

MUNICIPAL YEAR 2019/2020 REPORT NO. 183

MEETING TITLE AND DATE:

Audit and Risk Management
Committee
16 January 2020

REPORT OF:

Director of Law & Governance

Contact officer and telephone number:

Gemma Young, Head of Internal Audit
& Risk Management
07900 168938

Email: Gemma.Young@enfield.gov.uk

Agenda - Part:	Item: 11
Subject: Corporate Risk Register	
Wards: All	
Cabinet Member consulted:	N/A

1. EXECUTIVE SUMMARY

- 1.1. This report presents the revised Corporate Risk Register – refer to Appendix A – for information and comment.
- 1.2. No significant changes have been made that have affected the risk scoring.
- 1.3. An additional risk, CR16 - Financial Management, has been added
- 1.4. Updates to individual risks are in the final column in Appendix A.

2. RECOMMENDATIONS

- 2.1. To note the risks recorded in the Corporate Risk Register.
- 2.2. To note the addition of risk CR16

3. BACKGROUND

- 3.1 The Council's Risk Management Strategy allows for the regular review of the Corporate Risk Register.

- 3.2 In accordance with the Strategy, the Audit and 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 Therefore, the Corporate Risk Register (Appendix A) is presented to the Committee for review and comment in line with the Committee's request to review the Corporate Risk Register at each meeting.
- 3.4 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.
- 3.5 The risks and mitigations presented in this report have been reviewed and agreed by Departmental Management Teams (DMTs) and the Executive Management Team (EMT)
- 3.6 Updates to individual risks are in the final column in Appendix A.
- 3.7 Since the last time the Corporate risk Register was presented to Audit and Risk Management Committee, an additional risk, CR16 - Financial Management, has been added.
- 3.8 The Risk Management Team continues to provide oversight, challenge and advice to departments regarding effective risk mitigation and governance.

4. ALTERNATIVE OPTIONS CONSIDERED

It is generally accepted best practice that a Corporate Risk Register is in place and is regularly reviewed by senior stakeholders, therefore no alternative options have been considered.

5. REASONS FOR RECOMMENDATIONS

The Council's Risk Management Strategy requires the review of strategic risks by the Audit and 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	Further planned actions	Lead Department	Update 1 st December
<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>This risk continues to remain high although the following work has been undertaken:</p> <p>Outturn position and Medium-Term Financial Plan was reported to Cabinet on 17th July and the Quarter Two Revenue and Capital Budget Monitor Reports were presented at November Cabinet. For key areas of revenue budget pressures – a pressures board has convened for ICT, SEN Transport, ASC - management action have been identified.</p> <p>In terms of future budget risks, the latest Medium-Term Financial Plan position was reported at Cabinet in October and is updated again in December at Cabinet.</p>
<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. - Development of a debt prevention and recovery strategy 	Resources	<p>This risk continues to remain medium although the following work has been undertaken:</p> <p>The Payment Programme is progress on track to improve payment processes for council tax and business rates for April 2020.</p> <p>A Traded Services Forum meeting took place to support upskilling of colleagues across the council. Work is continuing with the Commercial Team to look at opportunities to increase income.</p>
<p>CR03 - Fraud/Corruption</p> <p>If there are ineffective internal controls and governance</p>	High	<ul style="list-style-type: none"> - Fraud awareness training - Whistleblowing policy - Anti-Fraud strategy and action plan 	Medium	<ul style="list-style-type: none"> - Participation in anti-fraud exercises, including the National Fraud Initiative and a data matching pilot lead by Cifas. 	Chief Executive	<ul style="list-style-type: none"> - Programme of staff events for International Fraud Awareness Week in November 2019 - Improved Fraud Awareness

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
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.		<ul style="list-style-type: none"> - 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 		<ul style="list-style-type: none"> - Development of apprentices to enable succession planning within the team. 		<ul style="list-style-type: none"> eLearning module now available. - Participating in pilot exercise to share financial fraud intelligence with financial institutions. - Dedicated Counter fraud support to be provided to Housing Assessment & Advice Team.
<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. 	Medium / Low	<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	<ul style="list-style-type: none"> - FOIA internal audit planned for 2019/2020 - Clarity of retention policies and communication with all staff Communication of the right of erasure (right to be forgotten) to all staff - More control of documentation required, will be an agenda item on IGB
<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 	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><i>Safeguarding Adults:</i> Audit themes for 2019/20 Q1 – domestic abuse Q2 – Person alleged to have caused harm is adult service user Q3 – Person alleged to have caused harm is provider employee Q4 – sexual abuse</p> <p><i>Safeguarding – Children</i> Audit themes for 2019/20 - Looked after children - Child protection case conferences</p>

