	Mar-23	3	2	6

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR5	Political Dynamics	All Objectives	<input type="checkbox"/> Change in political power <input type="checkbox"/> Change in leader <input type="checkbox"/> New members <input type="checkbox"/> Public perception changes	<input type="checkbox"/> Change in priorities <input type="checkbox"/> Change in member/officer engagement <input type="checkbox"/> Breakdown in communication <input type="checkbox"/> Inability to meet expectations <input type="checkbox"/> Reputation issues (organisational and political) <input type="checkbox"/> Reactive decision making (rather than planned) <input type="checkbox"/> Failure to follow legislative requirements e.g. equalities <input type="checkbox"/> Further strain on council finances	3	4	12	<input type="checkbox"/> Member development programmes <input type="checkbox"/> New Code of Conduct has been adopted which comes into force on 1/4/22, with training planned to familiarise members with its content <input type="checkbox"/> Policies e.g. Safeguarding/Equalities and DBS checks <input type="checkbox"/> Provision of chairing skills training <input type="checkbox"/> Constitution, which is in the process of being reviewed to reflect new management structure <input type="checkbox"/> Public consultation, <input type="checkbox"/> Development of member enquiry system <input type="checkbox"/> Training for members covering a range of areas including IT and Planning <input type="checkbox"/> Buddying system <input type="checkbox"/> Members bulletin <input type="checkbox"/> Customer Service training - June 2022 <input type="checkbox"/> Political awareness training for officers June 2022	2	3	6	<input type="checkbox"/> Personal training/action plans for members elected May 2023	Jul-23	1	2	2
CR6	Reputation Damage	All Objectives	<input type="checkbox"/> Litigation <input type="checkbox"/> Breakdown in a partnership <input type="checkbox"/> Failure to have regard to officers advice <input type="checkbox"/> Whistle blowing <input type="checkbox"/> Freedom of Information (Fol) <input type="checkbox"/> Inconsistent decision making <input type="checkbox"/> Poor Media Relations <input type="checkbox"/> Poor communication <input type="checkbox"/> Failure to provide or reduce services <input type="checkbox"/> Poor performance <input type="checkbox"/> Poor business planning and ocnsideration of financial implications	<input type="checkbox"/> Intervention <input type="checkbox"/> Loss of public confidence <input type="checkbox"/> Ombudsman findings <input type="checkbox"/> Court costs <input type="checkbox"/> Quality of service affected <input type="checkbox"/> Breakdown in a partnership <input type="checkbox"/> Adverse publicity <input type="checkbox"/> Lower public satisfaction level <input type="checkbox"/> Time spent mitigating damage/rectifying the situation <input type="checkbox"/> Low Morale <input type="checkbox"/> Difficulties to recruit/staff retention <input type="checkbox"/> DINadequate budget provision, inappropriate financial decisions made	4	4	16	<input type="checkbox"/> Review of external communication by Heads of Service <input type="checkbox"/> Use of modern.gov <input type="checkbox"/> Whistle blowing and Anti Fraud and Corruption policies <input type="checkbox"/> Freedom of Information log <input type="checkbox"/> Qualified in house legal team <input type="checkbox"/> Officer complaints training & new complaints process <input type="checkbox"/> Performance reporting and Key Performance Indicators <input type="checkbox"/> Public and media consultation <input type="checkbox"/> Achieved accreditation for customer service excellence award <input type="checkbox"/> Communications Policy and Communications Plan in place <input type="checkbox"/> Online customer care training in place for all new staff and a separate module also in place for managers. <input type="checkbox"/> Partnership working eg Lightbulb & Local Plan <input type="checkbox"/> Marketing & Communications Manager <input type="checkbox"/> Social Media Policy <input type="checkbox"/> Service Standards <input type="checkbox"/> Project Comms Plans <input type="checkbox"/> Performance Review Plans <input type="checkbox"/> Standarised project appraisal and affordability approach as per Corporate Peer Review Action Plan built into new MTFS	2	2	4			2	2	4

