

**Audit Committee – 27 February 2017**

**INTERIM RISK MANAGEMENT REPORT**

**Summary of report**

This report provides the Audit Committee with a summary of the recent Risk Management Activity within the Council. As work is currently underway to fully document the controls and action plans in place for each risk, an updated Corporate Risk Register will be presented to the next meeting of the Audit Committee.

**Background papers**

Summary of Corporate risks, Draft Assurance Framework.

**Recommendation**

Audit Committee are asked to note the corporate risks identified for the Corporate Risk Register (CRR).

**Resource and legal considerations**

There are no specific resource and legal issues arising from this report.

**Governance issues**

The Audit Committee's activities include ensuring that an effective internal control environment is maintained and regular and ongoing scrutiny of internal audit work undertaken. This report supports the Audit Committee in exercising that role.

**Risk Management**

The CRR seeks to identify the perceived risks to the organisation at this stage of its ongoing development. As regional, central and local government agendas and requirements change the CRR will be updated and amended to reflect these changes. Failure to do this could result in an organisation which is unaware of the challenges, the risks it faces, and one which fails to plan and address them before they occur, resulting in the potential for service delivery failure, financial cost and reputational damage, among other things.

**Equality implications**

Internal audit has full regard to equalities both within the internal audit service and in the services / activities under review.

**Consultation**

The risk management session was undertaken with members of CMT and the council's S151 officer.

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# INTERIM RISK REPORT

## Background

As part of the agreement between Mazars LLP and Walsall Council, and as part of the approved Internal Audit Plan for 2016/17, Internal Audit facilitated a session in January 2017 with CMT on risk identification, control, mitigation and management with the aim of refreshing the Corporate Risk Register.

As a result of this session, nine strategic risks to the Council were identified, and work is currently underway to document the current controls in place to mitigate those risks, along with any actions plans that may be needed to reduce the risk levels further.

## Risks

- The Council does not attract and retain the skill sets within its workforce that will enable it to adapt to change
- Inability to progress integrated service delivery with the NHS
- The Council fails to comply with the regulatory framework within which it must operate
- The Council fails to meet the requirements of the OFSTED Children's Services inspection
- Failure of the Council to achieve the savings required to deliver the Council's Corporate objectives
- Inability to understand and respond to the current and future technology needs of the Council
- Failure of key strategic partners to deliver services
- Economic uncertainty impacts the delivery of the corporate objectives
- Failure to maintain effective Business Continuity Planning for all relevant service areas

Additionally, work has started on the Council's Assurance Framework. This document seeks to identify the Council's sources of assurance for first and second lines of defence in order to identify areas where further assurance support is needed. The draft assurance framework attached is based on the key risks in each directorate, and will be updated as the Corporate Risk Register is developed.