

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT & GOVERNANCE COMMITTEE	
DATE OF DECISION	11 April 2024	
REPORT TITLE:	Corporate Risk Management	
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director Resources	
LEAD OFFICER:	Malcolm Davies, Head of Anti Fraud, Risk & Insurance, Email: malcolm.davies@croydon.gov.uk	
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance	
KEY DECISION?	NO	
CONTAINS EXEMPT INFORMATION?	NO	Public
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 As part of the Audit & Governance Committee’s role, the Committee’s terms of reference include monitoring the Council’s risk management arrangements and providing independent assurance as to their adequacy.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices the Audit & Governance Committee are recommended:

- 2.1 To note the contents of the corporate risk register as at April 2024.

3 REASONS FOR RECOMMENDATIONS

- 3.1 This report and accompanying appendix document presenting those risks recorded as ‘high rated’ or RED on the corporate risk register as at April 2024 are recommended to the committee to assist the Audit & Governance Committee in its role of overseeing the risk management framework and enable it to provide assurance that significant corporate (Red) risks are identified and mitigated by the Council.

4 BACKGROUND AND DETAILS

- 4.1** The register presented details all the current corporate risks rated at a total risk score of 20 and above (Red Risks).
- 4.2** Since the register was last considered by Members in September there has been a significant amount of activity to embed improvements in the approach to Risk Management. Individual engagement sessions/risk management refresh with Directors and Corporate Directors have now all been delivered as part of the organisational redesign implementation and access granted to the corporate risk management system (JCAD). In addition, all Executive Officers and Executive Support Officers have access to the corporate risk management system. This is to ensure that the top layers of management feel confident in reviewing, presenting and owning the risks which relate to their Division/Directorate.
- 4.3** Risk review dates for all Directors have now been aligned on a quarterly basis going forward, Quarter 4 reviews for 2023/24 have now been signed off on the risk system by the risk owners. Risk reviews on a quarterly basis with the Corporate Director are being informed/assured by Directors having signed off on their risks. This is in addition to a monthly review of all red risks at CMT. Further work is being done with risk owners with a particular focus on future control measures and review dates for future controls (risk improvements) and future risk ratings. This is where the registers could be further improved and where we are concentrating effort.
- 4.4** In addition to the activities noted above there have been a number of changes in relation to risk ownership as summarised below and all risks as above are subject to an on-going review. Members are reminded that they can request risk presentations in relation to any risk register entry where more detail/clarification is required.
- 4.5** Risks escalated to Red status since last review by Members:
- CDS0043. Public Switched Telephone Network switch off is happening in December 2025. This switch-off will mean any device that uses the copper network to transmit data, including traditional phones and connected devices, will stop working, unless they are adapted or upgraded.
- EHCSC0019. Housing options for care experienced young people are insufficient in quality and availability to meet the expected standards as set out in the statutory guidance for corporate parenting and as assessed through the Ofsted ILACS framework.
- EHCSC0020. Homeless 16 & 17 year old children are not provided with a joint assessment by Housing and Children's Services when presenting to Croydon Council and housing pathways are insufficient to meet need as required under Children Act 1989 and as evaluated through the Ofsted ILACS framework.

4.6 A number of risks have been de-escalated since the last review by Members from Red Status. This is typically due to increased confidence of risk owners regarding their control measures and some of these risks have also been the subject of risk 'deep dives' at Audit & Governance Committee. Currently these risks are typically sitting at high amber status and therefore may return to red status:

COC0008 Utility costs for the council.

CIC0012 Inflation/supply chain risk for the council.

HSI0023 Damp and Mould Disrepair Litigation

PR0013 Parking Services Income

CDS0026 Access Croydon Staff and Resident Safety

CDS0035 Subject Matter Experts for IT Systems

CIC0010 Brick by Brick Company performance

CIC0029 Timely procurement of contracts

EHSC0016 Unregistered social care provision for children

HO0007 Housing NEC IT system

HO0012 Management of Large Panel System/High Rise Blocks

HSI0035 Management of Gas Safety Contract

PP0025 Preparedness for snap general election

PR0043 Future waste collection and street cleansing contract costs

TRA0004 Service capacity to deliver transformation projects

VRN0055 Leisure Contract Sustainability

VRN0060 Civil Contingency Act Compliance

- 4.7** In line with the Council's commitment to openness and transparency, this report will appear in Part A of the agenda unless, in accordance with the Access to Information Procedure Rules in the Council's Constitution there is specific justification for any individual item being considered under Part B (set out under Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended).
- 4.8** It should be noted that some of the grounds for exemption from public access are absolute. However, for others such as that in para.3, 'Information relating to the financial or business affairs of any particular person (including the authority holding that information)', deciding in which part of the agenda they will appear, is subject to the further test of whether, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1** N/A

6 CONSULTATION

- 6.1** N/A

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1** Getting our finances right and making the council financially sustainable.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

- 8.1.1** Finance have been consulted and can confirm there are no additional financial considerations arising from this report.
- 8.1.2** The Council's financial reporting and medium-term financial strategy takes account of the risk management framework, to consider the potential financial implications of risks
- 8.1.3** Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 25/03/2024

8.1.4 Revenue and Capital consequences of report recommendation

N/A

8.2 LEGAL IMPLICATIONS

- 8.2.1** The Audit and Governance Committee is required by its terms of reference to monitor the effective development and operation of the Council's risk management arrangements, to monitor progress in addressing risk-related issues reported to the Committee, and to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. Therefore, periodic updates on the Corporate Risk Register are provided to assist Members with this responsibility.
- 8.2.2** Separately, the management of risk has a direct impact on the Council's ability to deliver its functions in a manner which promotes 'economy, efficiency and effectiveness' (Section 3 Local Government Act (LGA) 1999). The best value duty applies to all functions of the Council. The Council is currently the subject of Directions from the Secretary of State requiring service improvement and transformation. Therefore, the consideration of this report also seeks to demonstrate the Council's compliance with its Best Value Duty under the Local Government Act 1999.
- 8.2.3** Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk. This report also seeks to demonstrate compliance with these legal duties.
- 8.2.4** Comments approved by the Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Director of Law & Monitoring Officer 25/03/2024

8.3 HUMAN RESOURCES IMPLICATIONS

- 8.3.1** There are no Human Resources implications arising from this report, however, should any matters arise these will be managed through the Council's HR policies and procedures.
- 8.3.2** Approved by: Dean Shoesmith, Chief People Officer 12/3/2024

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in Section 149 of the Equality Act 2010. The Council must, in the performance of its functions, have due regard to its duty to:

- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.4.2 There are unlikely to be specific equalities implications arising from the Council reviewing it's corporate risk register.

8.4.3 Approved by Helen Reeves, Head of Strategy and Policy, 13/03/24

9. APPENDICES

9.1 Corporate Risk Register as at April 2024

10. BACKGROUND DOCUMENTS

10.1 None

11. URGENCY

11.1 N/A