

<p>Non-Executive Report of the:</p> <p>Audit Committee</p>	
<p>Report of: Corporate Director, Governance and Monitoring Officer</p>	<p>Classification: Open (Unrestricted) (Unrestricted)</p>
<p>Risk Management Report 2019/20 – Q3</p>	

Originating Officer(s)	Paul Rock
Wards affected	All (All Wards);

Executive Summary

The Corporate Risk Register is maintained by the Corporate Risk Team on behalf of the Corporate Management Team.

The register is formally reviewed each quarter, but it is a ‘living document’ which is reviewed and updated in-year to reflect any significant new risks or changes in risk exposure that may arise due to internal or external events; and to track progress against mitigating actions.

The role of the risk management team is to support the Council and its Directorates build robust corporate governance arrangements that allow its strategic aims to be delivered.

The report and appendices provide the Audit Committee with an update on risks in the Corporate Risk Register.

A report on risk movement showing change in risk score and date of last movement is provided in appendix 2.

There are currently 11 corporate risks on the corporate risk register, of which three are red, five, are amber and three yellow.

No new threat risk has been added and no opportunities have been recorded.

Risk reference CSDSC0014 (Children’s Social Care) has been withdrawn.

Recommendations:

The Audit Committee is recommended to:

1. Note the corporate risks and recommend changes and updates as necessary ensuring risks identified are those that could prevent the Council achieving its aims and objectives.
2. Where applicable, request risk owner(s) with risks requiring further scrutiny to provide a detailed update on the treatment and mitigation of their risk including impact on the corporate objectives at the next meeting.
3. Ensure that an effective risk management framework is in place within the council and provide leadership so that the council becomes a risk mature, dynamic organisation.

1. REASONS FOR THE DECISIONS

- 1.1 Risk Management reports are brought annually and quarterly to provide the Audit Committee with an oversight of the authority's processes to facilitate the identification and management of its significant business risks.

2. ALTERNATIVE OPTIONS

- 2.1 None.

3. DETAILS OF THE REPORT

- 3.1 While the risk management framework, strategy and procedures are well documented, compliance with them is variable across the authority and review and engagement with the risk management process requires improvement.
- 3.2 It is necessary for effective risk management that risks and controls are regularly reviewed by directorate leadership teams. The Council has a responsibility to ensure it manages its resources wisely, evaluating courses of action to support decision-making and effectively reduce the risk of incidents affecting the Council and the community.
- 3.3 Early feedback from the internal audit of Risk Management has indicated that there was no documented evidence to demonstrate that actions relating to the risk register were being followed up from Audit Committee meetings.

3.4 New Risks

CLCLSP001 – Risk around the Leisure Management Contract has been approved as Corporate Risk and will be updated as a corporate risk.

FPA0012 - Failure and inability to close accounts on time and comply with the relevant accounts closure timetable previously a divisional risk has now been updated as a corporate risk.

3.5 Risks removed from the corporate register

CSDSC0014- Failure to ensure findings and recommendations are implemented.

The inspection process produced evidence to show that in the judgement areas of help and protection, in leadership and management and governance and in relation to the LSCB the restorative action that has been taken has been neither sufficiently effective nor timely.

The Ofsted inspectors highlighted the need for some urgent and rapid improvement across children's social care.

Ofsted have now completed their inspection.

There was a positive conclusion to the inspection.

- 3.6** While not formally entering onto the Corporate Risk Register at this stage, conversations with CLT and DLT's also covered risks and opportunities associated with various areas that will be explored in more detail as the corporate register evolves.
- 3.7** This corporate risk register refresh has taken place against a backdrop of significant uncertainty at national level and a number of these risks will require revisiting in the coming weeks, as the new Government progresses its agenda and matters of relevance to our corporate risks move forward.
- 3.8** There is a particular focus on ensuring that key mitigating actions are identified and progress monitored. The risks within the Corporate Risk Register, their current risk level and progress against mitigating actions are reported quarterly to Corporate Leadership Team. Updates against actions due for review or completion in quarter 3 of 2019/20 have been requested from action owners and will be reported in the next report to the committee.

The table below is a breakdown of the number of corporate risks by directorate for quarter 3, 2019/20.

Directorate	Grand Total	4	9	12	15	16	25
		Manageable	Material	Significant	Significant	Severe	Severe
HAC	2	0	1	0	1	0	0
CCD	1	0	0	0	0	0	1
PD	3	0	1	0	2	0	0
GD	0	0	0	0	0	0	0
Resources	6	0	2	2	0	2	0
Total	11	0	4	2	3	2	1

Table 2. The number of risks within each directorate by risk score.

Key: **HAC** – Health, Adults and Community directorate
CCD – Children’s and Culture directorate
PD – Place Directorate
GD – Governance directorate
Resources – Resources directorate

Number of Risks associated with corporate Priorities	
People are aspirational, independent and have equal access to opportunities.	1
A borough that our residents are proud of and love to live in.	3
A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.	7
Total	11

4. EQUALITIES IMPLICATIONS

- 4.1 The primary objective of Equality Impact Assessments (EIAs) is to determine the differential impact of a proposed policy, service or business activity and obtain a profile of how it affects different community groups.
- 4.2 Identifying risks and measures that might be employed to mitigate adverse impact is a crucial part of the EIA process.
- 4.3 In order to facilitate mainstreaming of the monitoring and control of identified EIA risks as best practice, departments should include the identified risks and controls measures in the Corporate Risk Register.

- 4.4 Risk owners should be aware of equality implications when delivering the control measures.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 An ineffective audit committee could result in inadequate governance, risk and control arrangements remaining unchallenged, resulting in increased risks of fraud, waste or error and the potential for adverse criticism from the external auditor or other agencies. Full management of the Council's top risks (corporate risks) will allow for effective decisions to be made across the Council's business.

Risk management plays a key role in the civil contingencies bill. The Council has a responsibility to ensure it manages its risk effectively reducing the risk of incidents affecting the safety of the community.

Environmental issues are at the forefront of decision making, this means that risk owners should only be agreeing to control measures that are environmentally friendly.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

There are no specific financial implications arising from the recommendations within this report. General comments with regards the importance of effective risk management and the consequences of failure to monitor and manage organisational risks are contained within the body of the report.

7. COMMENTS OF LEGAL SERVICES

The management of risk has a direct impact on the Council's ability to deliver its functions in a manner which promotes economy efficiency and effectiveness. Therefore, the consideration of this report demonstrates the Council's compliance with its Best Value Duty.

The Council is also legally required to ensure that it has a sound system of internal control facilitating the effective exercise of the Council's functions. This includes arrangements for the management of risk and an effective system of internal audit to evaluate the effectiveness of its risks management, control and governance processes, taking into account public sector internal auditing standards and guidance. This report also demonstrates compliance with these legal duties.

Linked Reports, Appendices and Background Documents

Linked Report

- List any linked reports
- NONE

Appendices

- Appendix 1 – Corporate Risk Register
- Appendix 2 – Corporate Risk Movement report

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

- NONE

Officer contact details for documents:

A.Sotande-Peters Ext: 4051