Audit Committee – 15 April 2019

Risk Management Update

1.   **Purpose of Report**

1.1   To provide Audit Committee, whose delegated role it is to provide independent assurance on the adequacy of the risk management framework and the associated control environment, with:

- an update on activity since January 2019, which includes the end of quarter three review of the directorate held risk registers; the March review of the Strategic Risk Register; and the actions taken to continue to embed the Risk Strategy approved January 2019.
- a refreshed Strategic Risk Register.

2.   **Summary of the report**

2.1   This report presents an update following the quarter three review of risk registers and provides Members with insight into the operational risk registers held by directorates and the council wide risks being managed by the council.

2.2   Work has continued since January 2019 in accordance with the approved Risk Management Strategy and the action plans and timetable included within it.

2.3   The updated Strategic Risk Register is included at Appendix 1 and was reviewed by Corporate Management Team in March 2019.

3.   **Recommendations**

3.1   Audit Committee is recommended to:

I.   Note the assurances provided from this briefing.
II.   Note the future actions planned in the coming period.
III.   Note the updated Strategic Risk Register as at March 2019.

4.   **Resource and Legal Considerations**

4.1   The statutory requirements are detailed in the governance section below.

5.   **Governance and Risk Management**

5.1   Audit Committee's responsibility for risk management includes the following:

- Reviewing the mechanisms for the assessment and management of risk.
- Giving assurance about the process.
- Ensuring the council meets its statutory requirements, as stipulated within the Accounts and Audit Regulations 2015 (reg 4(1), "the relevant body is

responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk".

5.2   Audit Committee is also required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables Audit Committee to exercise its responsibilities in respect of risk management by reviewing the current SRR; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.

5.3   Walsall Council's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the Authority's effective operation in the pursuit of its objectives.   The risk management, control and governance processes enable the Authority to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Corporate Management Team.

5.4   The Authority needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the Authority's business - these including Members, regulators etc. There are also many assurance providers. The internal audit function is the third line of defence in the council's 'three lines of defence approach' to risk and assurance. The first line of defence comprises the council's core operational services, and the second line comprises the oversight functions such as risk management.

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Vicky Buckley – Head of Finance

5 April 2019

6. **Background**

6.1 Work to embed a new approach to risk management in the council has been underway since December 2017, with regular progress reports presented to Audit Committee.

6.2 There has been a strong commitment at Member and officer level to ensure the risk management framework continues to evolve and strengthen. This is particularly important as the risk profile of council's changes and the challenges the organisation faces continue to increase.

6.3 In January 2019 the Audit Committee approved the Risk Management Strategy for 2019/20. This contained an action plan to further embed robust risk management activity across the organisation.

7. **Update**

Activity since January

Implementation Plan

7.1 There were five actions identified in the approved Strategy for the period January 2019 to April 2019.

7.2 The table below outlines the planned actions and the current status of the actions. The **original action is in bold**; estimated timing in normal text; *actual actions completed are in italics and where applicable revised dates detailed in* ***bold italics.***

Ref	Implementation Action Plan *Actual Action Completed*	Estimated Timing By ---------- ***Revised Timing***
1	**More work with directorates to embed Risk Management framework and achieve consistency across all areas.** *Workshop session with Economy and Environment held February 2019.* *Meeting with Public Health Risk Champion 2019.* *Quarter three risk register review and challenge completed as planned.*	February 2019
2	**Review of Transformation Programme Risk Strategy Risk Registers. Ensuring compliance with the principles of the corporate strategy.**	March 2019 ***June 2019***

| Ref | Implementation Action Plan

Actual Action Completed | Estimated Timing By

Revised Timing |
|---|---|---|
| | *Meetings held with programme manager and PwC lead. Corporate approach being adopted* | |
| 3 | **Assurance Maps for High Rated Council - Wide Risks Completed.**
Work in progress. Delays to the Q3 risk register review hindered progress on this action. | March 2019

June 2019 |
| 4 | **Report for CMT.**
Presented 14th March. | March 2019 |
| 5 | **Updated SRR to Audit Committee.**
Complete. | April 2019 |

8. **Operational Risk Registers – Quarter 3 review**

8.1 The Adult Social Care risk register was provided for review at least three times in 2018 and the key contact has engaged with the process taking on board feedback and implementing new templates to ensure their approach incorporates the requirements of the new strategy.

