



**Report for:
INFORMATION**

Item no 11

Contains Confidential or Exempt Information	YES – Appendix C pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report – Q3 2013/14
Responsible Officer	Maria G. Christofi, Director of Finance (Deputy s151 officer)
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Portfolio	Finance & Performance, Cllr Yvonne Johnson
For Consideration By	Audit Committee
Date to be Considered	23 January 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 Q3 2013/14 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 continues with complete and up-to-date contract registers now in place for Corporate Resources and E&CS. Work is progressing within Children and Adults with all Adults Service contracts now migrated. Work on uploading Regeneration & Housing contracts will follow in due course.

3.2.2 Once all Council contracts have been migrated onto the software, phase 2 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.

3.2.3 In relation to Enhanced Vetting, all cases processed since 1st April 2013 have now been migrated onto JCAD. Thus, we are able to track for each referral:

- Start Date: Date case referred to EV team.
- Case Status: Work in Progress or Completed.
- Employment Status: Permanent or Temporary.
- Case Outcome: Pass, Fail, Candidate Withdrawn etc.
- Case Commentary: Details of any particular issues with the case.
- End Date: Date the process concluded.

3.2.4 This initiative has resulted in enhanced management information which will enable the Service to monitor and report on progress and to highlight delays in completing the process.

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.

3.3.2 The training course, which was very well subscribed, took place on 5th & 6th November 2013 and feedback from delegates was very good. All delegates successfully completed the course and received their certificates. The next ERM course has been scheduled for March 2014.

3.4 Corporate Risk Management Forum (CRMF)

3.4.1 CRMF met on 19 December 2013 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 Institute of Risk Management Awards (IRM)

3.5.1 The Council has been shortlisted by IRM's Global Risk Management Awards in the category of 'Innovation through Technology'. The Awards Ceremony will take place in central London on 27 February 2014.

3.5.2 With 7 categories and some 30 shortlisted candidates based around the World, the Council was the only public sector body to reach the Finalist stage.

3.6 Out of Date Risk Analysis

3.6.1 As can be seen from the summary set out below, there are no risks across the Council which are out of 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	-	-	-	-	-	-	-	-	-	-	-

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 2 13/14	Risks Added/ Upgraded	Risks Withdrawn/ Downgraded	Quarter 3 13/14
High Risks	0	0	0	2
Medium Risks	16	0	0	14
Low Risks	0	0	0	0
Total	16	0	0	16

3.7.2 Commentary

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

3.7.3 The two risks currently rated as High with a residual risk rating of 12 are as follows:

- SRR0073 - Service delivery - Implementation of the Welfare Reform Act (WRA) 2012 results in a negative impact on Council services, finances and reputation.
- CA0045 - Inadequate Budget Provision in Adult Social Care - Unavoidable rise in demand for Adult Social Care resulting in a shortfall in the budget coupled with Council's 25% saving over 2011-14.

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)	9.01.14		
Harriet Aldridge – Interim Head of A&I		9.01.14		

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 Med	Total	High	Med	Low
Total Risks	103	1	68	34	124	3	76	45	71	-	42	27	86	12	49	25	18	-	3	15	75	477	16	313	146
Out of Date Risks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In Date Risks	103	1	68	34	124	3	76	45	71	-	42	27	60	4	35	21	18	0	3	15	75	451	8	299	142
Risk Transistion	-	-	-	-	-	-	-	-	-	-	-	-	26	8	14	4	-	-	-	-	-	26	8	14	4