



# RISK MANAGEMENT REPORT

Q2 2024/25

30 September 2024



HILLINGDON  
LONDON

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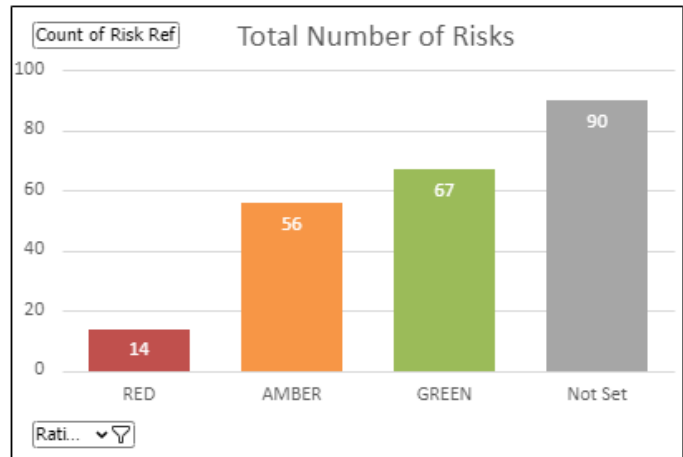
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## 1. INTRODUCTION

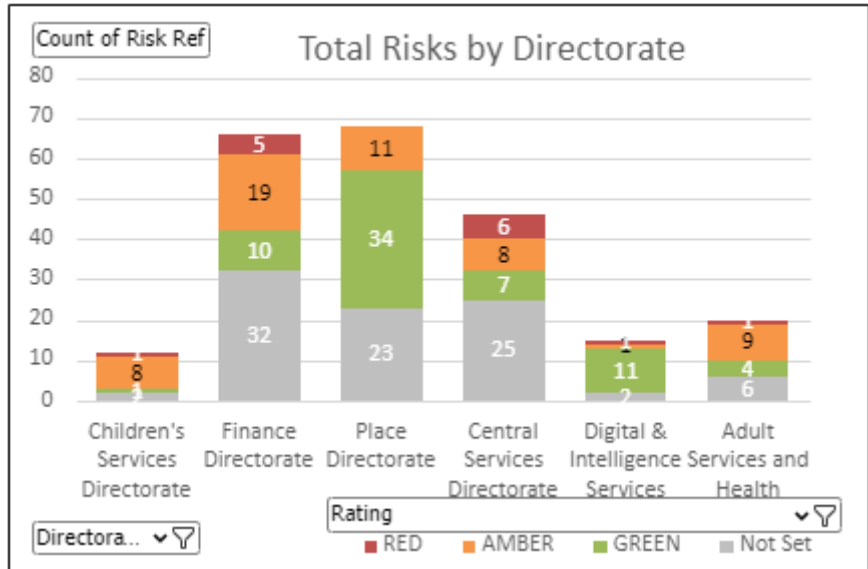
- 1.1 Hillingdon Council has a statutory responsibility to ensure arrangements are in place for managing risks. Risk management is about managing opportunities and threats to objectives to help create an environment of “no surprises”. It is a crucial element of good management and a key part of corporate governance. Although risks can never be entirely eliminated, proportionate and targeted action can be taken to reduce risks to an acceptable level.
- 1.2 Managing risk should be viewed as a mainstream activity and something that is an integral part of everyday management. Risk Management involves the early identification of risks, assessing their potential consequences, and determining the most effective way to reduce the likelihood and/or impact of the risk. The Council’s Risk Management Policy provides a framework to ensure there are clear roles, responsibilities and methodologies for identifying, recording and managing risks.
- 1.3 This report summarises the Council’s Risk Register as at the end of the quarter and outlines the work undertaken during the quarter to improve risk management arrangements. It is designed to support the Audit Committee to monitor and review (but not direct) the authority’s risk management arrangements, as per the Committee’s terms of reference.

