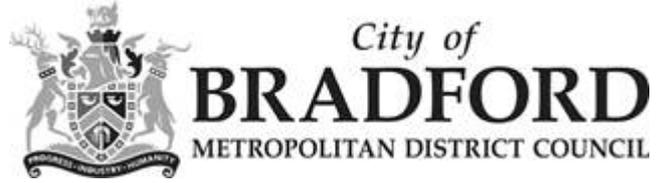


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Agenda for a meeting of the Governance and Audit Committee to be held on Thursday, 23 January 2020 at 10.00 am in Committee Room 4 - City Hall, Bradford

Members of the Committee – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Johnson (Chair) Thornton Swallow	Pollard	Stubbs

Alternates:

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Godwin M Slater Watson	Ellis	Reid

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

From:

Parveen Akhtar
City Solicitor
Agenda Contact: Fatima Butt
Phone: 01274 432227
E-Mail: fatima.butt@bradford.gov.uk

To:

A. PROCEDURAL ITEMS

1. ALTERNATE MEMBERS (Standing Order 34)

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) Officers must disclose interests in accordance with Council Standing Order 44.*

3. MINUTES

Recommended –

That the minutes of the meeting held on 28 November 2019 be signed as a correct record (previously circulated).

(Fatima Butt – 01274 432227)

4. **INSPECTION OF REPORTS AND BACKGROUND PAPERS**

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Fatima Butt - 01274 432227)

B. BUSINESS ITEMS

5. **EXCLUSION OF THE PUBLIC**

The Committee is asked to consider if the item relating to the minutes of the meeting of the West Yorkshire Pension Fund Investment Advisory Panel meeting held on 7 November 2019 should be considered in the absence of the public and, if so, to approve the following recommendation:

Recommended –

That the public be excluded from the meeting during the consideration of the items relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel meeting held on 7 November 2019 because the information to be considered is exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972. It is also considered that it is in the public interest to exclude public access to this item.

6. **MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 7 NOVEMBER 2019**

The Council's Financial Regulations requires the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund will submit **Not for Publication Document "W"** which reports on the minutes of the meeting of the WYPF Investment Advisory Panel held on 7 November 2019.

Recommended –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 7 November 2019 be considered.

(Rodney Barton – 01274 432317)

7. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - LEVEL OF USE (QUARTERLY REVIEW)

Previous Reference: Minute 10 (2019/20)

The City Solicitor will submit **Document “X”** which provides information relating to:

- The number of authorised and approved covert surveillance operations undertaken by the Councils investigative officers for the periods 1st July 2019 to 30th September 2019 and 1st October 2019 to 31st December 2019.
- The Council arrangements for the use of its CCTV equipment by the Police or Department of Work and Pensions (DWP). The use of the Councils CCTV equipment must be lawfully authorised.
- The Councils use of covert surveillance in order to prevent or detect crime and the authorised use of its CCTV equipment e.g. by officers of the Police or Department of Work and Pensions (DWP) can only be authorised as a last resort and where it is necessary and proportionate to do so.

Recommended-

- (1) That the contents of the report be noted.**
- (2) That the Council’s continued compliance with RIPA be noted.**

(Richard Winter – 01274 434292)

8. ANNUAL GOVERNANCE STATEMENT 2018-19 REVIEW

Previous Reference: Minute 5 (2019/20)

The Annual Governance Statement (AGS) was formally reviewed and approved by the Committee at its meeting on 28th June 2019. The Committee subsequently authorised the Leader of the Council and the Chief Executive to sign the document on behalf of the Council for inclusion with the Statement of Accounts for 2018-19.

The Statement reported that the Governance and Audit Committee would be kept informed of progress in addressing weaknesses and areas of concern.

The Director of Finance will submit **Document “Y”** which updates Members on the progress and improvements being made in addressing those significant governance concerns reported in the Council’s Annual Governance Statement 2018-19.

Recommended-

That the Committee –

- **Reviews the information contained in the report and the progress made in addressing the significant governance challenges.**
- **Endorse the further actions planned.**
- **Alert officers and Members to any emerging governance concerns requiring review during the 2019-20 process.**

(Chris Chapman – 01274 433656)

9. COUNCIL RISK MANAGEMENT STRATEGY

The Director of Finance will submit **Document “Z”** which details a revised Risk Management Strategy (Appendix A) for approval by the Committee. The Strategy was approved by the Executive on the 7th January 2020.

Recommended-

That the adoption of a new Risk Management Strategy for the Council (Appendix A to Document “Z”) be approved.

(Mark St Romaine – 01274 432888)

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Report of the City Solicitor to the meeting of the Governance and Audit Committee to be held on 23rd January 2020

X

Subject:

Regulation of Investigatory Powers Act 2000 (RIPA) – Level of use (quarterly review)

Summary statement:

Decision of the Governance and Audit Committee held on 31st July 2019:

**REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) –
POLICY, USE AND ENFORCEMENT ACTIVITY – QUARTERLEY REVIEW**

Resolved-

- (1) That the contents of the report be noted.**
- (2) That the Councils continued compliance with RIPA be noted.**

City Solicitor
Parveen Akhtar
Report Contact: R J Winter – Solicitor
Interim Team Leader Property
Commercial and Development
RIPA Coordinator and Monitoring Officer
(RiCMO)
Phone: 01274 434292
Email: richard.winter@bradford.gov.uk

1. SUMMARY

1.1 This report is prepared to provide information relating to the above resolution and in particular:-

- (a)** The number of authorised and approved covert surveillance operations undertaken by the Councils investigative officers for the periods 1st July 2019 to 30th September 2019 and 1st October 2019 to 31st December 2019.
- (b)** The Council arrangements for the use of its CCTV equipment by the Police or Department of Work and Pensions (DWP). The use of the Councils CCTV equipment must be lawfully authorised.
- (c)** The Councils use of covert surveillance in order to prevent or detect crime and the authorised use of its CCTV equipment e.g. by officers of the Police or Department of Work and Pensions (DWP) can only be authorised as a last resort and where it is necessary and proportionate to do so.

NB See Glossary of terms at the APPENDIX below.

2. BACKGROUND

2.1 The Council's use of authorised and approved covert surveillance operations for the periods above.

2.2 The Councils Departments which have specific statutory powers to investigate criminal offences are as follows:-

- (a)** Neighbourhood and Customer Services (NH&CS).
- (b)** Environmental Health Service (EHS)
- (c)** West Yorkshire Trading Standards Service (WYTSS).
- (d)** Corporate Resources - Counter Fraud Team (CFT).
- (e)** Planning Service and Building Control (PS&BC).
- (f)** Housing Standards Service (HSS)
- (g)** Antisocial Behaviour Team and Youth Offending Team (ASBT & YOT).
- (h)** Licensing Services (Liquor and taxi etc.) (LS)

2.3 The Councils Departments which investigate breaches of employee discipline which may result in the detection of serious criminal offences are as follows:-

- (a)** Adult Social Care. (ASC)
- (b)** Children's Social Care (CSC)
- (c)** Corporate Resources (CR).
- (d)** Department of Place(DP)
- (e)** Office of the Chief Executive. (CX)

2.4 The returns for Quarter 3 (1st July 2019 to 30th September 2019 and Quarter 4 (1st October 2019 to 31st December 2019 are set out in the table below. A NIL RETURN is shown for all relevant departments which indicate that the enforcement services

investigators are able to obtain evidence without the need for covert surveillance. Where not applicable appears (N/A) the criminal offences investigated by the service do not fall within the definition of serious criminal offence under RIPA 2000 namely carrying a penalty of more than six months imprisonment and thus covert surveillance of such none serious crimes cannot be authorised under RIPA.

Department/ Quarterly period (QTR)	EHS	WYTSS	CFT	PS& BC	HSS	ASBT & YOT& NH&C S	LS	Refusals	Authorisations /Approvals
QTR 3	0	0	0	n/a	n/a	n/a	n/a	0	0
QTR 4	0	0	0	n/a	n/a	n/a	n/a	0	0
Dept. Quarterly period (QTR)	ASC	CSC	CS	DP	CX			Refusals	Authorisations /Approvals
QTR 3	0	0	0	0	0			0	0
QTR 4	0	0	0	0	0			0	0

2.5 The Council's CCTV system and use of it for covert surveillance by the Police and DWP.

a) The Council owns a substantial CCTV system which assists in the prevention and detection of crime within the City Centre and is occasionally used by the Police or DWP when they provide evidence to the Councils CCTV manager the use is necessary and proportionate to detect or prevent crime.

b) The table below shows comparative figures for QTR 3 and QTR 4.

