



Report for:
INFORMATION

Contains Confidential or Exempt Information	YES – Appendix 1 pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report
Responsible Officer	Steven Tinkler, Head of Audit & Investigation
Author	Steven Tinkler, Head of Audit & Investigation ext. 8571, TinklerS@ealing.gov.uk
Portfolio	Finance & Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be Considered	23 September 2014
Implementation Date if Not Called In	N/A
Affected Wards	All
Area Committees	N/A
Keywords/Index	Strategic Risk Management

Purposes of the Report:

This report describes the progress of the Council's Risk Management Framework for Q2 2014/15 and provides members with an update on the key strategic risks facing the Council.

1. Recommendations

1.1 It is recommended that Audit Committee consider:

- Progress of the Council's Risk Management Framework.
- The Strategic Risk Register (Appendix B) to assure itself that sufficient and appropriate actions are being undertaken to safeguard the Council's business and reputation.

2. Reason for recommendation and options considered

2.1 This is a periodic report to update Audit Committee on the strategic risks facing the Council, no decision is required.

3. Key implications

3.1 The Accounts and Audit (Amendment) Regulations 2011 and Public Sector Internal Audit Standards (2013) require the Council to maintain a robust, adequate and effective system of risk management in its delivery of core services. Operation of an effective risk management framework is an important element in order that the Council effectively discharges its corporate governance responsibilities.

3.2 The Strategic Risk Register (SRR)

3.1.1 The Council's SRR is made up of

- Corporate risks that could impact on the achievement of aims articulated within the Council's Corporate Plan and also its longer term objectives.
- They include significant events that could impact upon the infrastructure and the efficient operation of the Council.
- These risks should cover the full range of principal objectives and are likely to require ongoing control.

3.1.2 Below this level the Directorates maintain operational risk registers that summarise the risks to the achievement of Directorate objectives. Risk registers are reviewed and updated at regular intervals by the senior management teams in each Directorate along with their Risk Champion. Corporate Risk Management Forum meets quarterly, bringing together Risk Champions and other key risk management officers to discuss and challenge current risks. This process ensures that risks are captured and monitored and that appropriate actions are taken to manage them.

3.3 Staff Training & Development

3.3.1 Training on the fundamental principles of Risk Management was delivered on 6 August 2014. Feedback from delegates was very positive and further Risk Management training has been arranged for November 2014.

3.3.2 Also, JCAD user training modules are now available via the e-Learn portal and are being used by officers across the Council. The seven video clips include how to add, update and withdraw a risk and how to run a risk register report.

3.4 Corporate Risk Management Forum (CRMF)

3.4.1 CRMF met on 11 August 2014 and considered reports in relation to:

- Progress of the Council's Risk Management Framework.
- The Strategic Risk Register
- Insurance/BCP/Data Protection Updates

3.5 Quarterly Update

3.5.1 As can be seen from the summary set out below, all risks across the Council are in date. Appendix A provides a detailed analysis of performance.

Summary - Out of Date Risk Analysis											
	C&A		CR		E&CS		R&H		Chief Exec		BCP
Status	Total	High	Total	High	Total	High	Total	High	Total	High	Total Medium
Total Risks	129	1	112	14	82	-	81	14	18	-	75
Risks Out of Date	-	-	-	-	-	-	-	-	-	-	-

3.6 Strategic Risk Register (SRR)

3.6.1 The table below summarises the movement in the SRR since it was last reported to Audit Committee. Appendix B sets out the SRR in detail.

