

 <b>Brent</b>	<p align="center"><b>Audit Committee</b></p> <p align="center">16 September 2015</p> <p align="center"><b>Report from the Chief Finance Officer</b></p>
For Information	Wards affected: All
<p><b>Report Title: Corporate Risk Register</b></p>	

## 1. Summary

- 1.1 This report presents the council's current Corporate Risk Register.

## 2. Recommendations

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

## 3. Detail

- 3.1 The risk register is attached at appendix 1. This sets out the council's corporate and key operational risks. Only those operational risks with a net score of 12 or more are reported to the Audit Committee. There are further risks contained within the departmental registers which can be viewed via the infostore system.
- 3.2 Strategic Directors are required to maintain an operational risk register and review this periodically with their Departmental Management Teams. The register is now held on Infostore and Directors are required to ensure their registers are up to date in accordance with the Audit Committee reporting cycle. The key dates are: 10<sup>th</sup> March, 10<sup>th</sup> June, 27<sup>th</sup> August and 10<sup>th</sup> December 2015.
- 3.3 The Audit Committee last reviewed the register at its meeting in March 2015.
- 3.4 The Corporate Risk Register has been updated to align risks with the new senior management structure, particularly those within the Chief Operating Officer's area of responsibility.

- 3.5. Since the last meeting at which the risk register was presented, the Risk Management Group has met on three occasions. The register attached as appendix 1, has undergone some refinement and the following changes should be noted:

### **Corporate Risks**

- The previous risk relating to budget savings has now been split into two to take account of the risk unintended impact on Services and the risk of an overspend as a result of the failure to achieve the required savings.
- Addition of a number of risks as set out below:
  - Failure to safeguard vulnerable children;
  - Failure to safeguard vulnerable adults;
  - Non compliance with Health and Safety legislation;
  - Major or large scale incidence Major or large scale incidence (accident, natural hazard, riot or act of terrorism); business interruption affecting the Council's resources and its ability to deliver critical services. Risk top safety of staff and loss of staff.

### **Adult Social Care Department**

- Removal of risk of service quality failure (CQC inspection failure, increased safeguarding), provider failure (organisation decides not to deliver or goes bankrupt) or market failure (unable to purchase the required services for people);
- Removal of risk relating to fraud and financial mismanagement of direct payments;
- Removal of risk of failure to engage with partners across the public sector and other external organisations; and
- Removal of risk of inability to meet the demand for carers as a result of the implementation of the Care & Support Act 2014.

**Chief Operating Officer's Department** – Realignment of risks to reflect new areas of responsibility.

### **Children & Young People Department**

- Addition of risk of failure to recruit sufficient numbers of permanent social workers and the related higher level of social work turn-over;
- Removal of risk of increase in demand for social services resulting from welfare reforms.

### **Regeneration & Growth Department**

- Addition of risk of deficits in employment & Skills service quality and delivery;
- Addition of risk of decline in Building Control income due to loss of business share;
- Addition of risk of inability to deliver enough secondary school capacity through the Schools Capital Programme (including SEN provision in that phase);
- Addition of risk of substantial contractor claim in respect of delay to completion of Crest Academies project;

- Removal of risk of lack of external investment in regeneration of borough;
- Removal of risk of inability to deliver new affordable housing in accordance with housing strategy targets;
- Removal of risk of Sudbury School Academy conversion (school seeking redress from Council for value of engineering works)
- Removal of risk of inability to deliver social housing units in line with specified targets;
- Removal of risk of temporary accommodation demand increases as a result of welfare reforms and lack of access to affordable private rented properties;
- Removal of risk of political pressure from local community / groups affecting the ability to deliver the new Willesden Green Cultural Centre on budget and on time;
- Transfer of risk of Community Access project being unsuccessful to Chief Operating Officer's department's risk register;
- Removal of risk of homelessness demand led pressures adversely impacting the temporary accommodation budget;
- Removal of risk of infill development delays and limitation on availability of further sites for next phase of development;
- Removal of risk of reduction in the number of empty property grant properties brought into use;
- Removal of risk of Employment and skills merger and START service transformation failing to achieve employment and training objectives;
- Removal of risk of current economic situation resulting in increased debt;
- Removal of risk of income decline due to loss of business share;
- Removal of risk of building failures (specifically the Civic Centre);
- Transfer of risk of accelerated roll out of Universal Credit to Chief Operating Officer's department's risk register;
- Transfer of risk of in year reductions in the collection of Council Tax and NNDR to Chief Operating Officer's risk register.

#### **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 Chief Finance Officer 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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