Quarterly Period (QTR)	Police	DWP	Refusals	Accepted	Total Operations
QTR 3	2	0	0	2	3
QTR 4	3	0	0	3	15

3. OTHER CONSIDERATIONS (ANNUAL TRAINING, RIPA BRIEFINGS AND THE INTERNAL AND EXTERNAL AUDITS)

(a) Following the completion of an internal audit in May 2019 the Councils RIPA Coordinator and Monitoring officer (Richard Winter) (in consultation with) the Councils Senior Responsible officer (Joanne Hyde) briefed all Strategic Directors and Assistant Directors in order to continue to raise awareness of the need to be vigilant within their services in respect of the use of covert surveillance.

(b) All officers were reminded that any covert surveillance which was planned to be carried out it must be authorised and approved by the City solicitors and the court.

(c) Arrangements have now been made by the Councils RIPA Coordinator and Monitoring Officer (RiCMO) for a 2019/20 annual training update to be presented to relevant Council officers (and officers working at the Councils of Calderdale, Kirklees, Leeds and Wakefield in the City Hall Bradford. This event is to take place on Thursday 20th February 2020 and last 3 hours.

(d) The last external Audit of the Council in relation to its use and compliance with RIPA was carried out by the Office of the Surveillance Commissioners (OSC) in May 2016 and has been reported on to this committee. The next external audit will likely be set of 2020 or 2021 and will be carried out by a new body the Investigatory Powers Commissioners office (IPCO) which replaced the OSC in 2018.

(e) All local authorities are also required to report back to IPCO annually on the level of use of covert surveillance in April each year for the municipal year end 31st March and this will be undertaken by the Councils RiCMO.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 There are no financial implications arising from a resolution adopting the recommendations of this report.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

5.1 The report is intended to audit potential risks of the use of covert surveillance by officers of the Council without authorisation of the City Solicitor and approval by the Magistrates Court.

6. LEGAL APPRAISAL

6.1 The use of covert surveillance is regulated by the Regulation of Investigatory Powers Act 2000 & associated Codes of Practice and Regulations (see body of the Report).

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

7.1.1 There are no equality impact or diversity implications as a result of a resolution adopting the recommendations of this report.

7.2 SUSTAINABILITY IMPLICATIONS

7.2.1 There are no sustainability implications as a result of a resolution adopting the recommendations of this report.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

7.3.1 There are no greenhouse gas emission impacts as a result of a resolution adopting the recommendations of this report.

7.4 COMMUNITY SAFETY IMPLICATIONS

7.4.1 There is no community safety implications as a result of a resolution adopting the recommendations of this report as investigation into crime in the Councils district will continue by the police. The Councils Enforcement teams will continue where possible to undertake investigations of criminal offences overtly.

7.5 HUMAN RIGHTS ACT

7.5.1 There are no Human Rights issue as a result of a resolution adopting the recommendations of this report.

7.5.2 However, if covert surveillance was undertaken by the Councils investigative officers without approval under RIPA, then this would be a breach of the suspects human rights namely Articles 6 (right to a fair trial) and Article 8 (Respect of Private and Family Life) of the European Convention on Human Rights enshrined into law under the Human Rights Act 1998.

7.6 TRADE UNION

7.6.1 There are no trade union implications as a result of a resolution adopting the recommendations of this report.

7.7 WARD IMPLICATIONS

7.7.1 There are no ward implications as a result of a resolution adopting the recommendations of this report.

7.8 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

7.8.1 No Privacy Impact Assessment is required.

7.8.2 Covert surveillance is regulated by RIPA alone and can only be undertaken as a last resort and if it is necessary and proportionate to the serious criminal offence been investigated.

8. NOT FOR PUBLICATION DOCUMENTS

8.1 None

9. OPTIONS

9.1 See recommendations below.

10. RECOMMENDATIONS

10.1 To note the contents of the report.

10.2 To note the Councils continued compliance with RIPA.

11. APPENDICES

APPENDIX Glossary of terms and abbreviations

Abb.	Title/Term	Background/Definition
RIPA 2000	Regulation of Investigatory Powers Act	Regulates the use of covert surveillance and data communication in respect of private persons.
SRO	Senior Responsible officer	Required to take an overview of the Councils use of covert surveillance and compliance with RIPA
CCTV	Close circuit television	Used for safety and security purposes within Council buildings and the city centre
CS	Covert surveillance	Surveillance which is carried out in a manner calculated to ensure that the persons subject to the surveillance are unaware that it is or may be taking place.
DS	Directed surveillance	Surveillance which is covert, but not intrusive, and undertaken: <ul style="list-style-type: none"> a) for the purpose of a specific investigation or operation; b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not that person is the target of the investigation or operation); and c) In a planned manner and not by way of an immediate response whereby it would not be reasonably practicable to obtain an authorisation prior to the surveillance being carried out.
CHIS	Covert human intelligence source	A person is a CHIS if: <ul style="list-style-type: none"> (a) s/he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c); (b) s/he covertly uses such a relationship to obtain information or to provide access to any information to another person; or (c) S/he covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.
IS	Intrusive surveillance	Intrusive surveillance is defined as covert surveillance

		<p>that:</p> <p>a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and</p> <p>b) Involves the presence of any individual on the premises or in the vehicle or is carried out by means of a surveillance device.</p> <p>If the device is not located on the premises or in the vehicle, it is not intrusive surveillance unless the device consistently provides information of the same quality and detail as could be expected to be obtained from a device actually present on the premises or in the vehicle.</p>
	Private information	<p>Includes any information relating to a person's private or family life.</p> <p>Private life also includes activities of a professional or business nature (Amann v Switzerland (2000) 30 ECHR 843).</p> <p>"Person" also includes any organisation and any association or combination of persons.</p>
	Confidential material	<p><i>Includes:</i></p> <ul style="list-style-type: none"> ▪ matters subject to legal privilege; ▪ confidential personal information; ▪ Confidential journalistic material.
HRA 1998	Human Rights Act	Enacts ECHR into English Law i.e. absolute and conditional human rights
ECHR 1950	European Convention of Human Rights	Sets out absolute and conditional Human Rights across Europe
IPCO		
OSC	Office of the surveillance commissioner	Until 2018 appointed by the government to oversee the police and other public bodies use of covert surveillance techniques and replaced by IPCO
OICC	Office of the Interception of Communications commissioner	Appointed by the government to oversee the police and other public bodies interception of data communications
NAFN	National antifraud Network	Joint local authority network for dealing with fraud of which the Council is a member
RiCMO	RIPA Coordinator and Monitoring Officer	Lead Officer on RIPA - Advises enforcement managers and officers of the RIPA process and procedure. Annually reviews and updates all relevant Policy and Guidance material and reports to CGAC
SNS	Social network sites	E.g. Facebook and Twitter

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Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 23 January 2020

Y

Subject:

Annual Governance Statement 2018-19 Review

Summary statement:

This report reviews progress on the significant governance concerns reported in the Council's Annual Governance Statement 2018-19

Report Contact: Chris Chapman,
Director of , Finance
Phone: (01274) 433656
E-mail: chris.chapman@bradford.gov.uk

Portfolio:

Corporate

Improvement Area:

Corporate

1. Summary

The purpose of this report is to update members on the progress and improvements being made in addressing those significant governance concerns reported in the Council's Annual Governance Statement 2018-19.

2. Background and Process

2.1 The annual governance review is undertaken against the principles contained in the CIPFA/Solace framework – Delivering Good Governance in Local Government. The Council is required to consider the effectiveness of its current arrangements and:

- Assess the extent to which it complies with the principles and requirements of good governance
- Identify systems, processes and documentation that provide evidence of compliance
- Identify and ensure individuals and committees hold responsibility for governance arrangements and their continuing application and effectiveness
- Identify issues that have not been addressed adequately and any planned changes required in the future
- Prepare an action plan, identifying any individuals responsible for taking any changes forward

2.2 The Annual Governance Statement (AGS) was formally reviewed and approved by the Governance & Audit Committee at its meeting on 28th June 2019. The Committee subsequently authorised the Leader of the Council and the Chief Executive to sign the document on behalf of the Council for inclusion with the Statement of Accounts for 2018-19.