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
		<ul style="list-style-type: none"> - Risk management panel - Complaints & compliments system - Assurance Board 				<ul style="list-style-type: none"> - Child exploitation audits conducted by the police and children services focussing on 30 young people. - Ofsted inspection judged all areas to be "Good". - Youth Offending Service - Mock inspection completed during July and August 2019.
<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> <p>No Deal Brexit likely to have a significant impact on the construction sector and increase in homelessness and people with no recourse to public funds If there is a failure to deliver the homelessness prevention strategy, then this will result in increased levels of homelessness and user demand for council services and temporary accommodation</p>	High	<ul style="list-style-type: none"> - Brexit panel - Eligibility criteria for services - Making Every Contact Count (MECC) 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 - New homelessness prevention service model and Board 	People & Place	<p>MECC training for 500 staff commenced in August 2019.</p> <p>There are 203 additional places opening in September 2019 in Special Schools and 57 additional places in mainstream schools run by special schools.</p> <p>MyLife is available and continues to be developed</p> <p>The Children's Portal was launched during July 2019 assisting professionals and the public to make the right referral for either family support or child protection. The information advice and guidance section will assist professionals to sign post and the public to self-serve.</p> <p>New model homelessness service model in development</p>
<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. 	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 	Resources	<p>This risk continues to remain medium although the following work has been undertaken:</p> <p>Actions continue to be progressed on the infrastructure programme. In Q3 we will be complete replacing end-of-life equipment in our on-site server room.</p>

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
		<ul style="list-style-type: none"> - Resilient infrastructure e.g. backup, data servers - Data recovery service in place 		procurement and contract management capability to manage supplier relationships effectively.		<p>Our network will be upgraded by March 2020.</p> <p>We have conducted Inter and External penetration tests and the result highlighted a high number of vulnerabilities in the Intern test and low number in the external test.</p> <ul style="list-style-type: none"> - Remediation Programme has been developed and we are in procurement process for remedial work to resolve all outstanding security risks - Cyber security training which is mandatory – need for staff to be more aware, IGB to raise awareness; Senior Leadership Network update for all Heads of Service was delivered on 12/09/19.
<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"> - Department BC Plans are currently being updated - Policy and Framework to be reviewed - Testing of arrangements to take place. 	Chief Executive	<ul style="list-style-type: none"> - Where updates haven't been received Lead Officers have been contacted requested to review the plans urgently. This will be escalated to the appropriate Director - Updates from service level plans are being used to updated Department Plans
<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"> - Strategic Training with the Emergency Planning College has been arranged for Council Golds - Tactical Training with The Emergency Planning College has been arranged for all Council Silvers and will take place on 19 May 2020 	Chief Executive	<ul style="list-style-type: none"> - London Standardisation Training has taken place, all teams are fully staffed. - The Emergency Response Management Teams consists of 9 teams and each team consist of 10 officers which includes the Council Gold
<p>CR10 – Health & Safety</p>	High	<ul style="list-style-type: none"> - H&S Procedures - Training / E-learning 	Medium	<ul style="list-style-type: none"> - Regular reports to Corporate H&S Committee and Assurance 	Place	Corporate policies and processes in place to effectively manage the

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
<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> <p>If we do not comply with H&S requirements for buildings, then this could lead to injury/death, regulatory enforcement action and reputational damage.</p>		<ul style="list-style-type: none"> - 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 		<p>Board</p> <ul style="list-style-type: none"> - 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 		<p>council's operations</p> <p>Robust risk management systems are in place to control operational risks</p> <p>Corporate training programmes are in place to ensure staff have the skills and knowledge required to operate safely and mitigate risk to relevant persons</p> <p>Adequate systems are in place to manage statutory compliance across the residential and corporate portfolios</p> <p>Appropriate performance monitoring and reporting to provide assurance via the Corporate Health and Safety Management Plan, the Departmental and Corporate Performance reports, the Departmental and Corporate Health and Safety Committees and the Council's Corporate Assurance Board</p>
<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 and resources in place to deliver - Continually review policies to keep abreast of current climate and good practice 	High	<ul style="list-style-type: none"> - Monitor housing delivery through the Housing Delivery Board - Regular meetings to monitor service delivery capacity among management and HR - We will continue to scan the horizon in order to prepare for major changes in the housing sector including: the introduction of a new Regulator for Social Housing Standards; and changes to the powers of the Housing Ombudsman such as enforcement action and a new compensation regime. 	Place	<p>New Housing Strategy consultation completed.</p> <p>New Business lead developing pipeline supply of 500 new homes.</p> <p>Small Sites enabling lead officer with GLA funding out to recruitment to focus on maximising local delivery of small sites in private and public ownership.</p> <p>Proposals to intensify existing estate regen schemes in progress.</p> <p>Meridian Water Phase 2 100% affordable housing out to procurement</p>

