



**Report for:
INFORMATION**

Item Number:

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 Update Report Quarter Two 2015/16
Responsible Officer	Maria G. Christofi, Director of Finance (Deputy s151 Officer)
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Portfolio	Cllr Yvonne Johnson - Finance, Performance and Customer Services
For Consideration By	Audit Committee
Date to be Considered	20 January 2016
Implementation Date if Not Called In	N/A
Affected Wards	All
Keywords/Index	N/A

Purpose of Report:

This report provides Audit Committee with an update in respect of the review of risks completed at the end of Q2 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 to 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 the Audit Committee in September 2015, one new risk (WFA0013, Increased temporary accommodation cost pressures) has been escalated to the SRR, the description of another risk (CRC0068, losses through fraud) has been changed and its residual risk assessment amended from medium to low, and two risks have been removed. The risks that have been removed are:

- CAA0076, Failure to attract sufficient BCF funding, which is no longer considered to be of strategic significance; and
- CR0094, Poor Employee Relations, the inability to attract and retain staff. This had been assessed as being a medium level risk and was not considered to be of sufficient strategic importance to be included on the SRR.

3.2.3 The current SRR therefore contains 15 strategic risks, the residual risk assessment of which are summarised as follows:

Rating	B/f from Q1 2015/16	Risks Added / Reassessed	Risks Withdrawn/ Reassessed	Total as at end of Q2 2015/16
High Risks	-	-	-	-
Medium Risks	15	1	2	14
Low Risks	1	1	1	1
Total	16	2	3	15

3.3 Directorate Risk Registers

3.3.1 There are currently 447 risks contained within the four directorate and

business continuity specific risk registers. This compares to 443 risks at the end of Q1. The table below provides a summary of the risks currently included within the directorate risk registers:

	High	Medium	Low
Before controls	263	164	20
After controls	1	301	145

3.3.2 There is one risk which is assessed as being of high significance after taking into consideration their mitigating control measures. It concerns delays in agreeing the ICT strategy. This risk is under review and if the residual risk exposure does not reduce, it will be escalated to the Strategic Risk Register in Q3.

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
- Appendix B: Risk Heatmap

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	07/12/2015	07/12/2015	Throughout
Maria G. Christofi	Director of Finance (Deputy s151 Officer)	07/12/2015	07/12/2015	Throughout
Cllr Yvonne Johnson	Portfolio holder – Finance, Performance & Customer Services	12/01/2016		

Report History

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