

Contains Confidential or Exempt Information	YES – Appendix 1 pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report
Responsible Officer	Steven Tinkler, Head of Audit & Investigation
Author	John Allsop - Audit & Risk Manager Ext 6078, allsopj@ealing.gov.uk
Portfolio	Finance & Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be Considered	24 June 2014
Implementation Date if Not Called In	N/A
Affected Wards	All
Area Committees	N/A
Keywords/Index	Strategic Risk Management

Purposes of the Report:

This report describes the progress of the Council's Risk Management Framework for Q1 2014/15 and provides members with an update on the key strategic risks facing the Council.

1. Recommendations

1.1 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

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 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.

3.2 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.

3.3 Staff Training & Development

3.3.1 Training on the Essentials of Enterprise Risk Management (ERM) took place in March 2014 and feedback from delegates was very good.

3.3.2 Also, and in order to facilitate officer centred learning, bespoke software has been utilised to capture on video key interactions with the JCAD Risk Management system. Thus, the following clips have been video recorded. How to:

- Access JCAD software and log on.
- Add a new risk/contract,
- Add a new control measure
- Evaluate and score new risks/contracts
- Update, withdraw and reinstate a risk/contract

3.3.3 All the video clips are:

- Available via the e-Learn Portal which all staff have access to
- In bite size portions of between 1-3 minutes.
- Accompanied by radio buttons to freeze, fast forward and rewind at the user's leisure.

3.4 Risk Management Policy

3.4.1 Minor amendments have been made to the Risk Management Policy to help ensure continued alignment to ISO 31000: Risk Management Principles and Guidelines and BSI 31100: Risk Management Code of Practice (2011).

3.4.2 The refreshed Policy, which can be found at Appendix D, resides on the Risk Management page of the Council's Intranet.

3.5 Corporate Risk Management Forum (CRMF)

3.5.1 CRMF met on 9 June 2014 and considered reports in relation to:

- Progress of the Council's Risk Management Framework.
- The Strategic Risk Register
- Insurance/BCP/Data Protection Updates

3.6 Quarterly Update

3.6.1 As can be seen from the summary set out below, all risks across the Council are in 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	129	1	112	14	82	0	81	14	18	0	75
Risks Out of Date	-	-	-	-	-	-	-	-	-	-	-

3.7 Strategic Risk Register (SRR)

3.7.1 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 4 13/14	Risks Added/ Upgraded	Risks Withdrawn/ Downgraded	Quarter 1 14/15
High Risks	2	-	-	2
Medium Risks	13	1	-	14
Low Risks	-	-	-	-
Total	15	1	-	16

Commentary

3.7.2 Having considered the SRR in detail on a risk by risk basis, CRMF recommended that the following risk is added to the Register:

- CRB/ID0013 - Key Partnership - Increased charges claimed by Serco in respect of annual indexation and server support for managed desktop (Thin Client).

4. Financial

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

5. Legal

5.1 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 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 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

7.1 Not applicable

8. Risk Management

8.1 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.

9. Community Safety

9.1 None.

10. Links to Strategic Objectives

10.1 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 a particular focus on the Council's organisational improvement objective 'Becoming a high performing organisation'.

11. Equalities and Community Cohesion

11.1 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.

12. Staffing/Workforce and Accommodation implications:

12.1 No Changes

13. Property and Assets

13.1 None.

14. Any other implications:

14.1 None.

15. Consultation

15.1 Not applicable.

16. Timetable for Implementation

16.1 Not applicable.

17. Appendices

- Appendix A: Out of Date Risk Analysis
- Appendix B: Strategic Risk Register - (Confidential)
- Appendix C: Heatmap
- Appendix D: Risk Management Policy

18. Background Information

18.1 None.

Consultation

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

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Ian O'Donnell	Executive Director of Corporate Resources	10/06/14		
Maria Christofi	Director of Finance (Deputy s151 Officer)	10/06/14		
Steve Tinkler	Head of Audit & Investigation	10/06/14		

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

Appendix A - Out of Date Risk Analysis

Out of Date Risk Analysis																									
	Children & Adults				Corporate Resources				E&CS				Regen & Housing				Chief Executives				BCP	Cross Council			
Status	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total	High	Med	Low	Total Medium	Total	High	Med	Low
Total Risks	129	1	89	39	112	14	77	21	82	0	46	34	81	14	46	21	18	0	3	15	75	497	29	336	130
Out of Date Risks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Date Risks	129	1	89	39	112	14	77	21	82	0	46	34	81	14	46	21	18	0	3	15	75	497	29	336	130