

AUDIT COMMITTEE
2 March 2016

Subject Heading:	Corporate Risk Register
CMT Lead:	Jane West Managing Director oneSource
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Policy context:	To inform the Committee of the current Corporate Risk Register contents and Risk Ratings.
Financial summary:	N/A

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

Havering will be clean and its environment will be cared for	[x]
People will be safe, in their homes and in the community	[x]
Residents will be proud to live in Havering	[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.”

1.2 The added value of effective risk management is when it becomes part of the DNA of an organisation – and not simply a process. A streamlined process results when risk management is embedded into roles, responsibilities and thinking/actions. This underpins good governance and contributes to the delivery of outcomes that make a significant difference to people’s lives and increases trust in public servants.

1.3 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.

1.4 As councils respond to the austerity agenda and the need to make significant savings, risk management resources will have to reduce, in line with all council resources. This will require a new pragmatic and streamlined approach to maintaining an adequate risk management approach.

1.5 The Corporate Risk Register outlines the key strategic risks facing the council, the controls currently in place to respond to these risks and any further action required by the council to properly manage these risks

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 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 half yearly to the Audit Committee. Effective risk management is a fundamental component for a strong internal control environment and good governance.

- 2.3 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.
- 2.4 The service planning process for 2016/17 has commenced and this will include a review of service risks.
- 2.5 The Corporate Leadership Team has participated in the recent update of the risk register where appropriate.

3. Annual Review

- 3.1 As previously reported to the audit Committee, the review of the Risk Management Policy and Strategy was delayed as part of the review and restructure of the Audit and Risk Service. The Policy and Strategy has now been revised and presented to tonight's Audit Committee for approval.
- 3.2 The service restructure is scheduled to be formally consulted on in March 2016 to enable a third partner to join the service
- 3.3 Risk Management will also be considered as part of the current CIPFA and SOLACE consultation on "Governance" expected late April 2016. This may impact on 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