As at the March review of this directorate risk register, they had 26 risks (eleven Red, 13 Amber and two Green). The risks captured cover operational matters as well as projects and a number link to council wide (corporate) and strategic risks being monitored and reported currently, this information has been considered as part of the update of other risk registers.

The risks rated green are all within appetite and 'tolerate' is the identified action. Those amber and above all have planned actions to 'treat' the risk. Target risk ratings have been identified as well as action to achieve these.

The feedback provided in the quarter two review focused on the need for the directorate to focus on recording of controls and assurances within the templates, which is a new requirement within the process. This action is evident in the quarter three version of the risk register.

There is evidence of risks being removed, merged and a new risk around a particular grant funding stream being added.

8.2 Economy and Environment have had a risk register in place throughout 2018 which was compliant with the prior risk management strategy.

It is noted that new risks had been added in quarter three. The risk register now contains twelve risk areas (two Red and ten Amber); for the red risks target

risk had been documented and an action plan agreed. Risks types are operational with some linking to wider corporate and strategic risks being monitored and reported.

A workshop was held in February 2019 focused on discussing the risk register and the local processes in place to update and challenge.

Public Health were represented at the meeting and have also met separately with Internal Audit to discuss how there local risk management activity can be formally communicated going forward as part of the corporate risk management framework.

8.4   Good progress is noted in implementing the requirements of the risk management strategy since the quarter two Children's risk register was reviewed. The approach is now fully aligned to the council's approved Strategy.

The risk register contains twelve risks, the link between operational risks and the strategic and council wide risks is identified in the risk register and has been strengthened in quarter three.

There are seven Red and five Amber on the risk register. The action to treat the red risks and tolerate those at the amber level has been agreed.

8.5   The Resources and Transformation risk register was developed via a series of workshops during the year. The nature of this directorate means that they are lead for a number of council wide risks and as a result their risk register captures not only the risks they face as a group of service areas but also a number of risks affecting the wider organisation. The latest review took places as part of a routine Directorate management Team Meeting and the group have started to focus on their risk appetite.

The risk register contains ten risks, however three have two elements as they are both operational for Resources and Transformation as well as council wide risks. There are therefore five operational and eight council wide risks noted. Of the five operational risks three are red and two is amber. Of the eight council wide risks four are amber and four are red.

The Resources and Transformation risk register is shared with other directorates to ensure they get input to the council wide risks as part of the risk register update each quarter.

9.   **Council Wide Risk themes from Directorate Risk Management Activity**

9.1   The table below contains the risks themes that are council wide in nature arising from the directorate risk registers, and the ratings which have be considered as part of the SRR review by CMT. The table seeks to provide Committee with assurance regarding the risks being identified and managed in the organisation and to enable discussion at the point any exceed appetite.

This information will become more insightful with each quarterly review as the focus on challenge increases.

Risk Area	L	I	Rating	Comments from Directorate Risk Register Review
Workforce	3	2	6 Amber	Three risk registers in total contain relevant amber rated risks.
Change Management	3	4	12 Red	All four risk registers have amber related risks
Breach of Data Protection/IT Infrastructure	2	3	6 Amber	One other risk register contains related risk rated green.
Supply Chain	4	3	12 Red	Two risk registers rate this risk as amber. One as red.
Fraud and Corruption	3	3	9Amber	One directorate risk register has this rated red.
Control Income and Expenditure	2	5	10 Amber	Three other risk registers have this risk as red. There are numerous financial risks around savings achievement and service delivery. This risk is also on the strategic risk register for this reason.
Health and Safety	3	3	9 Amber	Two risk registers contains this risk. Both rate it as amber.
Brexit	3	2	6 Amber	One risk register contains this risk however an

				operational risk group has been established and their work is cross cutting across the council. The SRR has been amended under risk 5 to reflect further controls in place.
Combined Authority	2	5	**10 Red**	One risk register has this risk, however it has been included at the Strategic level and directorates will be asked to assess locally as part of the quarter four update.

