



**Report for:  
INFORMATION**

**Item number: 11**

<b>Contains Confidential or Exempt Information</b>	<b>Yes – Appendices A and B pursuant to paragraphs 3 &amp; 5 of Schedule 12A of the Local Government Act 1972.</b>
<b>Title</b>	Risk Management Performance Report – Quarter 3 2015/16
<b>Responsible officer</b>	Maria G. Christofi, Director of Finance (Deputy s151 Officer)
<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>	15 March 2016
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	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 Q3 2015/16.

**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 Since the last Risk Management report which was presented to Audit Committee in January 2016:

- one new risk (CRB/ID0022, the potential consequences of delay in agreeing the post-Serco contract transition) has been escalated to the SRR. It has a High residual risk score;
- WFA0013, Increased temporary accommodation cost pressures, was consolidated into an updated risk, WFA0014, and this consequently has replaced WFA0013 in the SRR;
- the Business Continuity issue that concerned Infrastructure resilience has been removed from ECCP0003. Since that issue was first raised, Facilities Management has implemented weekly off-load testing of the generator along with a planned preventative maintenance regime. The perceived risk caused by the absence of these activities has therefore been addressed; and
- Descriptions of Risk Control Measures have been updated for three other risks - CAC0057, School places, EC0049, Environmental Services Contract performance, and CAC0055, Safeguarding children.

3.2.3 The current SRR therefore contains 16 strategic risks, the residual risk assessment of which is summarised as follows:

Rating	B/f from Q2 2015/16	Risks Added / Reassessed	Risks Withdrawn/ Reassessed	Total as at end of Q2 2015/16
High Risks	-	1	-	1
Medium Risks	14	-	-	14
Low Risks	1	-	-	1
<b>Total</b>	<b>15</b>	<b>1</b>	<b>-</b>	<b>16</b>

### 3.3 Directorate Risk Registers

3.3.1 During the last Quarter, a review of the separate Business Continuity Risk Register concluded that it had become redundant as a consequence of Service Managers now being required to raise the business continuity risk in their own service risk registers. As a result, the 447 risks at the end of Q2 that were contained within Directorate and the Welfare Reform Act risk registers that are not also included on the SRR, have reduced to 357 risks at the end of Q3.

3.3.2 The table below provides a summary of the current risks:

	High	Medium	Low
Before controls	175	164	18
After controls	-	227	130

## 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: Q3 Risk Heatmap (Confidential)

## **17. Background Information**

17.1 None

## Consultation

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent to consultee</b>	<b>Date response received from consultee</b>	<b>Comments appear in paragraph:</b>
<b>Internal</b>				
Ian O'Donnell	Executive Director of Corporate Resources	25/02/2015	25/02/2015	Throughout
Maria G. Christofi	Director of Finance (Deputy s151 Officer)	25/02/2015	25/02/2015	Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services	06/03/2016		

## Report History

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