2.3 The Statement reported that the Governance and Audit Committee would be kept informed of progress in addressing weaknesses and areas of concern

3. Review and Conclusion

The Annual Governance Statement identified three continuing governance challenges,

- Safeguarding Vulnerable Children
- Ensuring an effective, integrated system of health and social care
- The adoption of the General Data Protection Regulations across the Council.

A comprehensive review of these governance issues has been undertaken and a detailed update is provided in Appendix 1. Council officers recognise the need for continuing effort to achieve improvements in the delivery and operation of their services.

4. Financial and resources appraisal

There are no direct financial implications arising from this report.

5. Risk Management

The Council's risk management framework remains in place and, as previously reported, corporate risks are reviewed regularly, at quarterly intervals. There are no new risk management issues arising from this report.

6. Legal appraisal

6.1 The Accounts and Audit Regulations 2015 require the Council to conduct a review of the effectiveness of the Council's governance framework including the system of internal control.

6.2 The Council is required to test its governance arrangements against the principles contained in the CIPFA/Solace framework 'Delivering good governance in Local Government'.

6.3 The CIPFA/Solace framework also requires the Council to provide an outline of the actions taken, or proposed, to deal with significant governance issues.

7. Other implications

7.1 Equal and Diversity

Risk management assists in ensuring barriers to the delivery of services are reduced which in turn supports the achievement of equality and diversity.

7.2 Greenhouse Gas Emission Impacts

There are no impacts on gas emissions.

7.3 Sustainability Implications

The Annual Governance Statement will examine the sustainability of the Council's activity and ensures that mechanisms are in place to deliver business continuity.

7.4 Community Safety Implications

Community safety implications are considered when identifying strategic risks such as safeguarding.

7.5 Human Rights Act

The Annual Governance Statement will take into account any Human Rights Act implications.

7.6. Trade Union

There are no specific implications for the Trade Unions arising from the report.

7.7 Ward Implications

In general the Annual Governance Statement does not focus on individual ward issues.

7.8 Implications for Corporate Parenting

None

7.9 Issues Arising from Privacy Impact Assessment

None

8. Not for publication documents

None.

9. Options

Members may –

- Endorse the report
- Provide comment or instruction
- Bring forward any new governance concerns which should be reviewed, assessed or examined for the 2019-20 Annual Governance Statement.
- Require further information.

10. Recommendations

That members –

- Review the information contained in this report and the progress made in addressing the significant governance challenges.
- Endorse the further actions planned.
- Alert officers and Members to any emerging governance concerns requiring review during the 2019-20 process.

11. Appendices

Appendix 1 - Annual Governance Statement 2018-19: Mid Year Review, Improvement and Progress Report.

12. Background documents

“Annual Governance Statement 2018-19” – report to Governance and Audit Committee 28th June 2019 – Director of Finance.

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
Safeguarding Vulnerable Children	<p>Demand levels for social care continue to rise and there were 1,159 Looked After Children (31 March 2019). There has also been a significant rise in the number of children on child protection plans. This is putting pressure on social work delivery. Further recruitment of social workers is underway, but there is significant competition for experienced social workers and retention remains an issue which is being closely monitored. A regular workload report is shared with Children's Overview and Scrutiny and Bradford Children Safeguarding Board has continued to monitor the safeguarding arrangements. Following the October 2018 Ofsted inspection report an Improvement Board with an independent chair has been established and a detailed improvement plan has been shared with Ofsted. Regular Monitoring visits will happen every three months. The first such visit took place in March, focussing on the front door arrangements where some progress was noted. A second monitoring visit is scheduled for June</p>	<p>Bradford's third Ofsted Monitoring Visit took place on the 16 and 17 October 2019.</p> <p>The focus of the visit was around Children who are subject of a child protection plan, those subject to the Public Law Outline (PLO) process and children who are at the edge of care. The findings indicated that Children's Services are making progress in some areas, but with many areas that still need improvement. A key outcome Ofsted found was that changes have not happened quickly enough.</p> <p>The following improvements have been made:-</p> <ul style="list-style-type: none"> ➤ The service has a new leadership team in post, it is developing a new staffing structure to help improve management oversight and align Social Care teams to work more closely with Early Help teams. The service is actively recruiting more staff to ease capacity concerns. ➤ Social work caseloads are reducing because of additional capacity; and the oversight of court pre-proceedings has improved reducing the drift and delay that children had previously experienced. This hard work is recognised and shows the difference that this work and the teams involved are making to children's lives. ➤ Dedicated recruitment campaign launched to encourage suitably qualified & experienced workers ➤ It is noted that there are still significant challenges that Children's Services need to overcome. In particular, there needs to be consistent improvement 	Irfan Alam

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
		<p>in the quality of assessments together with management oversight on the quality of practice. Inspectors also noted social work capacity difficulties and issues with some partners not engaging in key child protection meetings.</p> <ul style="list-style-type: none"> ➤ The next monitoring visit is scheduled for the end of February 2020 and will focus on Permanence and Disabled Children’s Services. The service is preparing for this visit, but recognises that this area of focus will prove challenging given the scope of Permanence and Disabled Children’s Services. <p><u>Our Improvement Programme:</u></p> <ul style="list-style-type: none"> ➤ The programme approach provides a framework to ensure effective management and assurance of the Children’s Innovation and Improvement Programme ➤ The Programme Team has been established to support and challenge through shared experience, advice and guidance for project delivery - <i>‘sit within approach not alongside’</i> ➤ This team ensure projects are clearly defined, scoped with a current state analysis; are evidence based, have clear plans, monitoring and reporting systems & effective processes to track and manage risks and benefits/outcomes - <i>‘Theory of change model’</i> plus. ➤ There are currently four programmes:- <ul style="list-style-type: none"> ➤ Prevention and Early Help ➤ Social Work Practice ➤ Workforce ➤ Looked After Children / Leaving Care <p>In terms of practice, we have reviewed and changed the</p>	

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
		<p>operation of the Integrated Front Door supported by a new Continuum of Need developed with partners. We have introduced social work decision making within the council's contact centre which has improved the quality of the referrals and the timeliness in which we have been able to deal with them appropriately through children's social care, early help, provision of advice or sign post to more appropriate services.</p> <ul style="list-style-type: none"> ➤ Work is continuing with partners as to what constitutes an appropriate contact and to ensure that these progress through the system in order to achieve the best outcomes for children. ➤ Earlier this year, there was a focussed piece of work to review a number of children who had been subject to a Child Protection Plan for 12 months or more. This work has led to a reduction in the average length of time children have been subject to a Child Protection Plan. ➤ We recognise that we need to get better at supporting families more effectively during the child protection process. Going forward, a locality Head of Service and the Safeguarding Head of Service will undertake a review of any child who approaches 9 months of being subject to a Child Protection Plan. ➤ For the safety of children and to ensure that they are having the right experience with appropriate outcomes, timely visits in line with our statutory requirement and Bradford's Practice Standards are essential. ➤ Looked after Children in stable long term placements are visited every 12 weeks, with visits every 4 weeks expected for the rest of the Looked After Children population. ➤ Child Protection cases are expected to be visited every 4 weeks. A new Practice Standard is being introduced to ensure that children are seen every 10 days or more frequently if this is required as part of their plan. 	

