



## AUDIT COMMITTEE

### 30 January 2025

**Subject Heading:**

Risk Management Update

**SLT Lead:**

Kathy Freeman, Strategic Director of Resources

**Report Author and contact details:**

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**Policy context:**

To provide the Committee with an update on the Strategic Risk Register.

**Financial summary:**

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

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

|                           |     |
|---------------------------|-----|
| People making Havering    | [X] |
| Places making Havering    | [X] |
| Resources making Havering | [X] |

**SUMMARY**

The Council's Strategic Risk Register is attached for review by Audit Committee.

**RECOMMENDATION**

The Council's Strategic Risk Register is attached for review by Audit Committee. The Committee is invited to consider, with the assistance of Officers, the current level of risk to which the Council is exposed.

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|----------------------|
| <b>REPORT DETAIL</b> |
|----------------------|

- 1.1 The Strategic Risk Register is subject to regular review and risks are regularly scheduled for discussion and updates at the Executive Leadership Team (ELT) meetings.
- 1.2 As part of this ongoing review, new risks may be added and existing risks amended or removed at any time changes are identified.
- 1.3 A summary version of the current Strategic Risk Register is provided in Appendix 1. This includes current likelihood and impact scoring of the risks based on assessment by the risk owner and ELT (using the risk matrix from the Council’s Risk Management Strategy and Toolkit).
- 1.4 The Risk Management Strategy and Toolkit provides a comprehensive framework and process designed to support managers in ensuring that the Council is able to discharge its risk management responsibilities fully. The strategy outlines the objectives and benefits of managing risk, describes the responsibilities for risk management, and provides an overview of the process that we have in place to manage risk successfully.
- 1.5 Havering uses a 5 x 5 scoring matrix to assess the likelihood of a risk event occurring and the potential impact on the Council if it were to happen (below). The green shaded area on the matrix (scores 1 – 5) show the risks where there is good control and the Council is comfortable with the level of risk. Risks in the amber (scores 6 – 12) and red (scores 15 to 25) zones are those over which closer control and further management action may be required.

|               |                      |                     |                |                   |                 |                      |
|---------------|----------------------|---------------------|----------------|-------------------|-----------------|----------------------|
| <b>Impact</b> | <b>Very High (5)</b> | 5                   | 10             | 15                | 20              | 25                   |
|               | <b>High (4)</b>      | 4                   | 8              | 12                | 16              | 20                   |
|               | <b>Moderate (3)</b>  | 3                   | 6              | 9                 | 12              | 15                   |
|               | <b>Low (2)</b>       | 2                   | 4              | 6                 | 8               | 10                   |
|               | <b>Very Low (1)</b>  | 1                   | 2              | 3                 | 4               | 5                    |
|               |                      | <b>Very Low (1)</b> | <b>Low (2)</b> | <b>Medium (3)</b> | <b>High (4)</b> | <b>Very High (5)</b> |
|               |                      | <b>Likelihood</b>   |                |                   |                 |                      |

Appendices:

Appendix 1 – Strategic Risk Register as at December 2024

**Financial implications and risks:**

The Council's Audit Committee is asked to consider, with the assistance of Officers, the current level of risk to which the Council is exposed. There are no direct financial implications arising from this request, although it is noted that many of the risks themselves have significant inherent financial implications. Similarly, risks mitigations may have financial implications; these will be considered as part of relevant decision making processes and with reference to available funding.

Failure to carry out appropriate risk management processes could result in financial losses to the Council and adverse impacts on service delivery.

**Legal implications and risks:**

The Council is responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk (Regulation 3 of the Accounts and Audit Regulations 2015).

There are no apparent risks in noting the content of this report.

**Climate Change implications and risks:**

None arising directly from this report. Risks around this are reflected in the Strategic Risk Register and incorporated into the scope of audits where relevant.

**Human Resources implications and risks:**

None arising directly from this report.

**Equalities implications and risks:**

None arising directly from this report.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

**Audit Committee, 30 January 2025**

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.