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR7	Effective utilisation of Assets/Buildings	All Objectives	<input type="checkbox"/> Failure to follow Health and Safety <input type="checkbox"/> Insurance/Public Liability <input type="checkbox"/> Financial investment <input type="checkbox"/> Contractor going into liquidation <input type="checkbox"/> Political will <input type="checkbox"/> Facility Management <input type="checkbox"/> Depreciation	<input type="checkbox"/> Loss of investment opportunities <input type="checkbox"/> Loss of income <input type="checkbox"/> Loss of capital <input type="checkbox"/> Higher revenue costs <input type="checkbox"/> Costs <input type="checkbox"/> Death or injury <input type="checkbox"/> Higher insurance premiums <input type="checkbox"/> Reputation damage <input type="checkbox"/> Public liability <input type="checkbox"/> Personal liability for corporate team e.g. corporate manslaughter	4	3	12	<input type="checkbox"/> Physical controls (e.g. Door Codes, fire alarms) <input type="checkbox"/> Designated first aiders <input type="checkbox"/> Capital Programme and HRA Business Plan - annual reiteration and regular monitoring <input type="checkbox"/> Fixed Asset Register <input type="checkbox"/> Annual valuation of property by external valuer <input type="checkbox"/> Designated Health and Safety Officer <input type="checkbox"/> Implementation of controls within Health and Safety Executive review <input type="checkbox"/> Health and Safety risk assessments <input type="checkbox"/> Designated Facilities Manager <input type="checkbox"/> Accommodation Reviewed <input type="checkbox"/> Health and safety assessments carried out on all buildings <input type="checkbox"/> In the process of moving from Bushloe House to Brocks Hill <input type="checkbox"/> Repurposing of public toilets business case currently in development with member engagement underway via PFD.	3	3	9	<input type="checkbox"/> Revision of Asset Management Policy and Capital Expenditure Plan <input type="checkbox"/> Accommodation review <input type="checkbox"/> Holistic Asset Management database/system purchased and timetabled for implementation <input type="checkbox"/> Production of a Health and Safety Action Plan	<input type="checkbox"/> March 2023 <input type="checkbox"/> March 2023 <input type="checkbox"/> March 2023 <input type="checkbox"/> January 2023	2	2	4
CR8 ~ Page 55 ~	Regulatory Governance	All Objectives	<input type="checkbox"/> New or changes to legislation <input type="checkbox"/> Resources (staff) <input type="checkbox"/> Failure to identify new legislation	<input type="checkbox"/> Substantial fines e.g. Data Protection <input type="checkbox"/> Judicial review <input type="checkbox"/> Reputation <input type="checkbox"/> Code of conduct <input type="checkbox"/> Financial loss <input type="checkbox"/> Cost orders <input type="checkbox"/> Personal liability	3	4	12	<input type="checkbox"/> Data Protection Policy and log <input type="checkbox"/> Freedom of Information log <input type="checkbox"/> Code of Conduct and training <input type="checkbox"/> HR Induction <input type="checkbox"/> Statutory Monitoring Officer <input type="checkbox"/> Subscriptions (e.g. legal journals and LGA) and CPD of legal officers <input type="checkbox"/> Prosecution Policy <input type="checkbox"/> Dedicated Policy, Compliance and Data Protection Officer	1	1	1			1	1	1