10. <u>Feedback to Corporate Management Team</u>

10.1 The Strategic Risk Register (SRR) has been refreshed as part of this cycle of reviewing the risk registers and discussed by the Corporate Management Team at a meeting in March 2019.

10.2 The following key messages were provided to Corporate Management Team:

- We have a risk champion for each directorate who are committed to supporting robust risk management activity;
- The link between public health risk management activity and the corporate arrangements has been strengthened, since the start of 2019, at the operational level;
- There are consistent templates being used and as at March 2019 it is expected that the strategy requirements of directorates will have been fully embedded;
- Council wide risk areas have emerged and these are held on the relevant Directorate risk register and reviewed at least quarterly, a detailed report was produced in December to provide CMT with relevant insight;
- The discipline of update, approval and sharing risk registers for review in accordance with agreed reporting timelines is starting to bed in, although there is still more work to do to get this working efficiently;
- Discussions have begun with the Walsall Proud Programme Manager and Partner lead so that seamless and efficient, interaction with the risk management activity of the Proud Programme can be implemented.

11.   **Risk Strategic Risk Register Review**

11.1   The SRR has been refreshed as part of this cycle of reviewing the risk registers and discussed by the Corporate Management Team.   The group agreed that that the original seven risks remained current and considered the addition of new risks to the register. At this point, the West Midlands Combined Authority has been added to the register, along with controls and further actions. Further consideration has also been given to Brexit as a council wide risk, and additional details into risk 5.

11.2   The updated Strategic Risk Register is included as Appendix 1 of this report.

Strategic Risk Register 2018/19

Walsall Council

No.	Risk Cause *and Effect*	Corporate Goal	Type	Existing Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions/Planned Mitigations	Deadline
1	**Opportunities for Regeneration and to generate Economic Growth are not identified or maximised by the Council** • Uncertainty over the UK's exit of the EU. • Economic uncertainty reduces external investment opportunities; • Not enough available land for development; • Not enough money to develop land; • Loss of EU funding with some progress but no clarity yet over the size and nature of the replacement, the Shared Prosperity Fund. *The effect would be reduced future income streams for the council, increased unemployment and reliance on services from the community, reduced aspirations for next generation.*	Economic Growth	Strategic	• Reviewing investment options for development sites. • Economic Growth Programme. • Strategies and Policies in place. • Single Accountable Body status possible from May 2019. *Strategy and Policy monitoring is part of the ongoing performance management of the organisation so takes place as part of DMT and CMT meetings as well as the input from Members when Policy and Strategy is set and/or reviewed.* *Internal Audit work on Local Growth Fund – signed off with significant assurance.* Government is proceeding with the development of the Shared Prosperity Fund. Adult Education Budget (AEB) for Walsall is to be issued at similar funding levels to 2018/19 for 2019/20 by the Combined Authority. Placing all BCLEP funding into one Accountable Body will facilitate / support a more informed use of funds, together with a rollout good practice across all projects. Placing the Black Country in a better position to compete for, accept and deliver new funding allocations. So far £94million is approved for Walsall from LGF and LPIF programmes.	**Current Score** 4	4	16	**Red** ⇔	1) BCLEP and the BCJC approved West Midlands Combined Authority capital funding to remediate Phoenix 10 site. 2) West Midlands Housing Deal with focus on Walsall – Wolverhampton corridor and up to £100m of Government investment. 3) Continued use of Economic Growth Programme, funding to support staff capacity and programmes (such as Walsall Works and Impact). 4) Continuing to influence the scope and design of the UK Shared Prosperity Fund (which will follow EU funding) through our Technical Assistance Team. 5) Continued promotion of investment opportunities in a range of media, including Walsall Town Centre and Junction 10 cluster as priorities in West Midlands Investment Prospectus. 6) Arcadis supporting work to develop a Walsall Town Centre masterplan. Project on track to complete in April 2019. 7) Site Allocation Document and Area Action Plan found sound by Planning Inspectorate and now given significant weight. Full weight will be achieved via adoption at Full Council 7th January 2019. 8) BCLEP and BCJC appointed Walsall Council as the BCLEPs single Accountable Body. Cabinet are being asked to approve this on the 24.04.19.	June 2019 *Original target deadline for actions was March 2019.*
					Target Score 3	3	9	**Amber**		