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
		<ul style="list-style-type: none"> ➤ Bradford introduced more stretching targets on Child Protection visit timeliness as part of the Improvement work (from 28 days to 10 days) in order to increase their focus on timeliness. ➤ The volume of Child Protection visits has also increased but the introduction of the new Practice Standards for Child Protection visits has an initial drop in both volume and proportion. ➤ Bi-weekly data is now available for the service to monitor visits that are overdue and upcoming. Service Managers are now clearly sighted on this as an issue. ➤ Additional management oversight at the Front Door has meant that the percentage of contacts with a decision made in one working day has improved from the position in May where this was a challenge. ➤ October 2019 was the best month for performance for the percentage of contacts with a decision in one working day since the OFSTED judgement last year. ➤ To further support social workers manage the increase in demand, we have realigned the project teams to increase capacity within the West and South of the city, where demand is the highest. ➤ There was a higher volume of assessments to complete in September and October compared to the previous year, also a larger overall number were completed on time. ➤ Whilst the trend over the past 12 months has been an increase in case load per social worker, this is in line with the trends in numbers of looked after children outlined in the forecasting section of this report. ➤ The service now has access to bi-weekly data on caseloads which shows the number of workers who have above 26 and below 10 cases 	

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
Ensuring an effective, integrated system of health and social care	<p>Work continues to take place to strengthen the governance arrangements within the Health and Social Care System. This includes approving the CQC Action Plan and the Memorandum of Understanding for the West Yorkshire and Harrogate Health and Care Partnership. Council officers are engaged in the design of a new strategic partnership agreement that will be presented to the Executive in Spring 2019. The Section 75 agreement between the Council and NHS will be renewed (legal input has been agreed) during 2019. Work has started on the establishment of a formal Health and Social Care Economic Partnership Board. Consultants to support the set up will be identified by the end of December with the aim to have the new Board in place by summer 2020. Health and Wellbeing Board has agreed the development of Logic Models that summarise how the system will monitor the impact of its collective interventions – aligned to high level plans strategies. The Integrated Care Board (ICB) has agreed to use the current planning round to refocus investment in accordance with the shared Happy Healthy at Home plan. This will mean a greater focus on prevention, rather than investing equally in all portfolios and will require a shared approach to the</p>	<p>A review of the first 6 months functioning of the Strategic Partnering Agreement took place in October 2019. The two main changes to these arrangements which have taken place over the last year are: the Establishment of two assurance committees – Finance and Performance Committee and Quality and Safety Committee, which report to the ICB and enable a system view rather than a single organisational view. In addition the Executive Commissioning Board was dissolved with the transfer of its responsibilities to the ICB. The changes to the ECB were reported at the Health and Wellbeing Board and the F&P and Q&S committees were approved at ICB. The arrangements have worked satisfactorily and noted in various external reports from the CQC, LGA and NHS Confederation.</p> <p>This year there has been a review of the programmes the partners undertake together as a system. This review is now leading the reform and rationalisation of the programmes planned, and highlights opportunities for improvement in their completion. Amongst those improvements are some governance related changes to allow a clearer accountability role over programme delivery for the Health and Care Partnership Boards and the establishment of a leadership triumvirate model for each programme</p> <p>Reform of the Health and Wellbeing Board is underway to ensure the Board fully addresses it's role as senior strategic partnership for the District, maximising the impact of collective action by all the strategic partnerships – such as the Economic Partnership and Childrens Trust. These changes are expected to be agreed and implemented by May 2020</p>	Lyn Sowray

Governance Challenge – AGS 2018-19	Response reported in AGS 2018-19	Update at December 2019	Responder
	<p>engagement of regulatory bodies, along with a clear shared management of system risks. ICB has also agreed for work to be done to enhance system wide communication as part of the CQC Action Plan. The role of Executive Commissioning Board is being reviewed in the context of the emerging approach to partnership system commissioning intentions. Work is underway to develop options for strengthened system commissioning opportunities involving adult social care, children’s social care and public health commissioning functions with the Bradford CCGs.</p>		
<p>The adoption of the General Data Protection Regulations across the Council.</p>	<p>Following the implementation of the new data protection legislation (GDPR) in May 2018 work has continued to ensure that internal processes, procedures, data systems and documentation are GDPR compliant. Advice and guidance for staff has been published on Bradnet and mandatory eLearning on protecting information provided for all appropriate staff. Work is continuing in respect of monitoring GDPR compliance across all Departments of the Council and work continues with neighbouring authorities and other partners to share best practice.</p>	<p>The Council’s Information Assurance, Management and Governance framework has been refreshed and an action plan/work programme developed to allow for continued and regular monitoring of GDPR compliance through the Council’s Information Asset Owners (Directors and Assistant Directors). An Internal Audit is currently being undertaken, Council wide, to identify any outstanding areas of GDPR non compliance which will be added to the action plan/work programme.</p>	<p>Tracey Banfield</p>



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Report of the Director of Finance to the meeting of the Governance and Audit Committee to be held on 23rd January 2020

Z

Subject:

Council Risk Management Strategy

Summary statement:

This report details a revised Risk Management Strategy for approval by the Governance and Audit Committee.

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Director of Finance

Portfolio:

Leader of the Council and Corporate

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**Overview & Scrutiny Area:
Corporate**

COUNCIL RISK MANAGEMENT STRATEGY

1.0 SUMMARY

1.1 This report details a revised Risk Management Strategy (Appendix A) for approval by the Governance and Audit Committee. The Strategy was approved by the Executive on the 7th January 2020.

2.0. BACKGROUND

2.1 The Council's first Risk Strategy was approved in 2003. However other than a revision in 2015 the Strategy has remained unchanged. It is the case that a number of improvements have been developed with the public reporting of the risk register and clearer accountability for risks within the Council. It is therefore believed to be appropriate to consolidate these changes with the adoption of a new Risk Strategy for the Council.

2.2 The revised Risk Strategy focuses on the following

- Linking with the District Plan
- Strong focus on how the Council works and the different risk environments the Council works in.
- The Risk Management process will be streamlined and focus more on controls
- The number of likelihood scenarios will be reduced
- Responsibilities will be amended to reflect current roles including the Executive and Portfolio Holders
- Reporting through CMT is identified
- Removal/great simplification of the risk appetite process and focused on RAG status, rather than having a target risk position to be achieved.

3.2 The revised Risk Strategy has been agreed with members of CMT, Risk Coordinators and several other key officers.

3.3 If the revised Risk Strategy is approved then the Risk Register will need to be amended to transfer the data into the new format.

3.4 Currently it is not envisaged that the revised Risk Strategy will result in any significant shift in the identified corporate risks.

4.0 FINANCIAL & RESOURCE APPRAISAL

4.1 The recommendations of this report do not pose direct financial implications however indirectly improved risk and performance management arrangements should ensure that the Council is more successful in achieving its stated objectives.

5.0 RISK MANAGEMENT AND GOVERNANCE

5.1 Risk Management is a key structure of the Council's governance framework

which is monitored through the preparation of the Annual Governance Statement.

6.0 LEGAL APPRAISAL

6.1 The Accounts and Audit Regulations 2015 require the Council to ensure it has a sound system of internal control which includes effective arrangements for the management of risk. The Council's financial control systems must include measures to ensure that risk is appropriately managed.

7.0 OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

Risk management assists in ensuring barriers to the delivery of services are reduced which in turn supports the achievement of equality and diversity.

7.2 SUSTAINABILITY IMPLICATIONS

Risk Management will examine the sustainability of the Council's activity and ensures that mechanisms are in place to deliver business continuity.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

None

7.4 COMMUNITY SAFETY IMPLICATIONS

Community safety implications are considered when identifying strategic risks such as safeguarding.

7.5 HUMAN RIGHTS ACT

The consideration of risk will take into account any Human Rights Act implications when appropriate.

7.6 TRADE UNION

There are no specific implications for the Trade Unions arising from the report.

7.7 WARD IMPLICATIONS

In general the Risk Management Strategy does not focus on individual ward issues.

7.8 IMPLICATIONS FOR CORPORATE PARENTING

None

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8.0 NOT FOR PUBLICATION DOCUMENTS

None

9.0 RECOMMENDATIONS

- 13.1 That the Governance and Audit Committee approve the adoption of a new Risk Management Strategy for the Council (Appendix A)

10.0 APPENDICES

Appendix A Risk Management Strategy 2020

11.0 BACKGROUND DOCUMENTS

Risk Management Strategy 10th August 2015
Qtr. 2 Finance Position Statement for 2019-20 Executive Committee 5th
November 2019



Council Risk Management Strategy

2020

Index

	Page
1. Introduction	3
2. District and Council Plans	3
3. Risk Management Strategy	4
4. Statutory Requirements	4
5. Annual Governance Statement	5
6. Council Risk Management Framework	5
7. Management of Individual Risks	8
8. Responsibilities for Risk Management	14
9. Conclusion	16
Appendix 1 Council Risk Management Framework	17
Appendix 2 Risks, Internal Controls and the treatment Of Risk	18
Appendix 3 Council Risk Record	21

1. Introduction

- 1.1 This document forms Bradford MDC's Risk Management Strategy for 2020. It sets out the District's and Council's strategic objectives and outlines how the Council applies its risk management processes to support the delivery of these objectives. In addition this strategy details the operational risk processes and responsibilities that assist the Council in the delivery of its services.