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR9	Failure to respond to a significant incident	All Objectives	<input type="checkbox"/> Loss of staff <input type="checkbox"/> Loss of ICT <input type="checkbox"/> Loss of Building <input type="checkbox"/> Loss of Key supplier <input type="checkbox"/> Loss of facilities <input type="checkbox"/> Loss of systems <input type="checkbox"/> Act of God <input type="checkbox"/> Adverse Weather <input type="checkbox"/> Pandemic <input type="checkbox"/> Adverse staff impact as a result of cost of living	<input type="checkbox"/> Insurance – higher premiums <input type="checkbox"/> Loss of essential services <input type="checkbox"/> Adverse publicity <input type="checkbox"/> Reputation damage <input type="checkbox"/> Loss of public confidence <input type="checkbox"/> Loss of income <input type="checkbox"/> Financial damage <input type="checkbox"/> Death and injury <input type="checkbox"/> Litigation risks <input type="checkbox"/> Insurance – higher premiums <input type="checkbox"/> Loss of essential services <input type="checkbox"/> Adverse publicity <input type="checkbox"/> Reputation damage <input type="checkbox"/> Loss of public confidence <input type="checkbox"/> Loss of income <input type="checkbox"/> Financial damage <input type="checkbox"/> Death and injury <input type="checkbox"/> Litigation risks <input type="checkbox"/> Staff unavailable after major incident <input type="checkbox"/> large proportion of staff becoming ill	3	4	12	<input type="checkbox"/> Insurance policies and annual review <input type="checkbox"/> Use of Zurich Risk Management Service <input type="checkbox"/> Risk Management policies and procedures <input type="checkbox"/> Membership of Local Resilience Forum <input type="checkbox"/> Standby rota <input type="checkbox"/> IT backup, Business Continuity Plans in place <input type="checkbox"/> Community Engagement with Health professionals <input type="checkbox"/> Agile Working Policy <input type="checkbox"/> Coordination of Out of Hours Service <input type="checkbox"/> Paperless office and increased scanning through ERDMS <input type="checkbox"/> Additional training from Leicestershire Resilience Partnership underway	3	3	9	<input type="checkbox"/> Business Continuity training exercise and refresh <input type="checkbox"/> BC Plans refresh and incorporation into service plans	<input type="checkbox"/> December 2022	3	1	3
CR10	Organisational/Transformational Change	All Objectives	<input type="checkbox"/> Restructure <input type="checkbox"/> Transformational change <input type="checkbox"/> Transferable skills <input type="checkbox"/> Reduction in funding <input type="checkbox"/> Change in personnel <input type="checkbox"/> Change in the way the council delivers services <input type="checkbox"/> Redundancy <input type="checkbox"/> Less controls in place due to limited resources <input type="checkbox"/> Change in office location	<input type="checkbox"/> Redundancy <input type="checkbox"/> Staff morale <input type="checkbox"/> Staff retention <input type="checkbox"/> Change in working practices <input type="checkbox"/> Impact on quality of service <input type="checkbox"/> Legal implications <input type="checkbox"/> HR implications <input type="checkbox"/> Reputation damage/perception <input type="checkbox"/> Financial loss <input type="checkbox"/> Possible litigation <input type="checkbox"/> Increased fraud	3	3	9	<input type="checkbox"/> Organisation review policy <input type="checkbox"/> Recruitment and selection policies and procedures <input type="checkbox"/> Union and staff consultation <input type="checkbox"/> Staff Wellbeing Group and Wellbeing Teams <input type="checkbox"/> Staff Health and Wellbeing Action Plan <input type="checkbox"/> Internal Audit <input type="checkbox"/> Staff newsletters <input type="checkbox"/> Monitoring and supervision of management/1:1's <input type="checkbox"/> Training and professional qualification support <input type="checkbox"/> Performance appraisal process <input type="checkbox"/> Formal induction programme <input type="checkbox"/> Staff engagement (Brocks Hill staff engagement day) <input type="checkbox"/> Comms plans for key projects - i.e. Brocks Hill, includes PR, Public, Staff and member and other stakeholder comms plans	3	2	6	Developing a People Strategy - to include resilience and succession planning as a key consideration	Dec-22	1	1	1