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
						Preparing to address the requirements to meet the regulatory standards. Reviewing complaints handling within the service – looking at organisational learning to make long term service improvements
<p>CR12 – Major Capital Projects</p> <p>If there is a failure of key schemes (Meridian Water, Electric Quarter, Joyce Avenue and Snells Park Estates, etc.) to regenerate the borough this will lead to a reputational damage and financial loss.</p>	High	<ul style="list-style-type: none"> - Close attention to recruitment and skills of council. - Using independent specialist advisors - Capital Board reporting - Ensure executive oversight of major schemes - Monthly risk reviews of all major projects 	Medium	<ul style="list-style-type: none"> - Build in-house capacity to deliver GLA capacity funding - Ensure robust procurement controls and contact management by in house staff - - Improve risk registers in housing development 	Place	Unchanged. There is a detailed risk register for Meridian Water that manages all risks and we are satisfied that the risk is still medium
<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>This risk continues to remain medium although the following work has been undertaken:</p> <p>Review of the CPR's undertaken, next step EMT review</p> <p>Training plan has been developed for the P&C team</p> <p>Tools have been developed to support staff to carry out a contract review</p> <p>Audit commenced to test current capability across the organisation</p> <p>Departmental contract boards - approach under development</p> <p>There is a Procurement Workstream as part of the Overview and Scrutiny Committee work programme.</p>
CR14 - Trading companies	High	- Shareholder board	Medium	- Developing shareholder	Resources	This risk continues to remain medium

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
<p>If the Council's trading companies fail or perform poorly then this will result in significant reputational damage and financial loss.</p>		<ul style="list-style-type: none"> - 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 		<ul style="list-style-type: none"> agreement - Developing a reporting process where the council has an interest - Review training for council officers and board members - Further review of tax position 		<p>although the following work has been undertaken:</p> <p>Separate risk register for the companies has been developed which will support risk monitoring. To be shared with the Committee as per the workplan.</p> <p>Audit of part-owned companies taken place and action plan to address issues identified and monitored.</p>
<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>	High	<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 	Medium	<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. 	Chief Executive	<p>The recruitment and selection policy has been reviewed and revised – this was completed in July 2019. This review included the Recruitment & Selection training for managers that went live in Spring 2019.</p> <p>A proposal has been submitted with recommendations for the approval of Talent Link – an upgrade to the current recruitment IT tool. This upgrade will radically transform the process for managers and candidates to provide far more flexibility and fully utilise social media tools.</p> <p>A greater emphasis has been placed on supporting flexible working – which will also form part of 'Build the Change'.</p> <p>A revised action plan is being developed to ensure positions occupied by long term agency workers have a recruitment plan in place to reduce longer term usage of agency workers.</p> <p>The procurement and recruitment to</p>

Appendix A - Corporate Risk Register 2019/20

Risk Title & Description	Original Risk	Existing Risk Mitigations	Current Risk	Further planned actions	Lead Department	Update 1 st December
						<p>the social work apprenticeship is continuing, with the first cohort hoped to be starting by April 2020.</p> <p>Market research will be undertaken where we have hard to fill posts and where necessary MF supplements will be considered to ensure we are able to recruit and retain key positions.</p> <p>In addition, bespoke recruitment campaigns have been undertaken to support known hard to recruit posts.</p> <p>Retention activities include embedding the staff equalities networks to support employee voice and the development programmes to enhance workforce capabilities.</p> <p>Departmental CPD budgets have now been established and sit within each department.</p>
<p>CR16 - Financial Management</p> <p>If the Council fails to maintain its financial controls and or has its Statement of Accounts (SOA) qualified, then it could suffer significant reputational damage with its partners (customers, residents, suppliers and public bodies). This is because the Statement of Accounts reflects that the Council is a 'going concern'</p>	High	<ul style="list-style-type: none"> - Audit & Risk Committee and Assurance Board review of audit actions - Director of Finance has oversight SOA - Plan of improvement reviewed and updated to Audit & Risk Committee. - SOA - Bi-weekly meetings by 3 most senior finance officers - Additional Interim specialist resource on capital 	High	<ul style="list-style-type: none"> - Restructure in Corporate Finance to review opportunities to strengthen team 	Resources	<p>(NEW)</p> <ul style="list-style-type: none"> - Audit Committee to be updated monthly - Lead Member updated weekly - Both specialist Interims now hired. - Schools have been updated with changes. - First Interim Audit already started (3 months earlier than last year). - Valuers (HRA) Commissioned and work begun. - Specialist interims to support process have been recruited