



Havering
LONDON BOROUGH

AUDIT COMMITTEE

11 March 2015

Subject Heading:

Corporate Risk Register

Report Author and contact details:

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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

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.

A workshop on Corporate Risk was held at Corporate Leadership Team to update the Risk Register and the updated version was agreed by Corporate Management Team in February 2015.

The Annual Review of Risk Management Arrangements has been delayed due to the oneSource Service review however it is anticipated it will be completed for the June Committee.

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.
- 1.3 Heads of Service are responsible for risk management within their own service area all projects and programme boards maintain risk logs. Significant risks are escalated to Corporate Management Team through one to ones and management team meetings.

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 has commenced and this includes 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 have reviewed the updated register and approved it.

3. Annual Review

- 3.1 The Annual Review of Risk Management has been delayed due to the service review for the Audit & 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. It is anticipated that the Annual Review of Risk Management will be ready for the June Committee.

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

None.

Corporate Risk Register

Risk No.	Details of Risk Event	Negative Consequences	Current Assessment of Risk			Risk Owner	Mitigating Actions / Controls	% Complete	Control Owner	Controlled Assessment of Risk		
			Current controls in place							With ALL controls 100% in place		
			Impact	Likelihood	Risk Rating					Impact	Likelihood	Risk Rating
	Organisation and Governance											
G1	Failure to have governance arrangements in place to ensure compliance with statutory and regulatory requirements and to ensure that all decisions taken are legal and robust enough to withstand challenge	Reputational damage, legal action, fines and penalties, cost of corrective action	3	2	6	Chief Executive	Governance Group oversees key aspects of the governance framework and monitors compliance reporting by exception to CMT on issues and risks Constitution is reviewed regularly - review currently underway. Training provided on decision making process. Robust procedures for decision making Reviews to reduce bureaucracy planned Overview and Scrutiny committees are embedded into Governance Framework and a new Overview and Scrutiny Board established to oversee.	50 75 75 0 100	Director of Communities and Resources Director of Legal & Governance (oneSource) Director of Legal & Governance (oneSource) Director of Communities and Resources Leader	3	1	3
G2	Failure to ensure the organisation is free from fraud and corruption from both internal and external threats	Financial loss, reputational damage.	1	3	3	Director of Communities and Resources	Fraud strategy monitored by Audit Committee. Dedicated fraud resources undertaking both proactive and reactive work. Governance Group oversees fraud issues and trends reporting by exception to CMT on issues and risks Fraud Campaign to deter fraud run annually. Whistleblowing Policy in place and activity reported to Audit Committee Council requires Heads of Service and Managers to ensure system of internal control is robust and audit work provides assurance and raises recommendations.	80 80 80 80	Director of Finance (oneSource) Director of Communities and Resources Director of Finance (oneSource) Director of Finance (oneSource)	1	2	2
G3	oneSource - Failure to manage the impact on governance framework of a shared back office and potential conflicts of interest	Non compliance with local requirements, Haverings best interests not served	2	3	6	Chief Executive	Review of Scheme of Delegation and update to constitution Induction and Training for oneSource managers PDR and 1:1s undertaken In interim Legal are providing advice to support governance arrangements where required.	50 0 100 100	Director of Legal & Governance (oneSource) MD oneSource CLT Director of Legal & Governance (oneSource)	2	1	2
G4	Care Act Implementation - inability to deliver in the defined timescales or deliver the broader changes in social care and improve wider health services	Non compliance with legislation, failure to achieve the outputs for the community	3	2	6	Director of Children, Adults and Housing	Programme Board monitoring implementation includes all relevant service area representatives Risk Register in place for the Programme, regularly updated and Red risks visible to other CMT members. Demand and expectations management controls identified as part of the programme risk register which would limit the impact of the risk Financial Risk Management as part of the programme is critical as insufficient resources is biggest cause of this risk materialising	100 100 75 75	Director of Children's, Adults and Housing Director of Children's, Adults and Housing Director of Children's, Adults and Housing Director of Children's, Adults and Housing	2	2	4
G5	Business Continuity and Disaster Recovery Failures	loss of critical services	4	3	12	Director of Communities and Resources	Business Continuity Plans in place, monitored by HoS and tested periodically Reassurance of ICT capability within the server rooms of Newham and Havering ensuring a resilient and accessible service is available to both Councils. Plans to incorporate the communications systems linked through ICT ensuring resilience is maintained. Plans incorporating activation, escalation and maintenance of ICT systems with resilient 24/7 maintenance of the systems especially identifying single points of failure and criticality.	50 25 25 40	Director of Communities and Resources Director of ICT Services Director of ICT Services Director of ICT Services	4	2	8