Rating	Quarter 1 14/15	Risks Added/ Escalated	Risks Withdrawn/ De Escalated	Quarter 2 14/15
High Risks	2	-	-	2
Medium Risks	14	2	(3)	13
Low Risks	-	-	-	-
Total	16	2	(3)	15

Commentary

3.6.2 The table below sets out the rationale for each movement in the register:

Risk Reference	Definition	Rationale	Residual Risk Rating
Escalated Risks			
1 CRC0044	Budget proposals fail to deliver the required savings resulting from ongoing reductions in Government funding, impacting on the ability to meet increasing service demands.	Cuts in Government funding constitute a key risk for the Authority.	Amber
2 CAA0076	Failure to attract sufficient Better Care Fund (BCF) funding results in a major impediment to Health and Social Care integration and delays in implementation of the Care Act.	BCF is due for implementation from 1 April 2015. Funding needs and integration requirements are currently being finalised.	Amber
De-Escalated Risks			
1 CAC0059	Unavoidable rise in demand for Children's Social Care due to an increase in the Birth rate (32%) and of Looked after Children coupled with Council's savings of 25% over 2011-14.	Risk de-escalated and replaced with a Council wide budget savings risk. Please refer to CRC0044	Amber
2 CRB/ID0011	Ineffective ICT infrastructure resulting in failure of business applications and loss of key Council data.	Significant Capital investment has reduced the risk of ineffective ICT infrastructure from materialising.	Amber
3 CRB/ID0013	Key Partnership - Increased charges claimed by Serco in respect of annual indexation and server support for managed desktop (Thin Client).	Both parties have reached an agreement in this matter.	Amber

4. Financial

4.1 There are a number of risks which have possible financial implications which are articulated and managed through JCAD.

5. Legal

5.1 The Accounts and Audit (Amendment) Regulations 2011 and Public Sector Internal Audit Standards (2013) require the Council to maintain a robust, adequate and effective system of risk management in the delivery of its core services. Operation of an effective risk management process is an important element in the Council's corporate governance responsibilities.

6. Value for Money

6.1 An Audit & Risk Manager is in place with the time dedicated to risk management being equivalent to 0.5 FTE. The role encompasses responsibility for facilitating the Council's risk management framework to ensure that it is fully embedded across the organisation and is maintained in line with national and international standards.

7. Sustainability Impact Appraisal

7.1 Not applicable

8. Risk Management

8.1 Ealing Council is responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of Ealing Council's functions and which includes arrangements for the management of risk.

9. Community Safety

9.1 None.

10. Links to Strategic Objectives

10.1 The effective identification, assessment and management of risk is an important foundation to the successful achievement of the strategic objectives in terms of managing resources effectively. The issues outlined in this report have a particular focus on the Council's organisational improvement objective 'Becoming a high performing organisation'.

11. Equalities and Community Cohesion

11.1 No Equality Impact Assessment has been undertaken as the report is for information and does not affect the general duties of the Equality Act 2010.

12. Staffing/Workforce and Accommodation implications:

12.1 No Changes

13. Property and Assets

13.1 None.

14. Any other implications:

14.1 None.

15. Consultation

15.1 Not applicable.

16. Timetable for Implementation

16.1 Not applicable.

17. Appendices

- Appendix A: Out of Date Risk Analysis
- Appendix B: Strategic Risk Register - (Confidential)
- Appendix C: Heatmap

18. Background Information

18.1 None.

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Ian O'Donnell	Executive Director of Corporate Resources	10/09/14		
Maria Christofi	Director of Finance (Deputy s151 Officer)	10/09/14		
Steve Tinkler	Head of Audit & Investigation	10/09/14		

Report History

Decision type:	Urgency item?
For information	No

Authorised by Cabinet member:	Date report drafted:	Report deadline:	Date report sent:

Report no.:	Report author and contact for queries:
	Steve Tinkler, Head of Audit & Investigation, ext 8571

Appendix A - Out of Date Risk Analysis

Out of Date Risk Analysis																									
	Children & Adults				Corporate Resources				E&CS				Regen & Housing				Chief Executives				BCP	Cross Council			
Status	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total Medium	Total	High	Med	Low
Total Risks	129	1	89	39	112	14	77	21	82	-	46	34	81	14	46	21	18	-	3	15	75	497	29	336	130
Out of Date Risks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Date Risks	129	1	89	39	112	14	77	21	82	0	46	34	81	14	46	21	18	0	3	15	75	497	29	336	130