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR11	Economy/Regeneration	All Objectives	<input type="checkbox"/> Further decline in the economy <input type="checkbox"/> BREXIT COVID <input type="checkbox"/> Ukraine/Russia conflict and also energy costs crisis (uncertainty of cost impact) <input type="checkbox"/> Pooling/Unpooling of NNDR <input type="checkbox"/> Cost of living	<input type="checkbox"/> Relocation (Business and Domestic) <input type="checkbox"/> Lack of inward investment <input type="checkbox"/> Increased demand for certain services e.g. benefits <input type="checkbox"/> Loss of value in public assets <input type="checkbox"/> Need to continually adapt/change <input type="checkbox"/> Conflicting pressures - decreased funding – increased demand <input type="checkbox"/> Spiral effect <input type="checkbox"/> Short term decision making – uncertainty <input type="checkbox"/> Increased autonomy leads to greater risk <input type="checkbox"/> Decrease in collection levels	5	4	20	<input type="checkbox"/> Demand management of services that come under pressure as a result of decline in economy <input type="checkbox"/> Debt Recovery Policy in place <input type="checkbox"/> Local Council Tax and Business Rate Retention scheme in place <input type="checkbox"/> Contract monitoring of bailiffs <input type="checkbox"/> Paying out business grants to support local businesses during pandemic <input type="checkbox"/> Regular programme of business webinars to provide information and support to businesses <input type="checkbox"/> Monthly newsletter issued to businesses <input type="checkbox"/> Economic Regeneration Team increased to include 2 Project Managers who have been recruited to focus on bringing forward some revenue generating projects. <input type="checkbox"/> Helping Hands - energy champion <input type="checkbox"/> Business microsite being developed with an aim to go live late summer 2022. <input type="checkbox"/> Economic Regeneration Team restructured to maximise opportunities to bring forward regeneration and revenue generating projects <input type="checkbox"/> UKSPF Investment Plan submitted. <input type="checkbox"/> Levelling Up bid submitted <input type="checkbox"/> Sub-committees established to provide a focus on key regeneration projects <input type="checkbox"/> Specialist support procured to advise on the deliverability of regeneration projects (Oadby Pool)	4	3	12	<input type="checkbox"/> Continue to review the opportunity to maximise funding sources (as per Corporate Peer Review Action Plan) <input type="checkbox"/> Designing Economic Development team offer <input type="checkbox"/> Starting develop tourism offer for the Borough	<input type="checkbox"/> Sept 2022 <input type="checkbox"/> March 2023 <input type="checkbox"/> July 2023	4	2	8
CR12	Increased Fraud	All Objectives	<input type="checkbox"/> Dilution of internal controls due to less staff <input type="checkbox"/> Increase in unemployment <input type="checkbox"/> Reduction in benefits <input type="checkbox"/> Inflation <input type="checkbox"/> Debt <input type="checkbox"/> Opportunity <input type="checkbox"/> March 16 <input type="checkbox"/> Sub-letting of Council properties	<input type="checkbox"/> Homelessness, poverty and social deprivation <input type="checkbox"/> Financial loss <input type="checkbox"/> Resources of the authority to investigate fraud issues <input type="checkbox"/> Reputation impact <input type="checkbox"/> Litigation	3	3	9	<input type="checkbox"/> Internal and External Audit <input type="checkbox"/> Financial Regulations <input type="checkbox"/> Segregation of Duties <input type="checkbox"/> Supervision and Management <input type="checkbox"/> Investigation and disciplinary procedures <input type="checkbox"/> Litigation <input type="checkbox"/> UPDATED Anti Fraud and Corruption Policy <input type="checkbox"/> Whistle blowing process <input type="checkbox"/> Tone from the top - no tolerance <input type="checkbox"/> Budgetary Control <input type="checkbox"/> Participation in National Fraud Initiative <input type="checkbox"/> Transaction review (e.g. invoices/mileage) <input type="checkbox"/> All related Policies to be reviewed and an annual rolling training programme to be implemented.	2	2	4	<input type="checkbox"/> Bribery Act Risk Assessment <input type="checkbox"/> Fraud Awareness Training	Oct-22	1	1	1