## 2. DIRECTORATE RISK REGISTER UPDATE

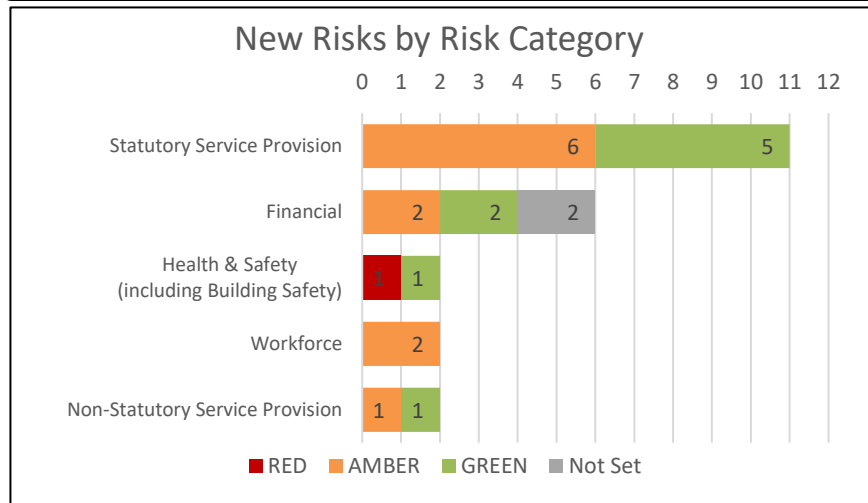
- 2.1 There were **227 total risks** recorded on the Risk Management System at the end of September 2024. This is only a slight increase from 221 risks at the end of June, and consistent with expectations now the system has been rolled out.
- 2.2 There were **14 red rated risks** on the risk register (a decrease from 16 at the end of June), which are shown on the corporate risk register in section four of this report.
- 2.3 There were **90 unscored risks** at the end of the quarter (a decrease from 116 at the end of June). The large number at the end of June related to the Counter Fraud risks that were transferred onto the risk management system at the end of the quarter. These should have been reviewed and scored by the relevant service during quarter two, and therefore it is concerning there are a large number outstanding at the end of September. All risks should be scored in line with the Council’s Risk Scoring Methodology (see Appendix A) to ensure they are escalated and monitored appropriately.
- 2.4 The high number of unscored risks at the end of the quarter has been raised with the Corporate Risk Management Group and Corporate Management Team. If there continues to be a large number outstanding at the end of the next quarter a more detailed breakdown will be provided to the next Audit Committee to highlight individual services that have not taken action to address these risks.



2.5 The Place Directorate had the highest number of risks per directorate at the end of Q2. Finance had the highest number of risks at the end of June as a large proportion of the fraud risks added to the system related to Services within the Finance Directorate. However many of these risks were reviewed and closed as expected during Q2.

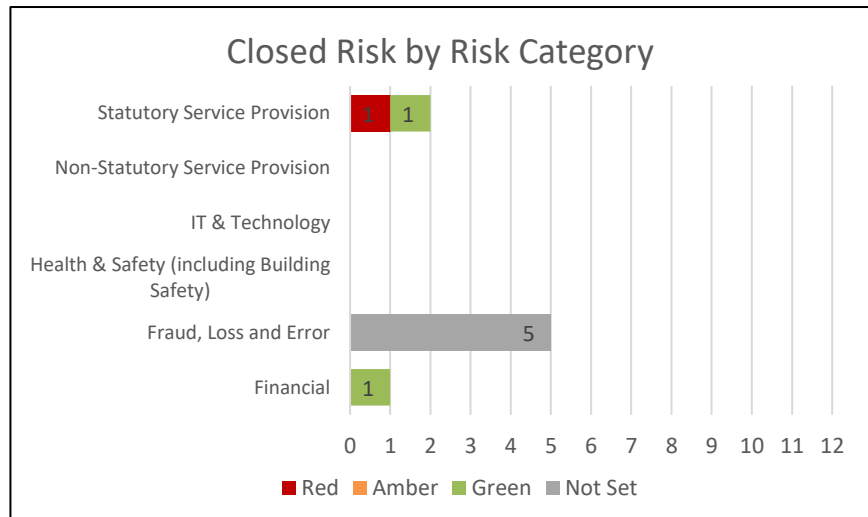


2.6 During Q2 there was a large increase in the number of Statutory Service Provision risks. Including six amber rated risks.



2.7 Three of these six amber risks relate to Community Safety & Enforcement following a review of their risk register by the service, two relate to insufficient workforce capacity within different teams, and one relates to sourcing children's care placements.

2.8 There has also been an increase in financial risks, which is consistent with the overall financial position of the Council.



