

MUNICIPAL YEAR 2019/2020 REPORT NO. **29**

MEETING TITLE AND DATE:

Audit & Risk Management
Committee
19 June 2019

REPORT OF:

Director of Law and Governance

Agenda - Part:	Item: 8
Subject: Corporate Risk Register	
Wards: All	
Cabinet Member consulted:	N/A

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1. EXECUTIVE SUMMARY

- 1.1 This report presents the Corporate Risk Register – refer to Appendix A.
- 1.2 The Corporate Risk Register is the Council's principal risk register and replaces the Service Delivery and Service Enabling Risk Registers.
- 1.3 The Corporate Risk Register will be reviewed at least quarterly by the Assurance Board and the Audit and Risk Management Committee.

2. RECOMMENDATIONS

- 2.1 To note the risks recorded in the Corporate Risk Register.

3. BACKGROUND

- 3.1 The Council's Risk Management Strategy allows for the regular review of the operational and strategic risk registers.
- 3.2 In accordance with the Strategy, the Audit & Risk Management Committee is responsible for monitoring the effective development and operation of risk management in the Council to ensure compliance with the Strategy.
- 3.3 At previous Audit and Risk Management Committee meetings, Service Enabling and Service Delivery risk registers were reviewed. As these were largely composed of operational risks, a gap was identified in the risk reporting process, whereby the Council did not have an overarching strategic risk register.
- 3.4 In response to this, the Corporate Risk Register has been developed (Appendix A) and is presented to the Committee for review.
- 3.5 The nature of the risks on the Corporate Risk Register means responsibility and ownership overlap with various departments within the Council. For simplicity, each risk has been allocated a lead department, however this does not absolve other Departments from responsibility.
- 3.6 The risks and mitigations presented in this report have been reviewed and agreed by Departmental Management Teams (DMTs)
- 3.7 The Risk Management Team continues to provide oversight, challenge and advice to departments regarding effective risk mitigation and governance.

4. ALTERNATIVE OPTIONS CONSIDERED

To continue presenting the Service Enabling and Service Risk Registers to Audit & Risk Management Committee. This was not considered as key strategic risks were not being reviewed and is contrary to best practice.

5. REASONS FOR RECOMMENDATIONS

The Council's Risk Management Strategy requires the review of strategic risks by Audit & Risk Management Committee.

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

There are no financial implications arising directly from a review of the Council's Corporate Risk Register.

6.2 Legal Implications

The Council's chief finance officer (the 'Section 151 officer' – section 151 Local Government Act 1972) has statutory status and is responsible for financial administration. The chief finance officer is also under a statutory duty to issue a formal report if s/he believes the Council is unable to set or maintain a balanced budget (the 'section 114 report' (section 114 Local Government Finance Act 1988).

The Accounts and Audit Regulations 2015 (the '2015 Regulations') places an obligation on local authorities to maintain a system of internal audit whereby it:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.

The internal audit must be an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Each financial year the council must conduct a review of the effectiveness of the system of internal control required by regulation and prepare an annual governance statement.

This report addresses the statutory obligations under the statutory obligations for local audit processes in compliance with the 2015 Regulations.

6.3 Property Implications

There are no property implications arising directly from a review of the Council's Corporate Risk Register

7. KEY RISKS

Any large complex organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate risks it may face.

This report has been completed as part of the Council's Risk Management Strategy.

8. IMPACT ON COUNCIL PRIORITIES - CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good Homes in Well-Connected Neighbourhoods

An effective Risk Management Service helps to provide assurance over any risks that might adversely affect the delivery of good homes in well-connected neighbourhoods.

8.2 Sustain Strong and Healthy Communities

An effective Risk Management Service will help the Council achieve its objectives to sustain strong and healthy communities.

8.3 Build our Local Economy to Create a Thriving Place

An effective Risk Management Service will help the Council achieve its objectives in building the local economy and creating a thriving place.

9. EQUALITIES IMPACT IMPLICATIONS

It is not relevant or proportionate to carry out an equalities impact assessment / analysis for the review of the Council's Risk Registers.

10. PERFORMANCE AND DATA IMPLICATIONS

An effective Risk Management process is an essential part of the performance management of the Council's services and activities.