2. District and Council Plans

2.1 District Plan 2016 -2020

The Bradford District Plan sets out the long term ambition for the district and outlines the priorities for action. The District Plan is owned by the Bradford District Partnership (BDP) which involves the public sector, businesses and community partners working together. The priorities are

- a. Better skills, more good jobs and a growing economy
- b. A great start and good schools for all our children
- c. Better health, better lives
- d. Safe clean and active communities
- e. Decent homes that people can afford to live in.

As well as focusing on these priorities the partners of the BDP will

- Become Bradford ambassadors
- Enable community leadership and build resilience within communities
- Focus on prevention and early intervention to ensure peoples needs are met
- Provide work experience and support apprenticeship schemes
- Support employees to live healthier lifestyles
- Promote employee volunteering
- Improve organisational and business effectiveness through being more representative of our population

The risk strategy will be reviewed to reflect the plan agreed through the Health & Wellbeing Board to replace the District Plan, following agreement of a new 2040 Vision for the District next year. The risk strategy will also be reviewed to reflect the new Council Plan when it is agreed.

2.2 Council Plan

As a key leader within the District, the Council supports the District Plan by adopting its priorities through the Council Plan

- a. Better skills, more good jobs and a growing economy
- b. A great start and good schools for all our children

- c. Better health, better lives
- d. Safe clean and active communities
- e. Decent homes that people can afford to live in

In addition the Council wants to be effective by being a well-run council, using all its resources to deliver its priorities, working closely with partner organisations, business, communities, families and individuals to make the most of all our district's resources, assets and opportunities. The Council will support wellbeing and independence through early action to prevent problems developing or stop them getting worse. Council activity will help to reduce inequality, providing opportunities for everyone and building an economy that works for all. The Council will use its money wisely and target resources at district priorities while supporting the development of cost-effective and innovative solutions.

3. Risk Management Strategy

- 3.1 The Council Plan identifies where the Council wants to get to. Risks are events or action which will adversely affect or delay the Council's ability to achieve its objectives. By managing these risks both strategically and operationally the Council increases the likelihood of successful achievement of the Plan.
- 3.2 Risk management is a strategic tool and essential part of effective and efficient management and planning. Risk management needs to be embedded into the Council's culture, processes and structure and to ensure that opportunities are maximised and bureaucracy minimised. Risk management is not something new. The Council does it every day with every decision it makes. This approach assists effective risk management by being documented and managed in a coherent and transparent manner.
- 3.4 The objectives of the Risk Management Strategy are to:
 - Further develop risk management and raise its profile across the Council
 - Integrate risk management into the culture of the organisation
 - Embed risk management as part of all decision making processes
 - Manage risk in accordance with best practice
 - Create effective processes which provide the framework for the Annual Governance Statement and to provide continuing evidence that internal control systems are in place.

4. Statutory Requirements

- 4.1 Under the Accounts and Audit Regulations 2015 the Council must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk

- 4.2 The CIPFA / Solace guidance on “Delivering good governance in local authorities” recognises the need for managing risks and performance through robust internal control and strong public financial management. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.
- 4.3 Risk management needs to be recognised as an integral part of all activities and must be considered in all aspects of decision making. This must involve implementing robust and integrated risk management arrangements and ensuring that they are working effectively as well as ensuring that responsibilities for managing individual risks are clearly allocated
- 4.4 The risk management strategy and policies on internal control must be aligned with achieving objectives. This requires evaluation and monitoring of risk management and internal control on a regular basis, ensuring effective counter fraud and anti-corruption arrangements are in place. The effectiveness of the framework of governance, risk management and control is assisted by internal audit whilst the Council’s Governance and Audit Committee provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.

5. Annual Governance Statement

- 5.1 The Council is required to produce annually a Governance Statement that supports the Council’s financial accounts which details the Council’s approach to risk management. Each Annual Governance Statement highlights specific risks which are monitored through the year and publicly reported to the Governance and Audit Committee. A number of new governance challenges will also be recognised and managed through the year.

6. Council Risk Management Framework

- 6.1 From a management perspective the most important outcome from risk management is that internal controls are put in place which reduce the likelihood or the impact of a risk event. It is also important that the Council is aware of what its key risks are and is focusing realistically on the issues that create barriers for effective service delivery. As an organisation accountable to the local community, it is also important that the Council can demonstrate how the risks to citizens are managed, by reporting publicly on the risk management processes.

6.2 The Council's Risk Management Framework is detailed in Appendix 1. The core feature is the Council's Strategic Risk Register. This is fed by the risk management processes of Information Governance, Business Continuity, Health and Safety and the Council Plan Delivery Programme. The Council's Strategic Risk Register can also include information from the risk registers that support the Council's major projects including capital expenditure as well as the departmental risk registers supporting service delivery. Council Management Team through the CMT Action Tracker can respond to quickly emerging risks whilst the Governance and Audit Committee monitor risks through the Annual Governance Statement. Council Executive has overall responsibility for the Council Risk Strategy.

6.3 CMT Action Tracker

The Council's key management process is the operation of the Council Management Team and the Action Tracker that monitors its activity. Most Council risks are continuing and reflect overall service delivery responsibilities, however some risks can develop quickly and require an immediate response. CMT Action tracker records these risks and the actions taken to eliminate or mitigate them as well as monitoring long term situations.

6.4 District Risks

The District faces significant risks to the achievement of the district plan that often operate at a regional, national or global level. There is little the Council can do to manage these events so the focus needs to be on how to mitigate the negative consequences on the district or building up resilience to achieve the original objectives. As a key partner the Council may take the lead in facilitating activities to reduce the impact on the District. Such risks will therefore be defined as strategic risks within the Council.

6.5 Strategic Risks

These risks impact on the overall vision/purpose/organisation/corporate and strategic priorities of the Council. They become the collective responsibility of corporate management and have a medium/long term perspective. Bradford will incorporate the results of strategic risk management work into corporate planning processes and formulation of the medium term financial strategy. Normally they will affect more than one department. In some cases Strategic Risks will be duplicates of District Risks which reflects the convergence of the District and Council's objectives. In other cases there may be operational risks that due to their financial value or reputational impact will be elevated to the strategic risk register.

6.6 Departmental Operational Risks

These risks pertain to departmental strategy and objectives or impacting on day to day service delivery. They will normally be the concern at Departmental Management Teams (DMTs) as they will impact on the achievement of the Service Department Plan. Departmental risks may also be managed further down the organisational hierarchy dependent on the view of DMTs. Departmental risks will be incorporated into service or departmental strategic plans.

6.7 Council Delivery Programme Risks

The Council has a new risk register from the Council Plan Delivery Programme. A number of the risks are duplicates of the Strategic Risk Register, however others reflect key operational risks that the delivery boards are looking to manage. This is linked into both budgetary pressures and service demands. The advantage of using the Council Plan Delivery Programme is that the risks within this will remain up to date.

6.8 Business Continuity Management

As a Community leader the Council has a pivotal role if there are major events within the District. This would include major threats to the delivery of Council services as well as other situations such as extreme weather, flooding, evacuation, civil unrest, a hostile act, rest centre/humanitarian assistance centres and emergency management

All services have in place a Business Continuity Plan which are collated by the Emergency Management Team annually. These plans are owned by the relevant service Assistant Director. The Emergency Management Team coordinates the Council's approach to an incident/emergency and leads on the requirements of the Civil Contingencies Act 2004. The Act lists 7 areas of responsibility which are

- To make risk assessments,
- Create emergency plans,
- Communicate with the public,
- Co-operate with other responding organisations,
- Share information with other responders,
- Make Council business continuity arrangements
- Promote business continuity to businesses.

One key sub area is the Training and Exercising Group. They regularly develop exercises where plans are tested in a range of scenarios, such as incidents caused by bad weather, a CBRN (chemical, biological, radiological and nuclear) event, flooding and cover procedures such as resource sharing.