2.9 During Q2 **8 risks have been closed** on the system. This includes five unscored fraud risks which were reviewed by the relevant service and closed as tolerated, and one red rated risk relating to publishing the draft statutory accounts by the deadline which was closed when the accounts were published.

2.10 At the end of Q2 there were **48 risks overdue** for review on the system. This is a significant increase from 12 risks overdue for review at the end of Q1. Six of these were red rated risks which should be reviewed every month.

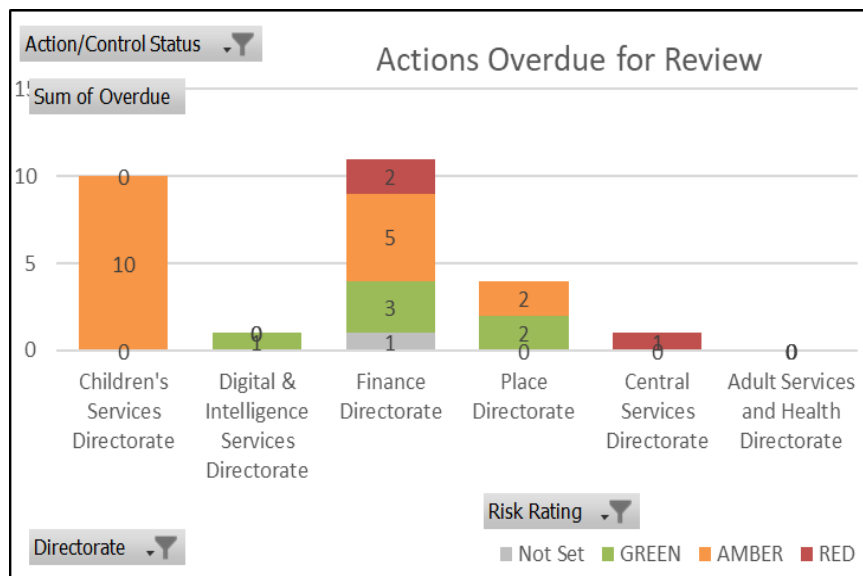
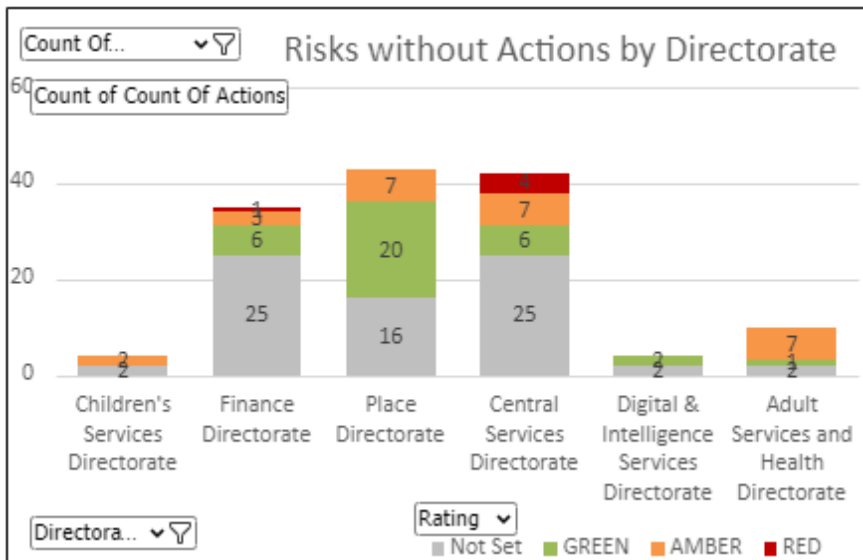
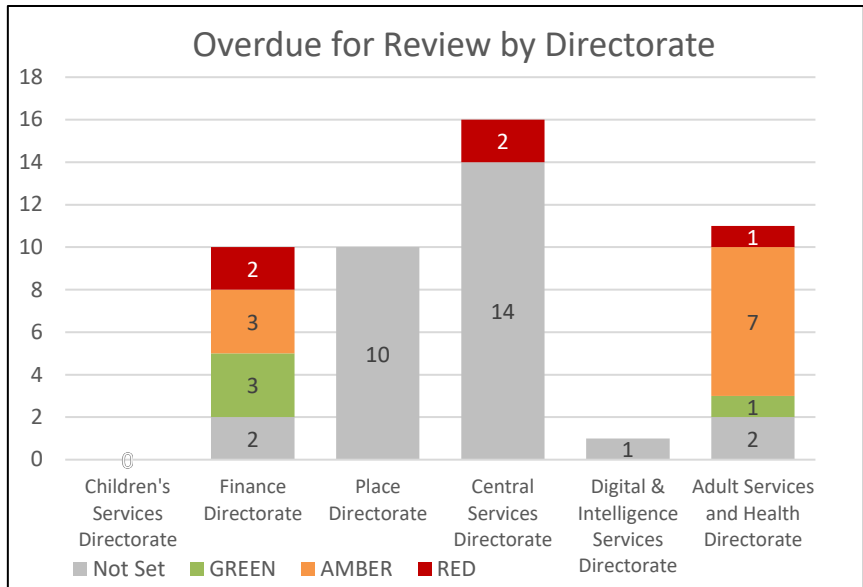
2.11 All risks overdue for review are highlighted through the Corporate Risk Management Group and Corporate Management Team.