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Generation and Management of Funds												
F1	Lack of oversight of future budget trends and failure to control budgets in year and achieve savings proposals	Unable to meet demand for services within budgetary constraints. Overspends occur.	4	2	8	Director of Communities and Resources	Medium Term Financial Strategy in place, robust forecasting in place	100	Director of Communities and Resources	4	1	4
						Impact of new legislative demands understood and factored in	??	CMT				
						Robust in year budget monitoring arrangements - supported by technology	80	CLT				
						Savings achievement is monitored and independently confirmed	100	Director of Finance (oneSource)				
F2	Failure to exploit potential income streams and maximise the funds generated and received	Missed opportunities, increased budgetary pressure.	3	3	9	Director of Communities and Resources	Income collection plans and targets monitored by CMT	100	CMT	3	1	3
						Robust business retention Strategy in place	100	Head of Economic Development				
						oneSource business development plan has been produced for 2015/16	0	MD oneSource				
						Robust plans to deliver large impact projects aimed at delivering income i.e. Havering Company	100	Director of Communities and Resources				
F3	Failure to manage increased demands for services in the short, medium and long term	Cuts in services, unable to deliver statutory responsibilities, resident dissatisfaction	3	3	9	Chief Executive	Demographic and demand trends modelled quarterly by CMT	100	Head of Business & Performance	3	2	6
						Key drivers i.e. school places separately modelled	100	Head of Learning and Achievement				
						Demand Management Strategy reported quarterly	100	Director of Children's, Adults and Housing				
						CLT Working group planned	0	Chief Executive				
						Corporate Early Help, Intervention and Prevention Strategy to be developed through the Corporate Brain Steering Group	0	Head of Business & Performance				
Organisation and Management												
M1	The workforce does not have the capacity or is not sufficiently skilled and motivated to meet the future needs of the organisation	Unable to deliver key projects and programmes, reduced productivity, lack of innovative ideas, failure of deliver objectives and outcomes	3	3	9	Chief Executive	PDRs and 1:1s are mandatory part of the performance management process	80	CLT	2	2	4
						Managers Development Programme completed by majority of LBH managers	100	Head of Human Resources and Organisational Development				
						Workforce and Organisational Development Strategies monitored at CMT	75	CMT				
						Partnership working with Newham will gong forward increase resilience	20	MD oneSource				
Duty of Care												
C1	Failure to ensure we are carrying out our duty of care to the most vulnerable in our community	Harm suffered by individual, reputational damage, financial cost of dealing with the issue or any legal action	4	2	8	Director of Children's, Adults and Housing	Safeguarding and Early Intervention programmes in place for referrals and management of vulnerable children	100	Director of Children's, Adults & Housing	4	2	8
						Safeguarding Adults and Children's Board with opportunities for chair to report issues to Chief Exec and Cabinet	100	Chief Exec				
						Robust monitoring and escalation processes with Council including the Child Safety Performance Board between Leader, Cabinet Member, CE and Director.	100	Leader				
						Multi Agency Safeguarding Hub established with links to the above	100	Director of Children's, Adults & Housing				

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						Annual Secion 11 Audit Carried out and findings acted upon.	100	Head of Business & Performance				

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C2	Health and Safety arrangements are not robust for our own operations and for the community	Harm suffered by individual, reputational damage, financial cost of dealing with the issue or any legal action	4	1	4	Chief Executive	Appropriate plans in place issues of compliance reported to CMT	100	CMT	4	1	4
							Appropriate training and awareness provided to staff and manager as compulsory training	100	CLT			
							Governance Group oversee compliance and communicate issues.	25	Director of Communities and Resources			
							Local and Corporate Health and Safety Groups operate reviewing incidents and near misses for lessons learned	100	Director of Asset Management (oneSource)			
C3	Emergency Planning / Community Safety	Harm suffered by individual, health, Social, Economic and environmental impacts, reputational damage, financial cost of dealing with the issue or any legal action	4	2	8	Chief Executive	Borough Resilience Forum	100	Director of Communities and Resources	4	1	4
							Robust Emergency Plans in place, monitored by CMT and tested periodically	100	CMT			
							Having Community Safety Partnership	100	Chief Executive			
							Borough Risk Register reviewed and maintained with partner organisations	100	Director of Communities and Resources			
							Business Continuity Plans in place, monitored by HoS and tested periodically	50	CLT			
Relationships and Reputation												
R1	Failure to engender the trust of our residents in order to implement demand management strategies or encourage participation in community provided services	Unachievable expectations of residents = dissatisfaction and reputational damage, missed opportunities to continue services for the community without financial burden on council	3	3	9	CMT	Clear visions and communications strategy	100	Chief Executive	3	2	6
							Good consultation process around change	100	Head of Communications			
							Robust engagement plan with customers receiving direct services	100	CLT			
							Good response to complaints and a new process being implemented	65	Chief Executive			
							VCS infrastructure support to be re-commissioned		Head of Business & Performance			
R2	Failure to have a positive relationship with our private and public sector partners	Loss of opportunity to minimise our costs or share opportunities, cost of increased bureaucracy,	3	2	6	CLT	Scanning of opportunities in London and local area including watch on strategic and partnership agenda.	100	Chief Executive	2	1	2
							Retention of good working relationship with neighbouring Leaders	100	Leader			
							Shared / integrated strategies for Health	100	Director of Children's, Adults & Housing			
							Robust governance in place	75	Chief Executive			
							Compact to be reviewed and re-launched	0	Head of Business & Performance			
R3	Failure to ensure that third parties operate in accordance with contractual or partnership requirements and fulfil the Council's responsibilities	Liability for Claims for Damages, increased premiums for insurance, harm to an individual, reputational damage, legal action and the cost of fines	3	2	6	CLT	Robust legal process delivers signed contracts or memorandum of understanding	80	CLT	3	1	3
							Corporate Contract Monitoring approach defined and guidance and support for all contract managers available	80	MD oneSource			
							Roles and responsibilities and Governance is clearly defined	80	Director of Legal & Governance (oneSource)			
							Risks of the relationship clearly outlined when the decision is made	80	CMT			