

	<p><b>Audit Committee</b> 20 March 2013</p> <p><b>Report from the Deputy Director of Finance and Corporate Services</b></p>
<p>For Information <span style="float: right;">Wards Affected: ALL</span></p>	
<p><b>Corporate Risk Register</b></p>	

**1. Summary**

- 1.1. This report presents the council's current Corporate Risk Register following review by the Corporate Management Team (CMT).

**2. Recommendations**

- 2.1. Audit Committee to review and note the contents of the Council's updated Corporate Risk Register.

**3. Detail**

- 3.1. The council's risk management strategy and policy was agreed by the Corporate Management Team (CMT) in September 2011 and endorsed by the Audit Committee in December 2011. A number of refinements have since been made to the process as set out below in summary form:

- Directors will ensure that a risk register is in place for all their areas of responsibility utilising the council's risk template
- Operational risks are managed at a departmental level with key risks, which may be of significance across the whole organisation or need escalating due to their risk rating, being fed into the Corporate Risk Register
- Registers will be forwarded electronically to Audit and Investigations on a quarterly basis to coincide with the deadline for performance scorecards.
- When collecting scorecard data, Strategy, Partnership and Improvement will request Directors' highest level risks (up to five) which Directors will determine. These will be those risks which are of significance to the authority or which need to be escalated to CMT due to high residual risk score. These risks will be

provided to SPI using the risk template format (i.e. copy and paste from the template).

- SPI will also request hot spot information in a prescribed format. Whilst there may be some overlap between hot spot and risk, the hot spots are issues which are about to or have occurred rather than risks which are events which may materialise.
- CMT will develop and maintain (with support from Audit and Investigations) a register of the council's highest level strategic risk. These will be held on a Corporate Risk Register. CMT will consider these risks along with those submitted by Directors and incorporate appropriate operational risks into the Corporate Register. The operational risks will remain separately identifiable on this register.
- The One Council programme also maintains risk logs on a project by project basis. Where these are significant they will be reflected in the Corporate Register.
- A consolidated document, including risks and hotspots will be presented to the Policy Coordination Group on a quarterly basis and the Executive will approve the risk register annually.
- Audit and Investigations will assist CMT and Departmental Management Teams to develop their registers and provide regular reports to the Audit Committee concerning risks and the risk management process. The risk registers will drive the council's internal audit plan.

3.2. The corporate risk register, which identifies the council's top strategic and operational risks has evolved over the last year through consultation with Departmental Management Teams (DMTs) and has been the subject of review by CMT in April 2012, September 2012 and February 2013. The register has also been presented at Audit Committee at each of its meetings, the last instance being on 9<sup>th</sup> January 2013. Key risks also featured on the first two quarter's hotspots reports to PCG in abridged form.

3.3. On 28<sup>th</sup> February CMT reviewed the current register and suggested that some of the strategic risks were too broad to enable specific controls to be identified and assessed. Work is ongoing to develop a revised register which will seek to remove a number of the broader strategic risks and group the key operational risks, as identified currently in part two of the register, under strategic headings. For now, the committee should note the following changes in the register.

#### **Strategic Risks S1 to S8 –**

**Removal of S1, "Failure to recognise and plan for coalition government's future vision for Local Government - Greater role in partnerships and strategic commissioning; diminishing role in direct service provision (e.g. Education, joint health and social care services; removal of responsibility for housing benefit delivery." This is considered by CMT to be too broad.**

**Removal of S2**, “1st April 2013. Start date for multiple service changes, new Civic Centre, new way of working and self-service, new legislation. i.e. benefit caps, local council tax rebate, retention of business rates”. Replaced with S2, Civic Centre and S4, Welfare Reform. S2 now becomes a heading for a group of operational risks around the civic centre: Build, move, infrastructure and customer services.

**Removal of s3**, “Income loss due to various factors including budget reductions, change in legislation, economic recession, lack of external investment”. This is considered by CMT to be too broad and covered by other risks.

**S4 – Economic Recession, demographic change and welfare Reform**, A broad heading covering a range of significant risks being dealt with on a departmental level but recognising that, together, they have a strategic impact and include operational risks from RMP, childrens and adults service.

**S9 – School Places**, New strategic risk added recognising the importance of this area and impact across two departmental areas.

### **Key Operational Risks**

#### **Regeneration and Major Projects**

RMP1, RMP3, RMP4 – moved to strategic risks

#### **Children and Families**

CF1, CF3 – moved to strategic risks

#### **Adult Social Services**

ASS4, moved to strategic risks

ASS6, removed

#### **Environment and Neighbourhood Services**

ENS5, Recycling Targets – Change recycling target to 50%

ENS9, Joint Procurement – Minor revision to wording

#### **Corporate Services**

CS7, Financial Planning – Changed to reflect medium term financial strategy post 2014

#### **Customer and Community Engagement**

CCE1, Customer Services Project – Moved to strategic risk

*CCE5, CCE7, - Removed*

**Strategy, partnership and Improvement**

*SPI7 - removed*

**4. Legal Implications**

- 4.1. The Accounts and Audit Regulations (England) 2011 section 4(1) require the council to “ensure that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk.”
- 4.2. Further section 5 (1) (4) (i) requires that the Director of Finance and Corporate Services determines accounting control systems which include adequate measures to ensure that risk is appropriately managed.

**5. Financial Implications**

- 5.1. None

**6. Diversity Implications**

- 6.1. None

**7. Contact Officer Details**

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