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Strategic Risk Register 2018/19

Walsall Council

March 2019

No.	Risk *Cause and Effect*	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
2	**The Proud Programme does not achieve the outcomes required to ensure that available resources are directed to deliver the greatest outcomes for the community.** • Lack of commitment to change; • IT infrastructure does not support change; • Directorates and Services work in disparate way; • The organisation does not have the skills or expertise required to deliver change; • The programme is not focused on the right changes or stretching enough to achieve the targets and outcomes identified; or very stretching, but without the required infrastructure to deliver this. • Lack of capacity to deliver change. • The changes made are not fully adopted by the organisation, new ways of thinking and working are not fully embedded • The organisation cannot sustain the changes made. The effect would be that costs of service provision remains above optimum level and opportunity cost of this cannot be removed. The Council would not become fit for purpose to face future challenges.	ALL	Strategic	• Proud work programmes have been identified. • Cabinet and CMT commitment to establishing a refreshed Proud programme via stock take. • Stocktake completed, Business case produced and detailed design commenced. • Partner chosen to support delivery of the Walsall proud Programme (WPP). • Governance arrangements approved. • Additional ongoing IT infrastructure and staffing investment approved and being implemented for 2018/19 budget • Capital Investment approved and project underway in relation to IT infrastructure and move to Cloud based services. • Corporate Programme Office has been established. • Monthly oversight by CMT of Proud programmes. • Work Force Strategy approved and being implemented. *Internal Audit work on ICT Strategy – Substantial Assurance.* This risk will remain red for the current financial year. It is anticipated the current risk will reduce before the end of March 2019. The target risk score is envisaged to be achieved in 2019/20.	**Current Score** 4 / **Target Score** 4	4 / 2	16 / 10	Red ⇔ / Amber	1) Embed governance arrangements. Ensure benefits tracked to meet 3 KPI requirements of the WPP. 2) Ensure WPP objectives are clear and well communicated, get organisational buy-in and ensure capacity and capabilities are in place to deliver. 3) Ensure the Corporate Risk Management Framework supports the refreshed Proud programme activity and this is interconnected with the wider framework. 4) Provide adequate PMO resources to ensure appropriate level of assurance is achieved. 5) Ensure Knowledge, skills and experience transfer process is in place in all areas. 6) Put in place change management arrangements to ensure that the programme can meet its statutory obligations and ensure that the right resources are in place to deliver change e.g. HR, legal, property, finance, IT.	March 2019 March 2019 March 2019 revised to June 2019 New – June 2019 September 2019 June 2019

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Strategic Risk Register 2018/19

