



Audit Committee

10 March 2014

Report title	Corporate Risk Register	
Cabinet member with lead responsibility	Councillor Paul Sweet Governance and Performance	
Accountable director	Keith Ireland, Delivery	
Originating service	Audit	
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Report to be/has been considered by	Strategic Executive Board	4 February 2014

Recommendations for noting:

The Committee is asked to note:

1. The latest summary of the Council's corporate risk register.

1.0 Purpose

- 1.1 To keep the Audit Committee aware of the key risks the Council faces, and how it can gain assurance that these risks are being mitigated.

2.0 Background

- 2.1 A joint Strategic Executive Board/Corporate Delivery Board (SEB/CDB) risk workshop was held on 23 January 2014 in order to undertake a review of the key risks the Council faces. Appendix A of this report lists the initial risks identified in this exercise and that now form the basis of the Council's new corporate risk register. Additional risks are currently being considered by SEB/ CDB and the outcome of these will be reported to the Committee in due course.
- 2.2 Following the identification of these risks, a further exercise is now underway to develop individual risk management action plans, and an accompanying corporate assurance map (following the three lines of defence model), to identify how these risks are being managed and where the Committee can gain assurance on such activity.

The three lines of defence model:

First line	Second line	Third line
The first level of the control environment is the business operations which perform day to day risk management activity	Oversight functions such as Finance, HR and Risk Management set directions, define policy and provide assurance	Internal and external audit are the third line of defence, offering independent challenge to the levels of assurance provided by business operations and oversight functions

- 2.3 The register will be reviewed by senior management on an ongoing basis and will be updated to reflect any emerging risks, changes in risk assessments and planned actions.

3.0 Progress, options, discussion, etc.

- 3.1 The strategic risk register will be updated as required, and presented at approximately quarterly intervals to the Committee. The Committee will also be given the opportunity to 'call in' individual risks for further review.

4.0 Financial implications

- 4.1 There are no financial implications associated with the recommendation in this report as Councillors are only requested to note the corporate risk register summary. Financial implications may arise from the implementation of strategies employed to mitigate

individual corporate risks, but these will be evaluated and reported separately if required.
[GE/25022014/N]

5.0 Legal implications

5.1 Although there may be some legal implications arising from the implementation of the strategies employed to mitigate individual corporate risks, there are no direct legal implications arising from the recommendations in this report. (JH/28022014/C)

6.0 Equalities implications

6.1 Although there may be equalities implications arising from the implementation of the strategies employed to mitigate individual corporate risks, there are no direct equalities implications arising from the recommendations in this report.

7.0 Environmental implications

7.1 Although there may be some environmental implications arising from the implementation of the strategies employed to mitigate individual corporate risks, there are no direct environmental implications arising from the recommendations in this report.

8.0 Human resources implications

8.1 Although there may be some human resource implications arising from the implementation of the strategies employed to mitigate individual corporate risks, there are no direct human resource implications arising from the recommendations in this report.

9.0 Corporate landlord implications

9.1 There are no corporate landlord implications arising from the recommendations in this report.

10 Schedule of background papers

10.1 None

Corporate Risk Register @ February 2014

Appendix A

The following are the key risks the council faces in delivering its corporate themes, which are:

- | | | | |
|----------------------------|-------------------------------------|----------------------------|------------------------------|
| • Encouraging new business | • Empowering People and Communities | • Re-Invigorating the City | • Confident, Capable Council |
|----------------------------|-------------------------------------|----------------------------|------------------------------|

Risk Ref.	Risk title and description	Risk rating @ Feb 2014	Risk owner	Cabinet Member
1 01/14	Looked After Children (LAC) If the number of LAC is not reduced this may result in an increase in costs, budget overspends and an increased demand on children's services.	Red	Sarah Norman	Cllr Val Gibson
2 01/14	Community Skills If the city residents do not have the appropriate skills that employers require then they will be unable to access the jobs and opportunities available resulting in high rates of unemployment and increased demand on council services.	Red	Tim Johnson	Cllr Philip Page
3 01/14	Information Governance If the Council does not put in place appropriate policies, procedures and technologies to ensure: <ul style="list-style-type: none"> • that the handling and protection of its data is undertaken in a secure manner and consistent with the provision of the Data Protection Act 1998; • compliance with the Freedom of Information Act; then it may be subject to regulatory action, financial penalties, reputational damage and the loss of confidential information.	Red	Keith Ireland	Cllr Paul Sweet

