

**AUDIT COMMITTEE**  
**24 September 2015**

<b>Subject Heading:</b>	Corporate Risk Register
<b>CMT Lead:</b>	Deborah Hindson Acting Managing Director oneSource
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<b>Policy context:</b>	To inform the Committee of the current Corporate Risk Register contents and Risk Ratings.
<b>Financial summary:</b>	N/A

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	X
Excellence in education and learning	X
Opportunities for all through economic, social and cultural activity	X
Value and enhance the life of every individual	X
High customer satisfaction and a stable council tax	X

**SUMMARY**

This report provides the Audit Committee with an update on the Strategic Risks the organisation currently faces, the ratings applied to them and the mitigations and planned actions identified and documented through the risk management activity of the council.

**RECOMMENDATIONS**

1. To note the contents of the report and the risk register.
2. To raise any issues of concern and ask specific questions of officers where required.

**REPORT DETAIL**

**1. Introduction**

1.1 Risk Management is defined by the Institute of Risk Management as:

“Risk Management is the process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of failure.”

Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its objectives. Risks associated with these objectives can be managed and the potential impact limited, providing greater assurance that the Vision will be achieved.

- 1.2 The Corporate Risk Register is owned by the Corporate Leadership Team to ensure that links to risks within services and directorates as well as projects are robust. The Head of Internal Audit is responsible for reporting the status quarterly to the Audit Committee. Effective risk management is a fundamental component for a strong internal control environment and good governance.
- 1.3 Heads of Service are responsible for risk management within their own service area and all projects and programme boards maintain risk logs. Significant risks are escalated to Corporate Management Team through one to ones and management team meetings. Internal Audit are reliant on risk management to determine where to direct their resources and focus.
- 1.4 As Councils respond to the austerity agenda, risk management resources will reduce, in line with other cuts required to make significant levels of savings. This will require a pragmatic approach to maintain an adequate risk management approach.

**2. Risk Management Activity**

- 2.1 Although there has not been a formal review of risk management arrangements the work to manage risk and deliver the strategy obviously continues day to day within the business and decision making processes.
- 2.2 oneSource Management Team have developed their Strategic Risk Register.
- 2.3 The service planning process for 2015/16 included a review of service risks.
- 2.4 Corporate Leadership Team participated in a workshop to inform the recent update of the risk register.

2.5 Corporate Management Team reviews the register and approves it.

### **3. Annual Review**

3.1 The previous update advised that the annual review of Risk Management has been delayed due to the service review for the Audit and Risk Service. The service review has considered the resources and structures required within oneSource to support both the London Borough of Havering and Newham in continuing to embed risk management.

3.2 As part of the implementation phase of the restructure the Strategy and Procedures for Risk Management will be updated for approval by the Audit Committee and then re-launched across both organisations. The restructure is scheduled to be formally consulted on in October 2015. Risk Management will also be considered as part of the current CIPFA and SOLACE consultation on "Governance". An audit of Risk Management could assist in the review. This will inform the future risk management approach.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised. There are financial implications where risks are not managed in an efficient and effective manner. The new strategy will be developed based on resources that are available within the budget for the Council. The responsibility for risk management is shared across all services of the Council therefore individual Heads of Service deploy the level of resources required to manage risks in their area. It is part of business as usual and integral to roles, particularly management within the organisation.

### **Legal implications and risks:**

There are no apparent risks in noting the content of this Report. Failure to effectively manage corporate risks are likely to have legal consequences.

### **Human Resources implications and risks:**

None arising directly from this report.

### **Equalities implications and risks:**

None arising directly from this report. Equality and social inclusion are key factors to consider within the Council's objectives and therefore requirements are embedded within governance framework. Failure to manage risk in this area would have implications.

**BACKGROUND PAPERS**

Corporate Risk Register