Walsall Council

No.	Risk *Cause and* Effect	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
3	**Partnership relationships with other sectors and our major suppliers fail to deliver on shared objectives and therefore outcomes for the community.** • *Non vibrant voluntary sector;* • *Weak relationships with Partners;* • *Lack of supply chain resilience / suppliers of services in market;* • *Provider fails;* • *Financial pressures in other sectors reduce the resources they can deploy;* The effect of this risk materialising would be increased future costs for the Council to deliver the same or reduced services or service disruption due to provider or contractor failure.	Communities	Strategic	• Development of a strategic partnership board and a range of thematic boards to oversee delivery of the priorities in Walsall. • Contract Management Procedures in place. • Robust Relationships with Police/Health/Housing/FE/Schools/Fire/VCR/CDM sector. • Care Home Closure Procedures in place for provider failure. • Major contracts have robust response plans in place to be activated if the company fails. *Internal Audit work on :* *Contract Management, Controlling Migration Fund (Substantial Assurance),* *Market Management (Limited Assurance),* *Domiciliary Care (Limited Assurance).*	\<Current Score\> 4 ; \<Target Score\> 4	\<Current Score\> 4 ; \<Target Score\> 2	\<Current Score\> 16 ; \<Target Score\> 8	**Current Score** Red ⇔ **Target Score** Amber	1) Corporate Procurement Team to do a risk assessment for major contractors. 2) New outcome focused contracts to be established for priority aims Increase the percentage of suppliers who are contracted with the Council from 30% 3) Additional resources in ASC identified for quality audit and monitoring. 4) Design and implement the Quality assurance and Contract Monitoring function of the Council Hub in 2019 5) Develop quality surveillance with systems with collective responsibility for the quality of (all) care provision. 6) Re-commissioning of the ASC community based services (CBS) Framework in 2019 to ensure the procurement exercise is completed in a timely manner, alleviating the need for a transitional contract. 7) Strategic Procurement function to be developed in the Council Hub during 2019.	31 March 2019 Ongoing March 2019 As above. September 2019 Ongoing Ongoing

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Strategic Risk Register 2018/19

March 2019

Walsall Council

No.	Risk *Cause and Effect*	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
4	**The Council is unable to maintain service standards to support the most vulnerable in society.** • *Demand management* - thresholds, understanding and application of thresholds insufficient across the partnership, leading to unnecessary referrals of children and families from single agencies. Unmanageable numbers of children and families being supported across EH & CSC and lack of protection. The effect is that children may be potentially placed at risk of harm. Children's Services become overstretched and are unable to maintain service standards. • *Children in specific circumstances are not adequately supported and are left at risk (missing, criminal exploitation, SEND, complex needs/ tier 4 / CSE / exclusion)* – intelligence around vulnerable children is not robustly captured or joined up within children's services and across the partnership. Risk is not appropriately identified or addressed. There is a lack of action to disrupt criminal activity that is putting children and young people at risk. Support is not sufficient Children and young people are sexually or criminally exploited, or go missing, putting them at risk of short and long term harm, poor outcomes and of becoming perpetrators themselves. • *Provision of SENDi services does not meet the needs of children and families* Systems and processes are not robust	People	Strategic	• The new safeguarding practice standards have been reviewed and launched. • The Walsall Proud Programme within children's services is undertaking a review of the model and structure in order to support better prioritisation and direct work with children and families. • There is a MASH action plan, overseen by the LSCB plan that will seeks to ensure the routine use of their own designated safeguarding lead rather than making a referral to MASH. • The revised threshold document has been signed off by the board and is due to be launched. • Multi-agency threshold training has been delivered (2 sessions so far since December). • Closer monitoring of CSE cases is taking place through strategic management structure and operations groups. • There is ongoing direct intervention work with head teachers to secure a school place for children missing a school place • A CME task force has been established to ensure that effective processes are in place. • Processes for children who go missing have been brought back in house to improve timeliness and quality of return home interviews • Schools causing concern protocol and inclusion strategies have been launched.	**Current Score**				1) We are working with Camden (partners in practice) supporting a review of MASH and additional training. 2) New head of service for child protection is coming into post 3) The thresholds will be reviewed in March as part of the annual refresh 4) The training plan will also be revised to provide a more targeted approach to achieve maximum penetration in those areas that are high referrers while still offering opportunity to other partners, volunteers and agencies 5) Protocols and procedures relating to children missing from education, missing education to be reviewed to ensure consistency and that they are in line with statutory guidelines 6) Development of a vulnerable pupils scorecard and performance reporting in relation to missing CSE and CE	May 2019 March 2019 April 2019 June 2019 April 2019 April 2019
					4	4	16	Red ⇔		
					Target Score					
					4	2	8	Amber		