Risk Ref.	Risk title and description	Risk rating @ Feb 2014	Risk owner	Cabinet Member
4 01/14	<p>Medium Term Financial Strategy</p> <p>If the Council is unable to agree and operate within its medium term financial plan this may result in insufficient reserves to remain solvent, the potential loss of democratic control and the inability of the council to deliver essential services and discharge its statutory duties.</p>	Red	Simon Warren	Cllr Andrew Johnson
5 01/14	<p>FutureWorks</p> <p>If the Agresso system does not perform as expected then there will be a prolonged need to maintain the old system resulting in inefficiencies in service delivery; unplanned maintenance costs and delays in planned savings materialising.</p>	Red	Keith Ireland	Cllr Paul Sweet
6 01/14	<p>Compliance with Public Sector Network (PSN)</p> <p>If the Council fails to achieve the required technology controls required for connection to PSN, and other similar information security regimes, then it will experience significant interruption to the delivery of its services.</p>	Red	Keith Ireland	Cllr Andrew Johnson
7 01/14	<p>Safeguarding</p> <p>If the Council's safeguarding procedures and quality assurance processes are not consistently and effectively implemented then it will fail to safeguard children and vulnerable adults, and lead to reputational damage.</p>	Red	Sarah Norman	Cllr Val Gibson
8 01/14	<p>Business Continuity Management</p> <p>If the Council does not have adequate and tested business continuity plans in place then it will be unable to ensure the resilience of its supply chains and effective and timely recovery from disruptive challenge for the delivery of services.</p>	Red	Keith Ireland	Cllr Andrew Johnson

Risk Ref.	Risk title and description	Risk rating @ Feb 2014	Risk owner	Cabinet Member
9 01/14	<p>City Centre Regeneration</p> <p>If the city centre regeneration programme is not effectively managed in terms of project timings, costs and scope, then it will be unable to maximise opportunities including:</p> <ul style="list-style-type: none"> • creation of well paid employment • retention of skilled workers • sector and economic growth • increased prosperity and • reduced demand on Council services • 	Amber	Tim Johnson	Cllr Peter Bilson
10 01/14	<p>Anti-Poverty Strategy</p> <p>If the implications of the welfare reforms are not reflected in the Council's anti-poverty strategy and all anti-poverty work strands co-ordinated through effective and timely programme management and governance arrangements, then demand for Council services will continue to increase.</p>	Amber	Keren Jones	Cllr Peter Bilson
11 01/14	<p>The Care Bill</p> <p>If the Council does not have robust plans in place to implement the Care Bill it may fail to meet its statutory obligations.</p>	Amber	Tony Ivko	Cllr Steve Evans
12 01/14	<p>Health and Social Care Reforms</p> <p>If the Council and its partners fail to deliver the improved outcomes required by the Better Care Fund, demand on acute services will not be reduced, the reward money will not be received and the council will not receive the additional resources promised by the Better Care Fund.</p>	Amber	Sarah Norman	Cllr Sandra Samuels

Risk Ref.	Risk title and description	Risk rating @ Feb 2014	Risk owner	Cabinet Member
13 01/14	External services If cost pressures on external services including the minimum wage increase beyond levels the Council can afford to pay, then services may fail.	Amber	Keren Jones	Cllr Peter Bilson
14 01/14	School Improvement If the Council does not provide effective support, challenge and appropriate intervention to raise standards in schools, then the Council and these schools are at risk of underperforming, receiving inadequate Office for Standards in Education, Children's Services and Skills judgements and a potential loss of control and influence.	Amber	Tim Johnson	Cllr Philip Page
15 01/14	Emergency Planning If the Council does not have adequate and tested emergency plans in place then it will be unable to fulfil its responsibilities under the Civil Contingencies Act and ensure an effective and timely response during and after an emergency.	Amber	Keith Ireland	Cllr Andrew Johnson
16 01/14	Single Status and Equal Pay If schools do not comply with the Collective agreement and agree local pay scales and conditions then there is a potential for significant equal pay claims to materialise.	Amber	Keith Ireland	Cllr Paul Sweet

Profile of current corporate risk scores:

Red

1, 2, 3, 4, 5, 6, 7, 8

Amber

9, 10, 11, 12, 13, 14, 15, 16

Green