

Risk Assessment Profile for Tyne and Wear Economic Development Joint Committee as at 31 March 2010

Risk Issue	Control/(s)	Recommendations	Risk Assessed High/Medium/Low
Joint Committee acts illegally or beyond its scope	<p>Joint Committee Constitution</p> <p>Regular Joint Committee meetings scheduled</p> <p>Legal and financial representation at Joint Committee meetings and appropriate input to reports as necessary</p>	None	Low
Objectives of the Joint Committee are not clearly established	Joint Committee Constitution	None	Low
Inability to agree actions at Committee because of the political make up	Joint Committee Constitution	None	Low
Grants / Loans awarded with no established system of control or governance arrangements	<p>Joint Committee Constitution</p> <p>Grants protocol established whereby: The district councils propose grants/loans on a business case basis - this is filtered and scrutinised by the manager of TWEDCO, cleared by the Treasurer and then reported to Committee for approval</p> <p>Regular reporting of Grants and Loans Committed to date to every Committee meeting: Only grants and loans approved by Committee are included and monitored. Internal controls exist within Financialm Resources Department and TWEDCO to ensure all payments are made in accordance with the schedule of commitments and those approved by committee.</p>	None	Low

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	<p>Grant payments / loans checked to approvals before payment. TWEDCO manager also has to approve the release of funds when criteria for grants / loans have been met. System of internal control and check is in place and works well.</p>		
<p>Joint Committee has sufficient funds to carry out its objectives</p>	<p>Joint Committee Constitution Regular reporting of the financial position to the Joint Committee Annual Statement of Accounts produced in line with professional and legal requirements Internal control of finances: * Monthly bank reconciliations * Monthly review of the financial position * Investment of balances * Financial records updated immediately and separation of duties facilitating good internal check arrangements</p> <p>Loans treated as grants until repayments have been secured because of the high risk nature of the targeted grants - reported to Committee in detail.</p> <p>Treasurer carries out regular reviews of funds available against current and future grant commitments to ensure funds are in place to meet its ongoing costs and known liabilities and commitments.</p>	<p>Review and extend the life of the Joint Committee as appropriate every five years - Note that the Joint Committee agreed to extend the joint committee for a further 5 years at a meeting held in March 2009</p>	<p>Low</p>

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Performance of grants / loans awarded	Grant / loan payments are regularly reported to the Joint Committee Improve performance reporting by the Joint Committee to members	A performance register and regular reports to the Joint Committee to show the effectiveness of the grant funding and loan arrangements provided is to be considered and established in 2010/2011.	Low Low
Annual Review of the effectiveness of Internal Audit	Internal Audit is reviewed on an annual basis in line with the new accounts and audit requirements but is now not a separate issue that needs to be formally reported but does still need to take place to inform the Annual Governance Statement	The IAS is reviewed annually and independently reported by the Audit Commission - they have not found any issues with the quality or standards of the IAS section and this is the case for 2010/11.	Low

Reviewed by Dennis Napier - 23rd May 2011