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Strategic Risk Register 2018/19

Walsall Council

No.	Risk	Corporate Goal	Type	Controls	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
	Cause and Effect			*Assurances*						
	Quality of EHC plans is poor and are not adequately contributed to by partners Code of practices is not fully implemented Advice and information available to parents and carers is not sufficient or of appropriate quality. Children with special educational needs and disabilities are not supported in a way that maximises their opportunities and outcomes. Parents and carers are not supported and do not have access to appropriate information. The council is not compliant with the SEND code of practice putting us at risk of legal challenge. • *Breakdown in communication with partner organisations.* The outcome could be death or harm to an individual known to or under the care of the authority and partners or a negative inspection report which would reduce moral and cause reputational damage.			• Moves have been made to improve relationships with parents and carers. *Internal Audit work on: ASC Safeguarding (Limited Assurance), ASC Domiciliary Care (Limited Assurance). Performance data to monitor and address issues in demand at team and service level and is reviewed and used at a strategic level via the monthly performance board – chaired by DCS, multi-agency groups such as the MASH management group. Recommendations from audit findings are developed into action plans which are monitored routinely for progress The local officer is up to date and well used by parents and carers of children with special educational needs Parents and carers report that they feel supported*					7) Ensuring that all data in relation to vulnerable CYP is captured appropriately on systems 8) Implementation of electronic EHC hub 9) Review and relaunch of the local offer 10) Ensure the code of practice is fully implemented and all requirements are met 11) Develop SEND action plan 12) Restructure of SEND team	April 2019 October 2019 September 2019 June 2019 May 2019 May 2019 Some individual deadlines have slipped but significant refresh of actions in March 2019.

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Strategic Risk Register 2018/19

Walsall Council

March 2019

No.	Risk *Cause and Effect*	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
5	**External Changes in Political and/or legislative environment.** • *Brexit* • *Changes in political direction from government;* • *Changes in priority locally.* The effect of this risk materialising is that some of the generational change required for example long term regeneration plans or public health driven initiatives may be subject to changing landscape where strategic direction or political landscape changes.	All	Strategic	• Regular statutory officers meetings review and consider national and local environment. • Main record of the council's statutory obligations are contained within the Constitution. • The council monitors legislative and policy changes and implements change where necessary to ensure it acts lawfully. CMT oversight ensures organisation remains flexible to change. • Medium term financial strategy and rolling 4 year medium term financial outlook in place and regularly reviewed and updated for national and local changes in policy and legislative changes. Enables and supports forward planning and responsiveness to change. • Focus on ensuring there is cross party support and the business driver is the Corporate Plan. • Reshaping of transformation programme approved – WPP • Member of the WM Brexit Commission providing regular updates linked in with central government. • Developed the Local industrial strategy for the WM to support industries post Brexit. • Pooled 50% of government funding alongside other WM authorities given to WMCA to support people and business. • Part of the WM local resilience forum watching brief on emergency planning. *Management mechanisms in place – no unexpected or unforeseen changes in last 12 months.* *Peer Review 2017.* *Internal Audit work on RIPA - Substantial Assurance*					1) CMT review of Strategic Risks (quarterly). 2) Formal horizon scanning exercise at least annually for emerging risks, to ensure that on-going activity feeds the processes and formal proactive action plans are in place when is most efficient and effective to do so.	On-going Completed March 2019.

