

<b>Contains confidential or exempt information</b>	<b>Yes – Appendices A and C pursuant to paragraphs 3 &amp; 5 of Schedule 12A of the Local Government Act 1972.</b>
<b>Subject of report</b>	Risk Management Performance Report – Quarter 4 2016/17
<b>Responsible officer</b>	Ross Brown, Director of Finance Mike Pinder, Head of Audit & Investigations
<b>Author</b>	Martin Lewis, Risk & Audit Manager – Ext 5980, <a href="mailto:lewism@ealing.gov.uk">lewism@ealing.gov.uk</a>
<b>Portfolio</b>	CLlr Yvonne Johnson - Finance, Performance & Customer Services
<b>For consideration by</b>	Audit Committee
<b>Date to be considered</b>	24 May 2017
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Strategic Risk Management

### **Reason for report**

This report provides Audit Committee with an update in respect of the review of strategic risks facing the Council as at the end of Q4 2016/17

## **1. Recommendations**

- 1.1 It is recommended that Audit Committee considers the current Strategic Risk Register (Confidential 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, and are documented.

## **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 Roles and Responsibilities**

3.1.1 The Accounts and Audit Regulations 2015 and Public Sector Internal Audit Standards 2017 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 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. Audit Committee is responsible for considering the effectiveness of the Council's strategic risk management arrangements. The Strategic Risk Register was reviewed and updated by Corporate Board on 12 April 2017

#### **3.2 Strategic Risk Register (SRR)**

3.2.1 The Council's strategic risks documented in the SRR are determined by Corporate Board and comprise key inherent, transitory and emerging risks which either:

- significantly affect the Council's ability to achieve the Borough's long-term strategic objectives and priorities which are set out in the Corporate Plan;
- are relevant and important to all or most of the Council's services and functions;
- are external to the Council but which have potential significant impacts on the Borough, or parts of the Borough, as a whole; or
- have potentially severe reputational consequences should they materialise.

3.2.2 In addition, the SRR will include any Directorate or Department risks that have a high residual risk rating (total risk score of 20 and above), but which are not already linked to, and part of, a strategic risk. There are no such risks in the latest SRR.

3.2.3 The latest SRR, shown in Appendix A, has been reviewed and agreed by Corporate Board. Since previously reviewed, in January 2017, no new strategic risks have been added or removed. However, Amendments have been made to:

- the risk scores of Risk ISR0013, Health & Safety (page 11) – medium risk ranking remains unchanged – ISR0002, Environmental impact of policies (page 15) – risk ranking increased to medium – and Risk TSR0002, Service delivery (page 18) – risk ranking reduced to Low; and
- the wordings of several of the control measures and issues/incidents to ensure they are up to date.

3.2.4 The current SRR contains 17 risks, the residual risk ratings of which are summarised below. The residual ratings of the strategic risks at the end of Q3 are shown for comparison:

**Table 1: Strategic Risks Residual Ratings**

<b>Residual Rating</b>	<b>Strategic Risks as at end of Q4 2016/17</b>	<b>Strategic Risks as at end of Q3 2016/17</b>
<b>High</b>	2	2
<b>Medium</b>	11	11
<b>Low</b>	3	3
<b>Emerging</b>	1	1
<b>Total</b>	<b>17</b>	<b>17</b>

**4. Financial**

4.1 There are a number of risks which have possible financial implications. These are articulated in JCAD (the Council's risk management system) and managed through the Service Directorate budgets and monitoring processes.

**5. Legal**

5.1 The Accounts and Audit Regulations 2015 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
- Appendix B: Q4 Risk Heatmap
- Appendix C: Risk Matrix Score Definitions

**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:
<b>Internal</b>				
Ian O'Donnell	Executive Director of Corporate Resources	08.05.17		Throughout
Ross Brown	Director of Finance (Deputy s151 Officer)	01.05.17	04.05.17	Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services		N/a	

## Report History

Decision type:	Urgency item?
For Information	No
Report no.:      Report author and contact for queries: Martin Lewis, Risk & Audit Manager, ext. 5980	