



**Report for:
INFORMATION**

Item number: 8

Contains Confidential or Exempt Information	Yes – Appendices A and B pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report – Quarter 4 2015/16
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	24 May 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 Q4 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 March 2016:

- previous risks SRR0073 and WFA0014 have been merged into a single risk (SRR0075) concerned with the implications of implementing the Welfare Reform Act and the risk has been extended to include the implications of the introduction of Universal Credit (page 3);
- the wording of risk CRB/ID0022, (the consequences of delays in agreeing the post Serco contract transition) and the mitigating control measures, together with their Owners, have been updated, and the residual risk assessment has been revised to Medium (from High) following Cabinet approval of the transition arrangements and 2016/17 funding (page 7);
- one new risk (SRR0076) concerning the radicalisation of vulnerable persons and the potential impact of acts of terrorism on the Borough, has been added (page 8);
- two new control measures have been added to risk EC0049 (Environmental Services Contract) (page 11) and the gross and residual likelihood risk assessment scores have both been reduced from 4 (very likely) to 3 (likely); and
- the Owner of risk CRC0044 and the description of Risk Control Measures for risk CRC0068 (both on page 13) have been updated.

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 Q3 2015/16	Risks Added / Reassessed	Risks Withdrawn/ Reassessed	Total as at end of Q4 2015/16
High Risks	1	-	-1	-
Medium Risks	14	2	-2	14
Low Risks	1	1	-	2
Total	15	3	-3	16

3.2.4 Two emerging risks have been recognised by the Corporate Board. These are the potential impacts that a vote for the UK to leave the European Union, and of Academisation would have on the Borough. Neither of these risks are, as yet, included on the Strategic Risk Register, but are being kept under review and may be included in a future Strategic Risk Register.

3.3 Directorate Risk Registers

3.3.1 During the last Quarter, a review has continued of the risks recorded in all the Directorate and the Welfare Reform Act risk registers and a number that were out of date or duplicated have been removed. As a result, the 357 risks at the end of Q3 that were contained within these risk registers that are not also included on the SRR, have reduced to 347 risks at the end of Q4.

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

	High	Medium	Low
Gross (before controls)	159	169	19
Residual (after controls)	-	205	142
Changes to Residual numbers since Q3		- 22	+ 12

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: Q4 Risk Heatmap (Confidential)

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	06/05/2016	13/05/2016	Throughout
Mick Bowden	Interim Director of Finance (Deputy s151 Officer)	06/05/2016	13/05/2016	Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services	13/05/2016		

Report History

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