

TITLE	Corporate Risk Register Review
FOR CONSIDERATION BY	Audit Committee on 27 September 2023
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Enterprise Risk Management (ERM) provides for robust and transparent decision-making. Effective ERM is therefore an integral part of the Council's governance arrangements and helps demonstrate the effective use of resources and sound internal controls. The Council's Risk Management Policy and Guidance sets out the policy framework and formally guidance for officers to enable them to pro-actively identify and manage its risks.

RECOMMENDATION

The Audit Committee is asked to review the Corporate Risk Register (at Appendix A) to determine that strategic risks are being actively managed.

SUMMARY OF REPORT

The Corporate Risk Register has been revised by the officer Risk Management Group and Corporate Leadership Team and is shown at Appendix A.

Following input from the Audit Committee in June and July the presentation of the Risk Register has been enhanced by including the Risk Response has been added to the the summary page of the register and the status of the mitigating actions has been recorded against each individual risk.

The Council's top four corporate risks are:

- Budget and financial resilience
- Cyber Security
- Adult Social Care supplier sustainability and sufficiency
- Education for Children with SEND

The Chief Executive will present the report to the Committee noting that there has been an overall increase in risk faced by the Council since the last review of the risk register due to:-

The ongoing impact of inflation which is directly impacting Council costs and those of suppliers

The costs of living crisis is impacting on residents and local businesses increasing demand for Council services

The sector continues to experience pressures with more authorities declaring S114 notices or warning of the need to do so.

Since the register was last reported to Audit Committee on 7th June 2023, the following risks have been escalated to the register

- Risk 18 – Elections Risk

- Risk 22 – Support for Unaccompanied Asylum Seeking Children

Two risks have been removed:-

- Risk 12 Health & Social Care Reform
- Risk 20 Website replacement.

The report describes these risks and includes commentary on changes to existing risks.

The report provides a risk spotlight on fraud. Updating the Audit Committee on the risk of fraud and corruption and the mitigating actions the Council has in place to reduce them.

Background

The Council's Constitution sets out the remit of the Audit Committee as follows with regard to Risk Management.

- b) To monitor the effective development and operation of risk management in the council.
- c) To monitor progress in addressing risk-related issues reported to the committee.

And

- d) To review the assessment of fraud risks and potential harm to the council from fraud and corruption

Analysis of Issues

The following changes have been made to the Corporate Risk Register since the register was last presented to the Committee on 27th June 2022

2.2 New risk no 18. Election 2024

In 2024 the Council will administer the Police and Crime Commissioner elections and all out Borough Council elections on new ward boundaries on 2nd May. This is accompanied by the the Implementation of the second and third phases of the Election Act 2022. There is the additional potential challenge of a general election held at or near the May date. This election would involve counting for two new parliamentary constituencies for the first time. This represents a highly complex election(s). The impact of failing to administer any of these elections effectively would be highly significant for the Council. A project team is in place to mitigate this risk. There is a polling place review underway and resourcing plans are being developed. The risk is being monitored through the Resources and Assets Improvement Board. This is a short-term risk until May 2024.

2.3 New risk no 22. Support for Unaccompanied Asylum Seeking Children (UASC)

This risk was previously incorporated in risk 15 but has been assessed as now being significant enough to warrant being a stand-alone risk. The funding provided by government does not match the costs of providing the needs of these vulnerable children. The government's mandatory National Transfer Scheme requires authorities to accept UASC in numbers equivalent to 0.1% of their under-18 population. All UASC become children in care. Because of the low proportion of Wokingham children who come into our care, the 0.1% requirement places a disproportionate burden on the social work service, and Wokingham does not have enough foster carers with appropriate cultural knowledge and background to meet the needs of UASC, and as a result most are placed out of borough. There is a risk that escalating costs of placement of UASC and ongoing provision of accommodation post-18 presents significant financial challenge to the authority, and that the social care workforce becomes overwhelmed.

2.4 Removed risk 20 – Risk Website

This risk has declined substantially following the successful launch of the new website. The project risk has been effectively mitigated and the residual risk is an operational risk and is being managed at Service level. The website will continue to be enhanced but the risk of complete failure has been mitigated effectively.

2.5 Removed risk 12 – Health and Social Care Reform

This risk has been removed due to the announced delay of reforms to 2025. The risk outlined the impact on the Local Authority of the proposed implementation of the reforms, the expected increase in numbers of people seeking support from Adult Social Care and the lack of funding to match these expected increases in demand. The likelihood of reforms occurring has now reduced significantly meaning this is no longer a key risk for the Local Authority, until future plans are confirmed.

Spotlight on Fraud Risk

2.4 The Council faces the risk of fraud and has in place generic controls to increase awareness of, and to detect and prevent fraud. The Council has a policy framework to combat fraud and corruption embedded within Section 9 of the Constitution: Anti-Fraud and Corruption Strategy, Whistleblowing Policy and Guidance, Anti-Bribery Policy, Anti-Money Laundering Policy and Enforcement and Sanctions Policy. The Council also has Member and Officer Codes of Conduct and Induction programmes to raise awareness of these. The financial chapter 12 and procurement chapter 13 have extensive controls to prevent and detect fraud.

2.5 All local authorities face the risk of fraud. Wokingham's approach is to utilise Cifas "Fighting Fraud and Corruption Locally" strategy that identifies the key fraud and corruption risks for local authorities.

- Social Care fraud: personal budgets and direct payments
- Schools
- Right to buy
- Money laundering
- Commissioning of services
- Tenancy
- Procurement
- Payroll
- Identity fraud
- Council tax
- Blue badge
- Grants
- Insurance fraud
- Disabled facility grants

2.6 These specific risks have been shared with the Risk Management Champions, and individual risks are managed in the appropriate services. For example, the

risk of Insurance fraud is managed within the Resources and Assets Directorate by the Insurance Team.

- 2.7 The Council also takes part in the National Fraud Initiative a data matching regime that compares data from public and private sources to identify potential fraudulent cases. Later in the year the Council will undertake a self-assessment against the Cipfa Code of Practice on managing the risk of fraud and corruption which will be shared with the Audit Committee.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

Effective risk management mitigates financial risks associated with the Council achieving its objectives.

Cross-Council Implications

Risk management influences all areas of the Council – effective risk management is one of the ways assurances is provided that the Council’s key priorities and objectives will be achieved.

Public Sector Equality Duty

An Equality Impact Assessment is not required on the Corporate Risk Register. The impact on Equality is assessed in the impact of each risk.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

The effective management of risk supports the achievement of this important priority

Reasons for considering the report in Part 2

Not applicable.

List of Background Papers

Corporate Risk Register – September 2022

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