

Audit, Finance and Governance Panel Meeting

Paper C: LEP Organisational Risk Register Sept 2022

11th October 2022

Report from Teresa Chalmers, Chief Operating Officer

1. **Summary**

- 1.1. This attached documents provides details of the HEY LEP Organisational Risk Register for the Panel's review and input. This 'live' operational document is used to consider risk and mitigation and is reviewed on a quarterly basis or whenever is necessary should a material change occur.

2. **Recommendations**

- 2.1. That the Panel discusses the Register and suggests any additional information that would be helpful to ensure the continuity of LEP delivery.

3. **Report**

- 3.1. To ensure LEP risk is adequately managed an Organisational Risk Register is used to define risks and agree mitigating actions to control impact. This is developed by the LEP team in consideration of the various responsibilities each internal team holds that contributes to overall LEP delivery, some of which is included in the LEP Delivery Plan, particularly in regard of programmes.
- 3.2. The LEP Delivery Plan is a key part of the Assurance Framework which provides assurance to Government and Parliament (as well as the residents, businesses, and other stakeholders) that there are robust systems and processes in place locally to ensure resources are spent with regularity, propriety, and value for money.
- 3.3. To further complement this organisational approach, each manager is required to consider the more detailed risk in regard of their areas of responsibility and produce and refer to these more detailed documents as part of their general approach.
- 3.4. This is of particular importance when considering externally funded activity which can include MOU or contract agreements that are aligned with outcomes and outputs and therefore regular sense checking on progress in addition to written reports to board and external funders are needed.
- 3.5. Mitigations may be amended at any one time, in given circumstances but the document is a way to horizon-scan and identify risks in advance wherever possible.

3.6. Any arising high impact, high probability risk will be reported immediately through the various board structures and to the Accountable Body for agreed action.

3.7. This document may also be useful in any LEP audit requirements to demonstrate risk control.

4. Financial considerations

4.1. Under-delivery of contracts including MOUs that have financial grant support may result in claw back of funding, an area which would be of particular concern to the LEP in consideration of very limited reserve funding.

4.2. Due to the LEP funding issues, which have resulted in very late confirmation of fund allocation, any reduction in what is already a small LEP team, could have major implications on delivery and as a result impact on financial issues.

4.3. The cessation of Growth Hub EU funded programmes in June 2023 will include a final audit in the Autumn/Winter. Any administration errors or gaps in evidence base could result in claw back with records needed to be kept for seven years. The LEP budget reserves, though small, have tried to take account of this risk.