Current Score: Impact 3, Likeli-hood 3, Risk score 9, Amber ⇔

Target Score: Impact 3, Likeli-hood 2, Risk score 6, Amber

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Strategic Risk Register 2018/19

Walsall Council

March 2019

No.	Risk *Cause and Effect*	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
6	**There is a lack of community cohesion and resilience placing increased pressure on public sector resources.** • *Demographic changes in the Borough;* • *Increase in hate crime and a feeling of segregation;* • *Expectations in community around public services are increasing when funding is reducing.* The effect of this is reduced satisfaction of residents and increased cost pressure in the future.	Communities	Strategic	• Close work with police and other partner organisations. • Demographic data used to inform the corporate planning process. • Increased focus on outcomes in the corporate plan as well as preventive activities to reduce burden on public sector e.g. homelessness reduction. • Locality Panels. • Communication and Education of Public. • Communication Cohesion and Integration Strategy and action plan published in November 2017 and now being implemented. Working with partners. Key projects include school twinning, New to Walsall (mapping new communities), review of hate crime reporting, interfaith events, engagement with Gypsies and Travellers. • Successful in gaining the Controlling Migration Fund for Walsall People Project (housing standards, school admissions, community safety, clean and green, volunteering). Also gained funding for Let's Talk About It project to provide better English as a Second Language provision. • The Integrated Communities Partnership, Walsall for All is independent from the Council and involves governance through the partnership board and through Strategic Locality Partnership Boards. *Contract Management, Controlling Migration Fund (Substantial Assurance).*	Current Score				1) The Walsall for All programme brings to the Council new funding and new impetus to deliver an integrated programme of activities to support cohesion focused on existing communities. This complements work already underway to promote cohesion.	Ongoing
					4	4	16	Red ⇔		
					Target Score					
					4	2	8	Amber		

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No.	Risk *Cause and Effect*	Corporate Goal	Type	Controls *Assurances*	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
7	**Failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium Term Financial Plan to be delivered.** • *Demand increases in statutory services;* • *Unforeseen expenditure via a fine or extraordinary event;* • *Failure in budget management across multiple departments;* The effect of this would be to have to use reserves to balance the budget putting future stability and sustainability of finances at more risk. Having to set an even more challenging savings programme in future years to address lack of achievement from current plans, which would impact services and result in reputational damage.	Communities	Corporate	• Robust financial planning and budget monitoring processes (per 2017 LGA Peer Review, Internal Audit of core financial systems). • External audit conclusion on the council's arrangements for securing value for money. • Annual review of MTFS and savings tracker by Finance, CMT and Cabinet • Regular reporting of financial performance to Cabinet and Scrutiny. • Transformation Programme with clear links to savings targets in most cases. • CEO/CFO/HOF Monthly meetings include review of financial performance and savings realisation. • Annual report to Council by CFO on robustness of the Budget Estimates and Adequacy of Reserves. • Comprehensive financial risk assessments in place as part of budget setting process. • Adequate corporate reserves and provisions to manage unforeseen financial issues. • Service demand trackers in place in ASC and Children's to monitor, report on and manage volatile areas of demand (care packages, LAC, etc). • 2019/20 Budget approved by Council February 2019. *Internal Audit work on:* • *Budgetary control and savings realisation (Good Assurance),* • *Streamlining Services (Substantial Assurance)*	Current Score 4	4	16	Red ⇔	1) Delivery of £5m of benefits realisation in 2019 from WPP. 2) Production of benefits realisation plan to meet (fully/in part) the MTFO requirements. 3) Review of Green Paper due on ASC Funding and review of consultation on revised ASC needs formula and impact analysis on MTFO. 4) Review and impact analysis of expected funding announcements: Spending Review, Spring Budget, new National Funding Formula, etc	When published As above / when published
					Target Score 3	3	9	Amber		

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Strategic Risk Register 2018/19