2.12 At the end of Q2 there were also **138 risks on the system without actions** assigned to them (61% of all risks). However, this is a slight improvement from 183 risks at the end of Q1 (83% of all risks).

2.13 This included five red rated risks did not have actions recorded (an improvement from nine at the end of Q1). It is expected officers are taking actions to reduce the risks in practice, however these are not documented on the Risk Management system.

2.14 Finally, at the end of the quarter there were **31 actions overdue for review**, an increase from three at the end of Q1. Three of these actions were allocated to red rated risks, this was reviewed and marked as complete following the end of the quarter.

2.15 Although there are some areas of improvement required to ensure all risks are updated and mitigated through actions, there has been a positive level of engagement in the new system and directorate/services taking ownership of their risks. The Head of Internal Audit will continue to work with services to ensure the system is fully embedded.



### 3. CORPORATE RISK REGISTER UPDATE

- 3.1 The Council's Corporate Risk Register (CRR) is an essential part of the Council's Risk Management arrangements. The CRR includes any operational risks from the Risk Management System graded 'red' due to their potential likelihood and impact.
- 3.2 During Q2 two new risks were added to the CRR and four were removed. The two that were added related to:
- Insufficient lone working devices creating a health and safety risk for officers when undertaking visits out in the community. This was a new risk added to the system and action has been taken to purchase devices which will reduce this risk before the next Audit Committee meeting.
  - non-compliance with the civil contingencies act. This was an existing risk in the system but increased to red during Q2 as the Emergency Planning Team has been reduced to one officer, creating a lack of resilience and reduced of resources to assist in an emergency.
- 3.3 The four risks that have been removed from the CRR, include:
- Community DOLs, which has been reduced to Amber following actions by the team to review the resources required to meet the demand.
  - Maintained Schools Funding, which has been reviewed and the rating removed. This may mean the risk has reduced however it may have also been removed incorrectly. This will be raised with the relevant risk owner to ensure it is re-scored before the next Audit Committee.
  - EHM Data, which has been reduced to amber following the work undertaken between the SEND Team and Finance Team to improve data quality.
  - Failure to publish the draft accounts, which was closed once the draft accounts were published in line with the required timeframe.
- 3.4 Red rated risks should be reviewed monthly however seven of the risks had not been reviewed in September and therefore were considered overdue for review. The risks overdue for review were raised through the Corporate Risk Management Group.

### 4. FORWARD PLAN

- 4.1 Over the next quarter the Head of Internal Audit will continue to monitor the use of the new Risk Management System on behalf of the Audit Committee and provide additional training where requested to ensure it is embedded effectively.
- 4.2 The Key Performance Indicators will also continue to be shared with the Corporate Risk Management Group and Corporate Management Team.