11. PUBLIC HEALTH IMPLICATIONS

There are no public health implications arising directly from a review of the Council's Corporate Risk Register

Background Papers

None

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Update 1 st June / Further planned actions	Lead Department
<p>CR01 - Budget Management</p> <p>If the Councils financial position is adversely affected by external factors (including; Brexit, economic downturn, political change, and change to the funding framework etc) then this could affect service delivery.</p>	High	<ul style="list-style-type: none"> - Monthly reporting and forecasts reviewed by senior management - Budget Pressures board set up - Regular reporting to EMT &, Cabinet - Monitoring of the Council Tax and Business Rates tax base - Contingencies/reserves reviewed annually - Forward planning - Brexit Panel in operation - 5-year MTFP, 10-year capital programme and treasury strategy 	High	<ul style="list-style-type: none"> - Ongoing review of adequacy reserves - Fair Funding Review – keeping up-to-date 	Resources
<p>CR02 - Failure to maximise income</p> <p>If income (all included traded, council tax, grants) is not maximised, then this could lead to financial pressures and an inability to deliver services.</p> <p>Failure to collect invoiced income.</p>	High	<ul style="list-style-type: none"> - Dedicated Commercial team focussed on supporting services on maximising income - Targets and KPIs regularly monitored - Benchmarking fees and charges with other LAs - Commercial pipeline 	Medium	<ul style="list-style-type: none"> - Delivering the payment programme to make paying easy and efficient - Implementation of commercial micro site to facilitate easy payment - Improve understanding of traded services income and expenditure. - Use of GT's Foresight tool - Development of a debt prevention and recovery strategy 	Resources
<p>CR03 - Fraud/Corruption</p> <p>If there are ineffective internal controls and governance arrangements in place this could lead to the Council being subjected to an incident of organised or high value fraud, bribery and/or corruption, resulting in financial and reputational loss.</p>	High	<ul style="list-style-type: none"> - Fraud awareness training - Whistleblowing policy - Anti-Fraud strategy and action plan - Reporting to ARMC/EMT - Pursue maximum sanctions in line with policy and regulations - Adequately resourced and qualified internal audit and anti-fraud service - Annual review of anti-fraud policies and procedures - Annual audit plan and implementation of recommendations - Ongoing rigour to ensure that audit actions are implemented in a timely way 	Medium	<ul style="list-style-type: none"> - Participation in anti-fraud exercises, including the National Fraud Initiative - Development of apprentices to enable succession planning within the team. 	Chief Executive

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Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Update 1 st June / Further planned actions	Lead Department
<p>CR04 - Information Governance</p> <p>If there are inadequate security controls and/or staff training, then this could lead to a loss, corruption, disclosure or breach of data, resulting in reputational damage, legal action and/or fines due to non-compliance with Data Protection / GDPR / PCI legislation</p>	High	<ul style="list-style-type: none"> - Data Protection officer in place - Mandatory E-Learning for all staff - Acceptable use policy in place - FOI team in place with regular monitor of responses - IGB board in place - Regular reminders sent to staff - Cyclical audit of governance arrangement. - Implement recommendations from GDPR internal Audit which took place in 2018/2019. 	<p>Medium/ Low</p>	<ul style="list-style-type: none"> - Communication and implementation of clear desk policy, security measures and access control - Embedding of Information Governance culture and best practice - Communicating procedures for reporting breaches 	Chief Executive
<p>CR05 – Duty of Care</p> <p>If the Council fails in its statutory duties to Adults & Children within the borough, this could result in potential harm to individuals / families, potential legal challenges and reputational damage.</p>	High	<ul style="list-style-type: none"> - Safeguarding procedures - Policies - DBS checks for staff and volunteers - Performance monitoring of contractors/partners - Multi-Agency Safeguarding Hubs - Adults & children's services combined under one directorate - Internal audit and quality assurance processes - Risk management panel - Complaints & compliments system - Assurance Board 	Medium	<ul style="list-style-type: none"> - Planned programme of audits covering children and adults safeguarding - External Inspections <p>(Internal controls help to manage and reduce risk but risk cannot be eliminated from this area of work)</p>	People
<p>CR06 - Customer Demand</p> <p>If demand changes (due to changes in population, changing demographics, Brexit, political etc.) then this could result in an inability to meet service delivery</p>	High	<ul style="list-style-type: none"> - Brexit panel - Eligibility criteria for services - Making Every Contact Count training for staff - Services are focussed on early help and enablement to prevent escalation of need - Development of MyLife and the children's portal - Models of social work practice - Smoking cessation - Sexual health - Substance misuse services 	Medium	<ul style="list-style-type: none"> - Predictive analytics - Increasing SEN Places in the borough - Monitor the housing market - Improve self-serve options for customers - Build capacity in customers to resolve issues 	People & Place

