



Report for:
INFORMATION

12.

Contains Confidential or Exempt Information	YES – Appendix A pursuant to paragraphs 3 & 5 of Schedule 12A of the Local Government Act 1972.
Title	Risk Management Performance Report
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Author	Steven Tinkler, Head of Audit & Investigation ext. 8571, TinklerS@ealing.gov.uk
Portfolio	Cllr Yvonne Johnson - Finance, Performance and Customer Services.
For Consideration By	Audit Committee
Date to be Considered	25 June 2015
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 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 A) 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 Whilst the Council has a mature risk management arrangement including embedded Risk Champions, training on risk management continues to be delivered on a periodic bases, supported by the JCAD user training modules which are available via the e-Learn portal. Representatives from JCAD provided face-to-face training to a number of risk owners during May 2015.

3.4 Corporate Risk Management Forum (CRMF)

3.4.1 CRMF met on 27 April 2015 and considered reports in relation to:

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

3.5 Strategic Risk Register (SRR)

3.5.1 The table below summarises the movement in the SRR since it was last reported to Audit Committee. Members will note that mitigation has been applied to all risks detailed within the SRR to ensure that all risks are managed within the risk appetite of the Council. Appendix A sets out the SRR in detail.

Rating	Quarter 4 2014/2015	Risks Added/ Escalated	Risks Withdrawn/ De Escalated	Quarter 1 2015/2016
High Risks	-	-	-	-
Medium Risks	15	3	(2)	16
Low Risks	-	-	-	-
Total	15	3	(2)	16

Commentary

3.5.2 The table below sets out the rationale for each movement in the register:

Risk Reference	Definition	Rationale	Residual Risk Rating
Added Risks			
HS0012	Failure to manage Ealing owned and Ealing staff / service occupied property compliance could lead to unsafe premises for staff, residents, service users and visitors and result in enforcement action against the Council.	Replaces withdrawn risk HS0011 below.	Amber
CR0094	Inability to attract or retain staff with the right skills, experience and capabilities to deliver the Council's vision and corporate outcomes.	Recognition of the significant change within the Council and the potential impacts on the ability to attract and retain staff.	Amber
CRB/ID0016	The Council suffers thousands of cyber-attacks per year. These mainly emanate from Russia, North Korea, China, Philippines and the USA, but all parts of the world are represented. Failure to manage cyber based risks could result in service disruption or significant data loss.	Recognise by independent advisors including insurers as an area of increasing risk.	Amber
De-Escalated / Withdrawn Risks			
HS0011	Failure to manage property compliance could lead to unsafe premises for staff, resident's services users and visitors and enforcement action against the Council.	Corporate Health and Safety Risk Register has been reviewed by the Health and Safety Board and changes made. Subsequently this risk has been redefined and withdrawn. Risks	Amber
CRB/SP0014	Failure to comply with EU Procurement regulations, Cabinet Office returns or Council Constitution may impact on reputation or have financial consequences through the risk of challenge.	All actions required to address weakness identified in previous Internal Audit reviews of this area have been implemented and embedded. As a result risk redefined and managed at a Directorate level.	Amber

3.5.3 Having considered the SRR in detail on a risk by risk basis and an assessment to emerging risks facing the public sector, two new risks were recommended to Corporate Board for inclusion within the SRR: These relate to the following:

- Cyber Risk – increased risk of cyber-attack including the theft or manipulation of software or private information, deliberate introduction of viruses and computer fraud.
- Employee Risk – During a period of significant change, the inability to attract or retain staff with the right experience and cultural understanding to deliver the Council’s vision and corporate outcomes.

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 Effective risk and opportunity management contributes to the effectiveness of the Council to deliver its plans and objectives.

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 None.

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: Strategic Risk Register - (Confidential)
- Appendix B: Heatmap

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	02/06/15	02/06/15	Throughout
Maria Christofi	Director of Finance (Deputy s151 Officer)	02/06/15	02/06/15	Throughout
Cllr Yvonne Johnson	Portfolio Holder – Finance, Performance & Customer Services	17/06/15	17/06/15	Throughout

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:
	Steve Tinkler, Head of Audit & Investigation, ext 8571