6.9 Health and Safety

Health & Safety is a fundamental part of good business management. The Occupational Safety Team helps managers and employees to manage risks in the workplace, meeting the requirements of health & safety legislation. This is supported by Council policies, procedures & guidance documents with risk being controlled through the following activities

- Provision of advice and guidance to help managers to fulfil their health and safety responsibilities
- Answering queries from employees and managers on health and safety issues
- Visiting establishments where necessary, to give advice on all aspects of new and existing health and safety policies and procedures
- Auditing health and safety performance within Services
- Collecting information on accidents and incidents to report to HSE where necessary facilitating staff safety training
- Collecting information and statistics and provide health and safety reports
- Interpreting and advising on new legislation impacting on the working environment
- Attending meetings to advise on occupational safety issues
- In cases where there is a risk of serious personal injury, Occupational Safety Advisers also have the authority to issue internal Health and Safety Prohibition Notices

6.10 Projects and Programmes

In order to achieve its objectives the Council needs to deliver on time limited projects and programmes. These can be capital building work, the implementation of a new system or the establishment of service innovation. These projects often have their own risk systems which operate independently which focus on the achievement of the project. These risks will not normally be incorporated into the Council's risk register though significant risks may be included if they are critical to the overall achievement of Council objectives.

6.11 Information Governance

The Council's approach to information governance is managed through the Information Assurance Group (IAG) which is chaired by the Council's Senior Information Risk Officer. A nominated Assistant Director from each of the Council's 6 Departments represent the Information Asset Owners within the Departments at the IAG and are responsible for cascading key messages and ensuring delivery of key actions. The IAG is supported by the Information Assurance Operational Network whose role is to implement the decisions of the IAG across the Council. The risk register records a separate set of risks

on information governance covering ICT security, developing appropriate information management arrangements and ensuring compliance with the Data Protection Act 2018 (GDPR).

7. Management of Individual Risks

The Council delivers a complex variety of services and this is reflected in the risks that it is required to manage. Whilst this strategy delivers an overall framework for managing risks, individual risks need to be managed in accordance with their nature, the potential consequences and, very simply, through what works.

7.1 Identification of Risk

The identification of risks is derived from both a 'top down' (corporate) and a 'bottom up' (departmental) process of risk assessment and analysis. The identified risks are subsequently prioritised to identify key issues for management action, which will be incorporated into the corporate and department planning process.

Risk identification begins by considering the following categories of possible risk areas

Risk	Definition	Examples
Political	Associated with the failure to deliver either local or central government policy or meet the local administration's manifest commitment	New political arrangements, Political composition
Economic	Affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes or consequences of proposed investment decisions	Cost of living, changes in interest rates, inflation, poverty indicators
Social	Relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to meet its objectives	Staff levels from available workforce, ageing population, health statistics
Technological	Associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal	E-Gov. agenda, IT infrastructure, Staff/client needs,

	technological failures on the Council's ability to deliver its objectives	security standards
Legislative	Associated with current or potential changes in national or European law	Human rights, appliance or non-appliance of TUPE regulations
Environmental	Relating to the environmental consequences of progressing the Council's strategic objectives	Land use, recycling, pollution
Professional /Managerial	Associated with the particular nature of each profession, internal protocols and managerial abilities including industrial relations	Staff restructure, key personalities, internal capacity, industrial relations
Financial	Associated with financial planning and control	Budget overspends, level of council tax, level of reserves, opportunities for fraud & corruption
Legal	Related to possible breaches of legislation	Client brings legal challenge
Physical	Related to fire, security, accident prevention and health and safety	State of repair and use of equipment
Partnership/ Contractual	Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed cost and specification	Contractor fails to deliver, partnership agencies do not have common goals
Competitive	Affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value	Fail to win quality accreditation, position in league tables
Customer/ Citizen	Associated with failure to meet the current and changing needs and expectations of customers and citizens	Managing expectations, extent of consultation

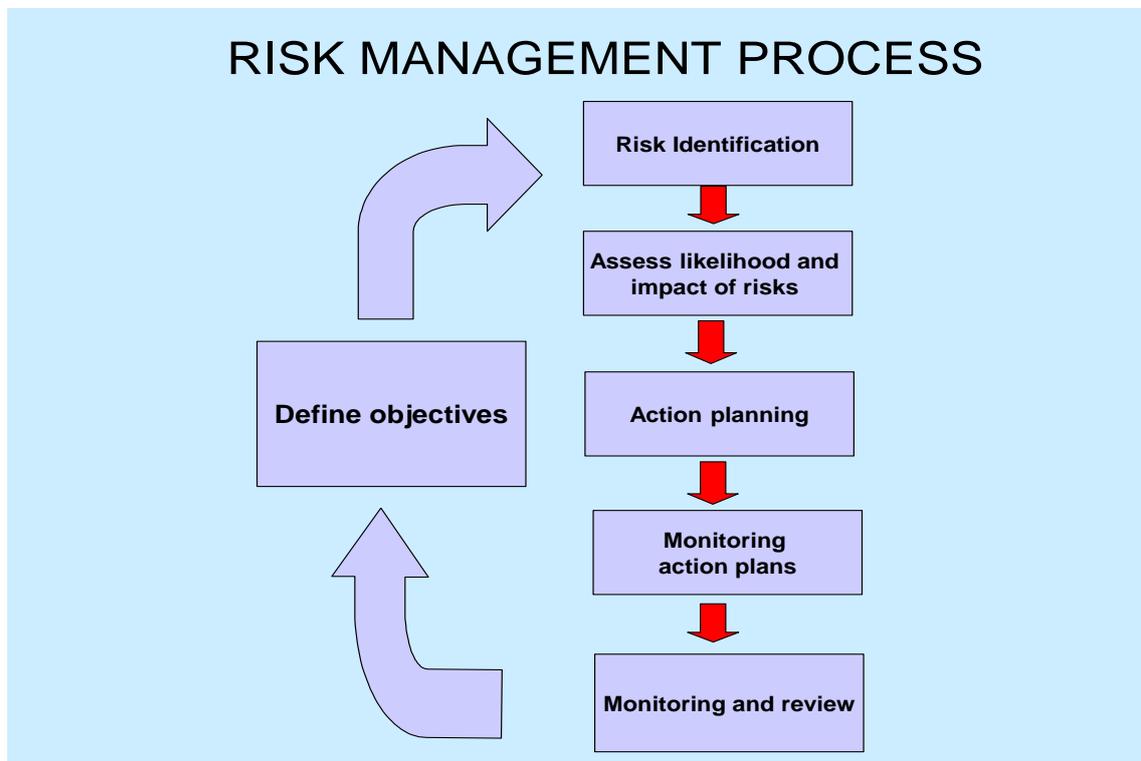
This acts as a prompt and a trigger for officers involved in the process to ensure a holistic approach to risk identification and that the risk process does not just concentrate on operational, financial or legal risks. Further explanations are included in Appendix 2.

7.2 Risk Management Process

Implementing the strategy involves identifying, prioritising, managing and monitoring risks; the following diagram visually depicts the risk management process. Most risks are capable of being managed, either by managing the likelihood or impact or both. The risk record (Appendix 3) identifies the actions and improvements that are required to be taken to improve the control environment supporting the risk.

These actions should not be seen as a separate initiative but should be incorporated into the business planning process. Bradford will incorporate the results of this strategic risk management work into corporate planning processes and formulation of the medium term financial strategy. Departmental risks will be incorporated into service or departmental strategic plans.

Few risks remain static. Risks and the effectiveness of control measures need to be monitored to ensure changing circumstances do not alter priorities and the risk appetite. On going review is essential to ensure that the management action plan remains relevant.



7.3 Internal Control

The Council manages its risks primarily through the application of internal controls. These are mechanisms that enable the Council to operate in

accordance with its rules and regulations. Especially important for the Council is compliance. The internal controls required to manage the risk are recorded on the risk register.

For each risk an assessment needs to be undertaken of the actions and control in place including their adequacy. This needs to be followed by the identification of any actions to improve the position including the identification of who is responsible for any future developments along with timescales.

The appropriateness of the type and range of controls is dependent on the nature of the risk. Controls can be categorised in a variety of ways including preventative controls, detective controls and assurance mechanisms. A further analysis is included in Appendix 2

7.5 Management actions

When managing individual risks they will normally be dealt with in one of four ways. The Council will look to tolerate, terminate, treat or transfer the risk, in some cases several mechanisms will be combined to manage the risks. Further analysis is included in Appendix 2.

7.6 Recording of Risk

The Council currently holds its risk register on Pentana, the Council's Performance Management System. This allows the risks to be reported and updated on a regular basis. It is also the case that risks are also recorded on other systems. Whilst this may be appropriate, it is important that management are aware, when and how this is operating, including how risks are escalated when required, especially those of a strategic nature.