## APPENDIX A: SUMMARY OF CORPORATE RISKS AS AT Q2 2024

LIKELIHOOD	Very High (A)		(7)	(4)	(1)
	High (B)			(6)	(2) (3)
	Significant (C)			(10) (11) (12) (13) (14)	(5)
	Medium (D)				(8) (9)
	Low (E)				
	Very Low (F)				
		Small (4)	Medium (3)	Large (2)	Very Large (1)
<b>IMPACT</b>					

CRR Risk:		2024/25 Q1		2024/25 Q2	
		Review Date	Rating	Review Date	Rating
1	STRAF0002 - Ability to Deliver a Balanced Budget in the Short and Medium Term	15/05/2024	Increase A1	22/08/2024	Static A1
2	FINMAN0005 - Uncertainty over the Safety Valve Agreement and impact if it is not held by DfE	15/05/2024	New D1	10/07/2024	Increase B1
3	LANDB0004 - Decent Homes Non-Compliance	12/04/2024	Static B1	19/09/2024	Static B1
4	LANDB0011 - Housing Landlord Service - Not Meeting Regulatory Requirements	29/06/2024	New A2	29/06/2024	Static A2
5	TECH0001 - Cyber Security	17/06/2024	Static C1	17/06/2024	Static C1
6	LANDB0019 - Lone-working devices - no visiting officers within housing have lone working devices.	-	-	17/09/2024	New B2
7	PENS0014 - Failure of employers to deliver accurate and timely employee administration information	30/05/2024	New A3	29/08/2024	Static A3
8	TRSA0003 - Liquidity Risk	10/06/2024	New D1	17/09/2024	Static D1
9	HESAFE0001 - Non-compliance with the Civil Contingencies Act 2004	-	-	17/09/2024	New D1
10	PROCUR0002 - Financial Resilience of Contracts	12/03/2024	Decrease C2	23/09/2024	Static C2
11	LANDB0003 - Decarbonisation	12/04/2024	Static C2	19/09/2024	Static C2
12	DIRECC0005 - Home to School Transport	20/06/2024	Static C2	08/08/2024	Static C2
13	HOUSNE0001 - High Levels of Homelessness Demand	29/06/2024	New C2	29/06/2024	Static C2
14	CHILSC0012 - Increasing cost of external residential provision and reduced internal resilience	25/06/2024	Increase C2	26/09/2024	Static C2
-	LEARN0001 - Community DOL	18/06/2024	Static C2	Decreased to D3	
-	FINMAN0016 - Maintained Schools Funding	21/06/2024	Static D1	Decreased to Unscored	
-	FINMAN0003 - The risk that our child level data in EHM may not be correct	22/04/2024	New B1	Decreased to D3	
-	TRSA0004 - Failure to publish draft accounts within statutory deadline	10/06/2024	New A3	Closed 25/07/2024	

**APPENDIX B: RISK SCORING METHODOLOGY**

LIKELIHOOD			RISK SCORE			
Greater than 90%	This Week	<b>Very High (A)</b>	<b>A4</b> (6)	<b>A3</b> (12)	<b>A2</b> (18)	<b>A1</b> (24)
70% to 90%	Next Week / This Month	<b>High (B)</b>	<b>B4</b> (5)	<b>B3</b> (10)	<b>B2</b> (15)	<b>B1</b> (20)
50% to 70%	This Year	<b>Significant (C)</b>	<b>C4</b> (4)	<b>C3</b> (8)	<b>C2</b> (12)	<b>C1</b> (16)
30% to 50%	Next Year	<b>Medium (D)</b>	<b>D4</b> (3)	<b>D3</b> (6)	<b>D2</b> (9)	<b>D1</b> (12)
10% to 30%	Next 5 Years	<b>Low (E)</b>	<b>E4</b> (2)	<b>E3</b> (4)	<b>E2</b> (6)	<b>E1</b> (8)
Less than 10%	Next 10 Years	<b>Very Low (F)</b>	<b>F4</b> (1)	<b>F3</b> (2)	<b>F2</b> (3)	<b>F1</b> (4)
			IMPACT			
			<b>Small (4)</b>	<b>Medium (3)</b>	<b>Large (2)</b>	<b>Very Large (1)</b>
<b>Financial:</b>			Up to £250k	£250k - £1million	£1million - £5million	Over £5million
<b>Service Provision:</b>			Slightly reduced	Service suspended short term	Service suspended long term / statutory duties not delivered	
<b>Health &amp; Safety:</b>			First Aider required	Broken Bones/Illness	Loss of life / Major illness	Major loss of life / large scale major illness
<b>Workforce:</b>			Negative morale	Some hostility / minor non cooperation	Industrial action	Mass staff leaving
<b>Reputation:</b>			Minor Letters	Adverse local media	Adverse national publicity	Remembered for years
<b>Government Relations:</b>			Poor assessment		Service taken over temporarily	Service taken over permanently