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Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Update 1 st June / Further planned actions	Lead Department
<p>CR07 - Loss of IT</p> <p>Failure of the Councils ICT and/or Digital systems (due to cyber-attack, hardware failure etc..) will lead to a severe disruption of service delivery.</p>	High	<ul style="list-style-type: none"> - Regular audits - Acceptable use policy and cyber security - Mandatory staff E-learning on acceptable use policy and cyber security policy - Business continuity plan in place and to be reviewed regularly. - Resilient infrastructure e.g. backup, data servers - Data recovery service in place 	Medium	<ul style="list-style-type: none"> - Ongoing improvement of the infrastructure Resilience through the delivery of the infrastructure programme. - Complete the new device rollout programme and ongoing hardware refresh - Complete the IT restructure and recruitment, building a procurement and contract management capability to manage supplier relationships effectively. 	Resources
<p>CR08 – Business Continuity</p> <p>If the Council is subject to a significant event that causes business interruption and fails to respond adequately, then this could lead to significant financial loss and disruption of services.</p>	High	<ul style="list-style-type: none"> - Business Continuity Management Board - Training - Adequate Insurance in place - Corporate business continuity plan in place - Departmental business continuity plans in place 	Medium	<ul style="list-style-type: none"> - Testing of arrangements to take place. 	Chief Executive
<p>CR09 – Emergency Incident</p> <p>If there is a failure to respond adequately following a major incident within the borough that adversely affects residents / businesses, then this may result in significant reputational damage.</p>	High	<ul style="list-style-type: none"> - Staff are adequately trained to respond - Staff volunteers to assist in responding - Out of hours response team - Incident management policies - Additional officers has led to an increase in resilience within the EP team 	Medium	<ul style="list-style-type: none"> - Further training planned for officers in emergency response roles 	Chief Executive
<p>CR10 – Health & Safety</p> <p>If there is an avoidable incident affecting staff / public / tenants (residential & commercial) then this could lead to injury/death, legal challenge and reputational damage.</p>	High	<ul style="list-style-type: none"> - H&S Procedures - Training / E-learning - Occupational Health provider - Corporate Landlord responsibilities - Housing – Cladding / Smoke alarms - Electric / Gas safety - Highway maintenance - Winter Maintenance plan - Grounds Maintenance - Waste Collection - Asbestos awareness - Security/access to buildings and schools 	Medium	<ul style="list-style-type: none"> - Regular reports to Corporate H&S Committee and Assurance Board - Ensuring works comply with legislation, codes of practice and contracts are performance managed - H&S to be included in decision making when setting budgets for 20/21 	Place

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Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Update 1 st June / Further planned actions	Lead Department
<p>CR11 - Housing</p> <p>If there is a failure to deliver the housing strategy, then this will result in an inadequate supply of social and private sector properties within the borough.</p>	High	<ul style="list-style-type: none"> - Housing strategy in place, with teams in place to deliver 	High	<ul style="list-style-type: none"> - Monitor housing delivery through the new Housing Delivery Board - Continually review policies to keep abreast of current climate and good practice 	Place
<p>CR12 – Major Capital Projects</p> <p>If there is a failure of key schemes (Meridian Water, Electric Quarter etc.) to regenerate the borough this will lead to a reputational damage and financial loss.</p>	High	<ul style="list-style-type: none"> - Using independent specialist advisors - Capital Board reporting 	Medium	<ul style="list-style-type: none"> - Ensure executive oversight of major schemes - Ensure robust procurement controls and contact management by in house staff - Build in-house capacity to deliver GLA capacity funding 	Place
<p>CR13 – Supply Chain/Contract management</p> <p>The Council fails to effectively commission, procure and/or contract manage its key contractors or partners, leading to the Council being unable to deliver key services or demonstrate value for money.</p>	High	<ul style="list-style-type: none"> - Contract Procedure Rules - P&C Board - Commercial board - Training - London Tender Portal - Single Contract registers for the council - Reporting non-compliance to audit committee - Performance monitoring 	Medium	<ul style="list-style-type: none"> - Review of Contract procedure rules - Review Training - Improvement plan to ensure consistent good practice across organisation - Ongoing review and improvement to the quality of the information held on contract register 	Resources
<p>CR14 - Trading companies</p> <p>If the Council's trading companies fail or perform poorly then this will result in significant reputational damage and financial loss.</p>	High	<ul style="list-style-type: none"> - Shareholder board - Review of the reserve matters - Regular reporting of company performance - Annual submission of company business plans - Commercial Director with oversight of all companies. - Governance review and action plan in place - Council member and officer presence on all company Boards 	Medium	<ul style="list-style-type: none"> - Developing shareholder agreement - Developing a reporting process where the council has an interest - Review training for council officers and board members - Further review of tax position 	Resources

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Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Update 1 st June / Further planned actions	Lead Department
<p>CR15 - Staffing</p> <p>If the council is unable to recruit/retain highly skilled staff and/or those in high demand, then this will result in poor staff morale, reduced levels of service delivery, increased costs due to agency/interim staff and will impact statutory responsibilities.</p>	<p>High</p>	<ul style="list-style-type: none"> - Recruitment & selection policies - Flexible working - Mentoring schemes - Regular review of the use of agency staff - Regular review of staff absence - Benefits package - Alternate rewards - Training and development 	<p>Medium</p>	<ul style="list-style-type: none"> - Reduce agency workers - Customer experience programme - Culture change project and forum - Social Work Apprenticeship - Staff Seminars - Technology to support flexible engaging recruitment practises. 	<p>Chief Executive</p>