The risk record for every risk on Pentana is detailed in Appendix 3. Each risk is profiled and prioritised as follows. The risk scenarios are ranked according to the likelihood of the risk occurring and its impact if it did occur. Details of the risk profiles are recorded and monitored using Pentana. A matrix is used to plot the risks and once completed this risk profile clearly illustrates the priority of each scenario.

Likelihood	A				
	B			○	
	C				
	D				
		IV	III	II	I
	Impact				

Likelihood:

Reference	Category	5 Year Percentage	Description
A	Very High	>75%	An event that will probably happen at some point in time and will eventually reoccur.
B	High	50% to 75%	An event that may happen or reoccur
C	Medium	25% to 50%	An event that is unlikely to happen and if it does will not present a future risk
D	Low	<25%	An event that will probably never happen

Impact

Reference	Category	Description
I	Catastrophic	Health and Safety Serious Injury or Death Scenario, Recovery difficult, requires outside intervention, Non delivery of key objective, significant detrimental impact on staff, major financial loss, prosecution, major project cancelled, sustained adverse publicity
II	Critical	Major disruption to service delivery. Authority Wide impact on residents, financial loss, major project delayed, negative impact on staff
III	Significant	Breach in statutory duty , potential improvement notice , client dissatisfaction, financial loss, delay to key project
IV	Marginal	Minor inconvenience for services and staff, services quickly restored

Risk Score

Risks are assigned a score for both likelihood and the impact as follows. The risk score is calculated by multiplying the likelihood score with the impact score (each scores 1 to 4 with increasing seriousness). Risks with a score of 9 or over are determined as red and require management action to reduce or manage the risk. Scores between 6 and 8 (inclusive) are at amber and need monitoring. Risks with a score below 6 are assessed as green and should be viewed as under control.

7.7 Reporting of Risk

The Council's Corporate Risk register will be reported quarterly to the Executive in the Council's Finance and Performance Reports which are also taken to CMT. CMT are responsible for setting a reporting timetable, so that CMT are aware of significant changes to the risk register and where and to whom risks are reported. CMT will report and monitor on specific concerns through CMT's recommendation tracker. Departmental Management Teams should also be receiving regular reports on risk to ensure appropriate management arrangements are in place. Service management and project management will report on risks in accordance with operational needs.

8. Responsibilities for Risk Management

8.1 Executive

Executive are responsible for governing the delivery of services to the local community, understanding the strategic risks the Council faces and approving the risk management strategy. The Leader of the Council and the Chief Executive are required to undertake a review to ensure that financial management and governance arrangements and the systems of internal control are adequate and effective and report the findings through the production of the Annual Governance Statement. Portfolio Holders should be aware of both strategic and departmental risks that impact on their areas of responsibility.

8.2 Governance and Audit Committee

The Governance and Audit Committee are responsible for considering the effectiveness of the risk management arrangements, control environment and associated antifraud and anti-corruption arrangements. The Committee seeks assurance that action is being taken on risk related issues determined by auditors and inspectors and needs to be satisfied that the Annual Governance Statement properly reflects the risk environment and actions to improve it.

8.3 Strategic Directors and CMT

The Corporate Management Team recommends the strategy and framework for the organisation to operate within but also has responsibility for the identification of corporate risks and ensuring that effective arrangements are in place to mitigate these risks. CMT is responsible for

- Recommending to Executive the Risk Management Strategy
- Supporting and promoting risk management throughout the Council
- Actively identifying and assessing strategic risks on a regular basis
- Introducing appropriate management plans to mitigate risks and where relevant, incorporating these into the Corporate Plan
- Assessing the adequacy of actions and controls in place to address the risks and additional management action plans should these be assessed as inadequate
- Making recommendations for changes to policy and procedures and resource redirection where appropriate
- Confirming, in writing on an annual basis, to the Executive that the Council's corporate and operational risk profiles have been reviewed and updated and that assurances have been received from senior departmental management, that key risks have been effectively managed
- Appointing risk coordinators to facilitate the process within each department
- Ensuring that the risk management process is part of all major projects and change management initiatives

8.4 Central Risk Management Team

The central risk management team which is located in the Department of Corporate Resources will support all aspects of risk management by

- Undertaking an annual review of the risk management strategy
- Implementation of strategic risk management within the overall framework of the risk management strategy
- Coordinate and update the corporate risk register to enable CMT to undertake their roles and provide exception reporting on departmental risk management progress

- Support corporate and departmental risk coordinators and strategic directors to undertake their roles
- Establish any links between departmental and corporate risk registers and action plans and ensure consistency of approach
- Be aware of weaknesses identified in the Annual Governance Statement ensuring that adequate and effective controls are in place and reported to the Governance and Audit Committee
- To research and identify best practice in risk management and to provide guidance and support on introducing risk management measures and techniques

8.5 Departmental Risk Coordinators

Each Department is represented by a risk coordinator. The role of the Departmental Risk Coordinator is to:-

- Support their Strategic Director in implementing a practical and workable approach to risk management
- Implement, maintain and review the adequacy and accuracy of the Corporate or Departmental risk register on behalf of the Strategic Director
- Facilitate the department's continuous process of identifying, assessing and prioritising new risks/ opportunities as they occur and communicating them as appropriate to the Department's Management Team in order that the risk registers can be updated
- Ensure that any required changes to departmental or corporate risk registers are endorsed and minuted by Department Management Teams
- Present a quarterly progress report to their management teams
- Disseminate information on the major risks to all staff within the service department
- Prepare management action plans as appropriate to support the Annual Governance Statement monitoring arrangements
- Meet with other risk coordinators on a regular basis to discuss and develop best practice
- Confirm, in writing on an annual basis, to their Strategic Director that to the best of their knowledge and belief the Corporate and Departmental risks have been identified and regularly assessed

Training will be provided for Risk Coordinators on their responsibilities and the new Strategy.

