



**Report for:
INFORMATION**

Item number:

Contains Confidential or Exempt Information	Yes – Appendix A pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report – Quarter 1 2016/17
Responsible officer	Steve Tinkler, Head of Audit & Investigations
Author	Martin Lewis, Risk & Audit Manager – Ext 5980, lewism@ealing.gov.uk
Portfolio	Cllr Yvonne Johnson - Finance, Performance & Customer Services
For Consideration By	Audit Committee
Date to be Considered	28 July 2016
Implementation Date if Not Called In	N/A
Affected Wards	All
Keywords/Index	Strategic Risk Management

Purpose of Report:

This report provides Audit Committee with an update in respect of the review of risks completed at the end of Q1 2016/17.

1. Recommendations

- 1.1 It is recommended that Audit Committee considers the current Strategic Risk Register (Appendix A) to assure itself that it includes all appropriate strategic risks facing the Council and that all necessary and appropriate actions are being taken to safeguard the Council's business and reputation.

2. Reason for recommendation and options considered

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

3. Key implications

3.1 Roles and Responsibilities

- 3.1.1 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 and embedded risk management framework is an important element in order that the Council effectively discharges its corporate governance responsibilities.

3.1.2 As outlined within the Council's Risk Management Policy, the Corporate Board is responsible for reviewing the Strategic Risk Register, ensuring that the management of risk continues to be within the Council's risk appetite. The Audit Committee is responsible for considering the effectiveness of the Council's strategic risk management arrangements.

3.2 Strategic Risk Register (SRR)

3.2.1 The Council's SRR details:

- 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; and
- Risks that cover the full range of principal objectives which are likely to require ongoing control.

3.2.2 The current SRR contains 16 strategic risks, the residual risk assessments of which are unchanged from the end of the last Quarter:

Residual Risk Rating	B/f from Q4 2015/16	Risks Added / Reassessed	Risks Withdrawn/ Reassessed	Total as at end of Q1 2016/17
High Risks	-	-	-	-
Medium Risks	15	-	-	15
Low Risks	1	-	-	1
Total	16	-	-	16

3.2.3 Since the last Risk Management report which was presented to Audit Committee in May 2016:

- Headline risk descriptions risks have been rationalised in order to bring together risks that are of a similar nature. This has reduced the number available for use from 86 to 44. Though this has changed the headline descriptions of most of the risks in the SRR, the detailed descriptions of the risks have remained the same, unless noted below.
- The wording of the description of the Review Process control against Risk CAA0093 (page 1) has been expanded;
- The Owners of a number of the controls listed against Risk SRR0075 (pages 3 and 4) have been amended.
- The descriptions of the controls against Risk CAA0090 (page 5) have been reworded.
- A new control concerned with Pan London Safeguarding Procedures has been added to Risk CAA0092 (pages 5 and 6).
- The wording of Risk CRB/ID0022 (page 7) has been updated, the status of the control concerned with extending the existing contract has changed and a new

control concerned with new supply options has been added.

- The wording of the description of the attack detection and prevention control against Risk CRB/ID0016 (page 10) has been expanded.

3.2.4 An emerging risk referred to at the last review of the SRR, was the potential impact on the Borough of a vote for the UK to leave the European Union. Though that vote has now occurred, there still remains much uncertainty regarding the sort of relationship the UK will have with the EU and consequently what the potential impacts could be for the Borough. In the immediate aftermath of the vote, falls in the value of shares and in the property market are, separately, exposing the Council to threat (with the fall in the value of Pension Fund investments) and providing the Council with opportunity (with the possibility of availability of more affordable accommodations). However, the outcomes of neither of these events are sufficiently advanced to enable them to be crystallised into specific risks for which, other than keeping a watching brief, mitigating actions are needed. Until there is greater clarity on the consequences of the Brexit vote for the Borough, all the potential impacts will be kept under review and any which are significant may be included in future Strategic Risk Registers.

3.2.5 A second emerging risk referred to at the last review concerned Academisation. Following the government's decision not to pursue this as a mandatory course of action for schools, this is no longer viewed as a potential strategic risk for the Borough.

3.3 Directorate Risk Registers

3.3.1 Since the end of Q4, the number of risks recorded in all Directorate and the Welfare Reform Act risk registers, which are not also included in the SRR, has reduced from 347 to 331 risks. The following is a summary of the current risks:

Risk Rating	Gross (before controls)	Residual (after controls)	
		Q1	Changes since Q4
High Risks	158	-	-
Medium Risks	160	202	- 3
Low Risks	13	129	- 13

4. Financial

4.1 There are a number of risks which have possible financial implications. These are articulated in JCAD and managed through the Service Directorate budgets and monitoring processes.

5. Legal

5.1 The Accounts and Audit (Amendment) Regulations 2011 and the 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 Effective risk and opportunity management contributes to the effectiveness of the Council to deliver its plans and objectives.

7. Risk management

- 7.1 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.

8. Community safety

- 8.1 None

9. Links to the 6 Priorities for the Borough

- 9.1 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 therefore a focus on all six priorities.

10. Equalities and community cohesion

- 10.1 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.

11. Staffing/workforce and accommodation implications:

- 11.1 No Changes

12. Property and assets

- 12.1 None

13. Any other implications:

- 13.1 None

14. Consultation

- 14.1 Not Applicable

15. Timetable for implementation

- 15.1 Not Applicable

16. Appendices

- Appendix A: Strategic Risk Register (Confidential)
- Appendix B: Q1 Risk Heatmap

17. Background Information

17.1 None

Consultation

Name of consultee	Post held	Date sent to consultee	Date response received from consultee	Comments appear in paragraph:
Internal				
Ian O'Donnell	Executive Director of Corporate Resources			Throughout
Ross Brown	Interim Director of Finance (Deputy s151 Officer)			Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services			

Report History

Decision type:	Urgency item?
For Information	No
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