



Report for:  
**INFORMATION**

<b>Contains Confidential or Exempt Information</b>	<b>YES – Appendix 1 pursuant to paragraphs 3 &amp; 5 of Schedule 12A of the Local Government Act 1972.</b>
<b>Title</b>	Risk Management Performance Report
<b>Responsible Officer</b>	Harriet Aldridge, Interim Head of Audit and Investigations
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<b>Portfolio</b>	Finance & Performance, Cllr Yvonne Johnson
<b>For Consideration By</b>	Audit Committee
<b>Date to be Considered</b>	20 March 2014
<b>Implementation Date if Not Called In</b>	N/A
<b>Affected Wards</b>	All
<b>Area Committees</b>	N/A
<b>Keywords/Index</b>	Strategic Risk Management

**Purposes of the Report:**

This report describes the progress of the Council's Risk Management Framework for the 11 month period ending 28 February 2014 and provides members with an update on the key strategic risks facing the Council.

**1. Recommendations**

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**

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

**3. Key implications**

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.

### **3.1 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.

### **3.2 JCAD Developments**

3.2.1 Migration of the Council's contracts onto JCAD is now complete with some 470 contracts migrated onto the software.

3.2.2 Phase 2 of the project will involve uploading the documentation supporting each contract onto the software. This will result in a 'one stop shop' provision of detailed management information for the Council's contracts.

### **3.3 Staff Training & Development**

3.3.1 Gallagher Basset, the Council's Insurers, offered to provide training on the Essentials of Enterprise Risk Management (ERM). ERM is an advanced risk methodology which can add significant value by promoting holistic and coordinated risk management activities across the organisation. The training has been provided at no cost to the Council.

3.3.2 The training course, which was very well subscribed, took place on 6 & 7 March 2014 and feedback from delegates was very good.

### **3.4 Corporate Risk Management Forum (CRMF)**

3.4.1 CRMF met on 10 March 2014 and considered reports in relation to:

- Progress of the Council's Risk Management Framework.
- Insurance Update
- BCP Update
- Contract Register Update
- The current status of the Council's Strategic Risk Register

### **3.5 Out of Date Risk Analysis**

3.5.1 As can be seen from the summary set out below, all risks across the Council are up-to-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	104	1	151	3	82	0	87	11	19	0	75
Risks Out of Date	0%	0	0%	0	0%	0	0%	0	0%	0	0%

### 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 3 13/14	Risks Added/ Upgraded	Risks Withdrawn/ Downgraded	Quarter 4 13/14
High Risks	0	2	0	2
Medium Risks	16	0	-2	14
Low Risks	0	0	0	0
<b>Total</b>	<b>16</b>	<b>2</b>	<b>-2</b>	<b>16</b>

#### 3.6.2 Commentary

Having considered the SRR in detail on a risk by risk basis, CRMF concluded that there were no changes to the Register in the period.

#### 4. Financial

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

#### 5. Legal

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

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

Not applicable

## **8. Risk Management**

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**

None.

## **10. Links to Strategic Objectives**

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**

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:**

No Changes

## **13. Property and Assets**

None.

## **14. Any other implications:**

None.

## **15. Consultation**

Not applicable.

## **16. Timetable for Implementation**

Not applicable.

## **17. Appendices**

Appendix A: Out of Date Risk Analysis

Appendix B: Strategic Risk Register - (Confidential)

Appendix C: Heatmap

## **18. Background Information**

None.

## **Consultation**

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

Maria Christofi	Maria G. Christofi, Director of Finance (Deputy s151 officer)	7.03.14		
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## **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:
	John Allsop, Audit & Risk Manager ext: 6078