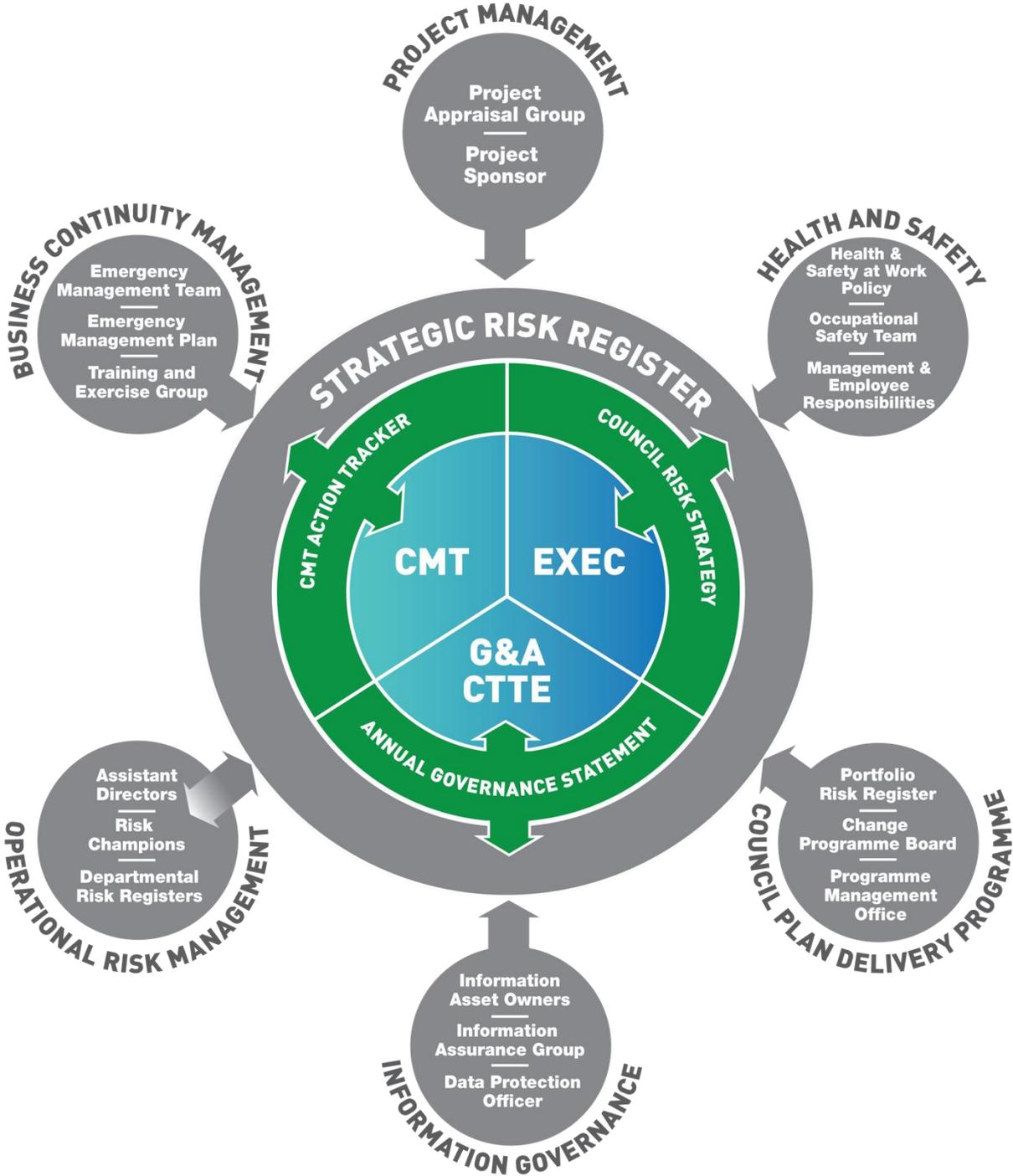
8.6 Role of Internal Audit

Internal audit's role is seen as challenging established processes, challenging risk identification and evaluation and providing assurance to officers and Members, when appropriate, on the effectiveness of controls. Internal audit will also need to feed the results of the corporate and departmental risk analysis into its annual audit plan.

9 Conclusion

Key risks managed by the strategy will be incorporated into the Council's Annual Governance Statement. The strategy will be reviewed on an annual basis.

Council Risk Management Framework



Risk, Internal Controls and the Treatment of Risk

1. Identification of Risk

The identification of risk must be based on a sound understanding of its definition – the threat that an event or action will adversely affect the Council's ability to organise effectively and achieve its objectives or obstruct opportunities to achieve maximum sustainable value from all the activities of the organisation.

In identifying risk there is often a tendency to confuse risks which may impact on the delivery of an objective with failure to deliver that objective. This over simplified approach tends to lead to the re-statement of the strategy for delivering the objective as the controls and action plan to mitigate the risk. The underlying risks are not, in fact, identified and the potential benefits of risk management techniques may not be obtained.

Failure to deliver an objective is an outcome, not a risk.

2. Types of Control

Preventive Controls are designed to discourage errors or irregularities from occurring. They are proactive controls that help to ensure departmental objectives are being met. Examples of preventive controls are:

- Segregation of Duties: Duties are segregated among different people to reduce the risk of error or inappropriate action. Normally, responsibilities for authorizing transactions (approval), recording transactions (accounting) and handling the related asset (custody) are divided.
- Approvals, Authorizations, and Verifications: Management authorizes employees to perform certain activities and to execute certain transactions within limited parameters. In addition, management specifies those activities or transactions that need supervisory approval before they are performed or executed by employees. A supervisor's approval (manual or electronic) implies that he or she has verified and validated that the activity or transaction conforms to established policies and procedures.
- Security of Assets (Preventive and Detective): Access to equipment, inventories, securities, cash and other assets is restricted; assets are periodically counted and compared to amounts shown on control records.

Detective Controls are designed to find errors or irregularities after they have occurred. Examples of detective controls are:

- **Reviews of Performance:** Management compares information about current performance to budgets, forecasts, prior periods, or other benchmarks to measure the extent to which goals and objectives are being achieved and to identify unexpected results or unusual conditions that require follow-up.
- **Reconciliations:** Where an employee relates different sets of data to one another, identifies and investigates differences, and takes corrective action, when necessary.
- **Physical Inventories**
- **Audits**

Assurance Mechanisms

One important area of control is assurance. These are types of control that enable management to satisfy themselves that their operations are happening as they should be. These forms of control are normally inspection based such as statutory reviews or audits. This provides core evidence to management that key risks are being managed to an acceptable level.

2. Treatment of Risk

Most risks are capable of being managed either by managing the likelihood or impact or both. A few risks have to be avoided or transferred.

These are described briefly below

- **Terminate/avoid the risk**

Some risks will only be treatable or contained by terminating certain activities.

- **Tolerate/accept the risk**

Options for dealing with risks are limited, or the cost of taking any action may be disproportionate to the potential benefit gained thus the organisation tolerates the risk.

- **Treat/reduction of the risk**

The majority of risks tend to belong to this category. The Council aims to contain the risk to a more acceptable level. The introduction of effective internal controls looks to ensure that risks are mitigated to more manageable, acceptable levels.

- **Transfer/sharing of risks**

It may be possible to transfer some risks. This is feasible through insurance provisions or perhaps paying a third party to take the risk in another way. The Council operates insurance arrangements with Zurich Municipal where Property, Public , Employee and Motor risks are managed along with a number of other specialised risks.

Council Risk Record

Risk Code & Title					Current Risk Matrix																																	
Description					<table border="1"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>A</td> <td style="background-color: #00FF00;"></td> <td style="background-color: #FFFF00;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>B</td> <td style="background-color: #00FF00;"></td> <td style="background-color: #FFFF00;"></td> <td style="background-color: #FF0000; text-align: center;">○</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>C</td> <td style="background-color: #00FF00;"></td> <td style="background-color: #00FF00;"></td> <td style="background-color: #FFFF00;"></td> <td style="background-color: #FFFF00;"></td> </tr> <tr> <td>D</td> <td style="background-color: #00FF00;"></td> <td style="background-color: #00FF00;"></td> <td style="background-color: #00FF00;"></td> <td style="background-color: #00FF00;"></td> </tr> <tr> <td></td> <td>IV</td> <td>III</td> <td>II</td> <td>I</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> <td></td> </tr> </table>		Likelihood	A					B			○		C					D						IV	III	II	I		Impact				
					Likelihood	A																																
						B				○																												
						C																																
						D																																
							IV	III	II	I																												
	Impact																																					
Type Of Risk	District		Strategic		Operational																																	
Potential Effect of risk						Likelihood																																
						Impact																																
					Category																																	
					Score																																	
Internal Controls																																						
Assurance Mechanism																																						
Latest Amendment/Update																																						
Actions/controls under development																																						

Ownership Managed By	
Risk Administered By	

Explanation of Fields

Field	Explanation
Risk Code & Title	This is a brief title and unique identifier of the risk
Description	The description details the nature of the risk, and the likely impact if the event occurred.
Type of Risk	The risk can be District, Strategic or Operational or a combination of the three.
Potential Effect of risk	This details the consequences of the risk if the event occurred such as service interruption, consequences to staff , cost, statutory duties and inspections and delays to projects / programmes .
Internal Controls	Internal controls are business activities, policy, actions, processes or defined responsibility that enable the Council to achieve its objectives or that support the Council's governance arrangements and maintain its public accountability.
Assurance Mechanism	Whilst an assurance mechanism is a form of internal control it has the added dimension that it provides management with evidence that the Council is operating in accordance with its objectives. It is therefore a primary indication of Council performance often with a statutory element such as an inspection result.
Latest Amendment/Update	When was the risk record last check or amended
Actions/controls under development	Internal Controls which are planned to be in place to either reduce the impact or likelihood of a risk occurring or to deliver higher levels of assurance.
Ownership Managed By	This will normally be the Strategic Director, Director or Assistant Director.
Risk Administered By	It will normally be the Risk Coordinator
Likelihood	This is the probability of an event happening and whether it is Very High, High, Medium or Low
Impact	This is the consequences and potential harm if the event does take place and can be categorised as either catastrophic , critical, significant or marginal dependent on service interruption, consequences to staff , cost, statutory duties and inspections and delays to projects / programmes
Score	The position in the Risk Matrix is based on the Score 1 to 4 each for likelihood and Impact
Total Score	The position in the Risk Matrix is based on the Score 1 to 16 allocated to a risk for likely hood and impact The total score is calculated by multiplying the likelihood with the impact score. Risks with a score of 9 or over are

	determined as red and require management action to reduce or manage the risk. Scores between 6 and 8 (inclusive) are at amber and need monitoring. Risk with a score below 6 are assessed as green and should be viewed as under control
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