Strategic Risk Register

Ref	Risk Definition What is the headline risk/issue?	2019-2024 Corporate Objectives (1. Building Communities; 2. Growing Borough Economically; 3. Excellent Services)	Root Cause: What is the root cause or problem? What could go wrong?	Consequence /effect: What could occur as a result, how much of a problem would it be?	Inherent Risk Score (no controls)			Existing Controls	Mitigated Risk Score (with controls)			Further management actions/controls	Target Implementation date for further mgt actions	Target Score with further management actions/		
					Likelihood	Impact	Overall risk rating		Likelihood	Impact	Overall risk rating			Likelihood	Impact	Overall risk rating
CR13	Cyber Threat/Security, Cyber security is seen as an ICT risk and not a corporate risk that needs to be managed and monitored by senior management.	All Objectives	Cyber threats are increasing on a worldwide basis, with criminals known to target public sector organisations in an attempt to obtain personal data on a significant scale. The Council is thus at high risk of being attacked.	<input type="checkbox"/> Financial loss <input type="checkbox"/> Resources of the authority to investigate fraud issues <input type="checkbox"/> Reputation impact <input type="checkbox"/> Litigation, Loss of data, breaches of GDPR, SMT lack of oversight	4	5	20	<input type="checkbox"/> As part of the new ICT Team, there is a dedicated IT Security Manager and cyber threats and security fall within his remit. A range of IT Security Policies are in place and will be reviewed and approved by SLT. Also part of Leicestershire Resilience Forum and have access to their specialisation if a breach occurs. In addition as partner their role is to act as 'check and balance' on policies. They also provide training events on cyber security matters.	2	3	6	BCP is currently being reviewed by IT Security Manager. Consider Cyber Threat training and awareness raising via internal exercises. Ensure access to secure email is provided where needed across organisation.	01/10/22	1	3	3
CR14	18. Coronavirus (SARS coronavirus-2 (SARS-CoV-2)) locally results in significant loss of staff at any one time and/or wider national measures designed to slow the spread of COVID-19 cause significant impacts on service delivery and the wider city	All Objectives	Major world pandemic identified by the WHO. This has spread to UK . The virus could spread to a large proportion of the populus casuing widespread illness and, in some server cases, death.	Council is unable to deliver any services including essential/critical services, or only deliver to a significantly reduced extent. Significant risk to the health, safety and welfare of vulnerable services users. Significant impacts on the local economy causing resulting impacts financially on the Council from reduced revenue including loss of income for commercially traded services. Reputational damage should the Council not be able to respond adequately	3	3	9	All legal Covid-19 restrictions have now been lifted by the Government and focus has shifted away from contributing to the management of prevalence of the virus in the community. The Council continues, however, to ensure that prevalence among staff is kept to a minimum. Staff who test positive for Covid-19 are still being asked to isolate for at least 5 days. Additionally, staff working in Bushloe House will still be required to wear a face covering when moving round the building and agile working continues to be promoted, with staff being encouraged to find agile working patterns which include home working that work for them and their team.	2	2	4			2	2	4
CR15	19. Staff lone working including out of hours	All Objectives	Increased risk of staff harm from violence & agression from service users.	Staff could suffer physical and emotional harm, which could lead to long periods of sick leave.	4	5	20	<input type="checkbox"/> Council has Lone Worker Policy & Procedure <input type="checkbox"/> Equipment is available such as panic alarms & body cameras <input type="checkbox"/> Records are maintained of challenging residents which are reviewed prior to visits taking place <input type="checkbox"/> Relationship with local Police, who will attend visits where there is a potential for agression & violence <input type="checkbox"/> DBS checks undertaken for relevant staff	2	3	6	Include in induction and also carry out training awareness exercise for all current staff Need to review utilisation and cost of equipment	New Reslience and sfaety officer in post June 2022 - review by end of Q3	2	3	6

Risk Owner	Review Date	Review Commentary
Chief Financial Officer	Aug-22	Reference to cost of living crises updated to reflect work undertaken in last quarter.
Head of Law and Democracy/Monitoring Officer	Aug-22	No change.

Risk Owner	Review Date	Review Commentary
Chief Executive	Aug-22	No change.
Head of Customer Service and Transformation	Aug-22	<p>Existing controls updated to reflect sports & physical activity commencing and wellbeing hub.</p> <p>Management action extended to capture work that will be included on this around demographic profiling.</p>

Risk Owner	Review Date	Review Commentary
Head of Law and Democracy/Monitoring Officer	Aug-22	No change.
Chief Executive	Aug-22	Action around standardising financial decision making delivered and now reported as an existing control following PFD and Council MTFS approval (Sept 2022) - mitigated risk updated to reflect.

Risk Owner	Review Date	Review Commentary
Head of Law and Democracy/Monitoring Officer	Aug-22	Existing control updated in respect of repurposing of public toilets.
Head of Law and Democracy/Monitoring Officer	Aug-22	No change.

Risk Owner	Review Date	Review Commentary
Head of Law and Democracy/Monitoring Officer	Aug-22	Based on recent heatwaves and emerging cost-of-living impacts and likely adverse weather throughout winter, have reviewed and increased inherent and mitigated scoring
Strategic Director	Aug-22	Updated inherent risk based on likelihood of changes as a result of financial outlook for the Council. Updated root casue to reflect moving offices and mitgations around that.

Risk Owner	Review Date	Review Commentary
Head of Built Environment	Aug-22	Update to existing controls where previous further actions have been implemented.
Chief Financial Officer	Aug-22	No change.

Risk Owner	Review Date	Review Commentary
Head of Customer Service and Transformation	Aug-22	No change.
Strategic Director	Aug-22	No change.
Head of Law and Democracy/Monitoring Officer	Aug-22	No change.