

Report for:
INFORMATION

Item number:

Contains confidential or exempt information	Yes – Appendices A and C pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Subject of report	Risk Management Performance Report – Quarter 3 2016/17
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Portfolio	Cllr Yvonne Johnson - Finance, Performance & Customer Services
For consideration by	Audit Committee
Date to be considered	28 February 2017
Implementation Date if Not Called In	N/A
Affected Wards	All
Keywords/Index	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 Q3 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 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 (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 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 24 January 2017.

3.2 Strategic Risk Register (SRR)

3.2.1 As a result of the changes introduced following the implementation of the updated Risk Management Policy & Framework, the Council's SRR comprises the key inherent, transitory and emerging risks, as determined by Corporate Board, 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 services and functions provided by the council;
- 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 includes any Directorate or Department risks which has High residual risk ranking score (total risk score of 20 and above), but which is not already linked to, and part of, a Strategic Risk.

3.2.3 Following Corporate Board approval of the updated Risk Management Policy & Framework, in October 2016, discussions were held with the members of Corporate Board and, in some instances, their DMTs, to establish what they considered to be the key strategic risks facing the Council. These have been brought together in the new style SRR shown in Appendix A.

3.2.4 In most instances, the strategic level risks also materialise as, and are linked to, risks at Directorate or Department levels. Where this is the case, the descriptions of the Control Measures documented against the Directorate/Department risks have been summarised for the Control Measures for the strategic risks. In two instances, risks ISR0002 and ISR0011, there are no equivalent linked risks documented in Directorate/Department risk registers; the descriptions of the Control Measures for these risks have been provided by the appropriate Directorates.

3.2.5 The Gross and Residual Impact and Likelihood scores of each of the strategic risks have been reviewed and agreed by Corporate Board. The definitions used for

scoring the Likelihood and Impact of risks are shown in Appendix C.

3.2.6 There are no risks in Directorate/Department risk registers that have High residual risk ranking scores that are not already part of a Strategic Risk.

3.2.7 The current SRR contains 17 strategic risks, the residual risk assessment of which is summarised below. Though not a like-for-like match, the breakdown of the residual rankings of the strategic risks at the end of Q2 are shown for comparison:

Residual Rating	Strategic Risks as at end of Q3 2016/17	Strategic Risks as at end of Q2 2016/17
High Risks	2	1
Medium Risks	11	16
Low Risks	3	1
Emerging Risks	1	1
Total	17	19

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 Strategic Risks 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: Q3 Risk Heatmap
- Appendix C: Risk Matrix Score Definitions

17. Background Information

17.1 None