Walsall Council

No.	Risk	Corporate Goal	Type	Controls	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
	Cause and Effect			*Assurances*						
8	**West Midlands Combined Authority** Trigger: Failure of the CA to secure appropriate financing of the investment programme; and decision to continue with the programme as is. Effect: Council cannot meet its financial obligation to the CA (underwriting) - potential s114 report		Corporate	WMCA Constitution which sets out voting rights covering approval of WMCA budgets and steps to take if not approved. Attendance of Walsall officers and members at key Boards and Groups within the WMCA Governance structure, including Programme Board, Investment Board, s151 Working Group, Land & Housing Board etc . Scheduled CEX and Leader briefings scheduled so significant concerns are flagged at WMCA Board being the ultimate decision making body.	Current Score				Continue with meeting attendance and quality briefings of WMCA Walsall officers to the CEX and Leader, so decisions that from a Walsall Council position are considered too high risk can be dealt with at WMCA Board.	On-going
					5	2	10	Amber **NEW**		
					Target Score					
					5	1	5	Amber		

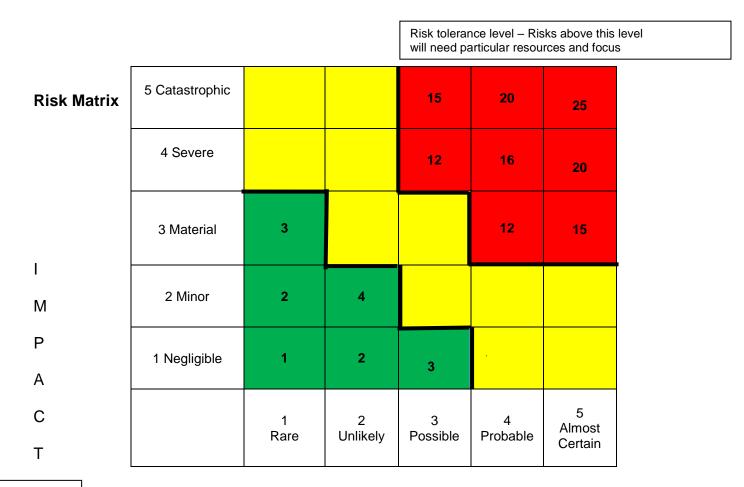Reducing inequalities and maximising potential

Risk Management Quick Guide

Current – with the current controls/mitigations

Target – the score that brings the rating to within appetite for the risk.

Direction of Travel (Trend):
⇧ Risk score reduced ⇔ no change to risk score ⇩ risk score increased

Risk tolerance level – Risks above this level will need particular resources and focus

Risk Matrix

		1 Rare	2 Unlikely	3 Possible	4 Probable	5 Almost Certain
	5 Catastrophic			15	20	25
	4 Severe			12	16	20
	3 Material	3			12	15
IMPACT	2 Minor	2	4			
	1 Negligible	1	2	3		

LIKELIHOOD

Risk acceptance level (activity below which attracts minimum effort and resources)

Risk Ratings: 1 – 4 = low risk (Green) / 4 – 10 = medium risk (Amber) / 12 – 25 – high risk (Red)

Reducing inequalities and maximising potential

Likelihood and Impact guide.

Likelihood			Impact		
Score 1-5	% chance	Time Frequency	Score 1-5	Disruption to Services and/or Residents affected or aware	Budget
1 Rare	< 10%	Rare occurrence	1 Negligible	Minor disruption to services *Up to 5%*	>1%
2 Unlikely	10 - 30%	Once in 5 years	2 Minor	1-2 weeks *Up to 10%*	>5%
3 Possible	30-60%	Once 2 years	3 Material	Up to one month *Up to 25%*	5-10%
4 Probable	60-90%	Once a year	4 Severe	1 – 3 month *Up to 50%*	10-20%
5 Almost Certain	> 90%	within 6 months	5 Catastrophic	Over 3 month *Over 50%*	20%

Reducing inequalities and maximising potential