

# Report of the Director of Finance to the meeting of Corporate Overview and Scrutiny Committee to be held on 11<sup>th</sup> January 2017

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## Subject:

Risk Management Update 2016

## Summary statement:

This report provides an update on progress made with risk management across the authority during 2016.

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Stuart McKinnon-Evans  
Director of Finance

## Portfolio:

Leader and Corporate

Report Contact: Mark St.Romaine  
Head of Internal Audit, Insurance,  
Information Governance and Risk  
Phone: (01274) 432888  
E-mail: [mark.stomaine@bradford.gov.uk](mailto:mark.stomaine@bradford.gov.uk)

## Overview & Scrutiny Area:

Corporate



## 1. SUMMARY

- 1.1 On the 6<sup>th</sup> January 2016 this Committee received a report which outlined the purpose, objectives and new developments in the Council's approach to risk management. At the meeting the Committee recommended the following
- (1) That this Committee requests that risk management be incorporated into the Quarterly Finance and Performance Monitoring reports.
  - (2) That a further progress report be presented in 12 months time which includes progress against the Council's Corporate Business processes and how risk can be better embedded into our risk management processes.
  - (3) That this Committee requests that relevant sections of the risk register be incorporated into the risk section of all reports to Overview and Scrutiny Committees.
- 1.2 This report details the progress that has been made in the last year on risk management.

## 2. Background

- 2.1 In 2016 work on the risk register and the reporting arrangement has progressed slowly. This has been due to the available resources and concern by management and the political leadership with the consequences of reporting publically on some key risks.
- 2.2 A risk management session was held on 7<sup>th</sup> March 2016 by the Executive Policy Planning Meeting. This considered the current Corporate Risk Register and explained the risk management process of the Council in more detail.
- 2.3 A report was shared with CMT on the 24<sup>th</sup> May which recommended
- a) That CMT approve the current Strategic Risk register and for it to be included in the Performance and Output report.
  - b) That CMT require all Departmental Management Teams to arrange a risk workshop with the key officers from each department to be facilitated by the risk management team by the 30<sup>th</sup> September 2016.
- 2.4 Since that meeting efforts have focussed on raising the standard of the departmental risk registers. A number of workshops were prepared and run. These included Financial Services, Human Resources, Regeneration, and Information Governance. A review of Environment and Sport and West Yorkshire Pension Fund showed that their departmental risk registers were comprehensive and did not require additional support. The workshops have identified the key risks but further work is required to update the risk register with the key controls and assurances that the Department will use to mitigate the risks.
- 2.6 Four workshops remain to be timetabled, these are Childrens, Adults, Legal and Chief Executives. It is hoped that they will be completed before the end of the financial year. It is important to note that in order for the risk identification process to be effective then key personnel need to attend so the most important risks are identified.

### 3. The Corporate Risk Register

- 3.1 There have been minimal changes to the Corporate Risk Register in 2016. In January 2016 the following risks were identified as Corporate Strategic Risks and there has been no change in the overall register. There have been changes within the individual risks but these have not been fundamental. In the case of flooding risks which were realised last year the Council includes its response within the business continuity risk and also the Council's Flood Risk Strategy.

<b>Corporate Risks 2016</b>	<b>Position in 2017</b>
Children - educational attainment	Retained
Children - safeguarding incident	Retained
Delivering improvement in employment and skills	Retained
Housing quality, accessibility and affordability	Retained
Regeneration and Investment	Retained
Cohesive Community	Retained
Adults - Safeguarding incident	Retained
Adults - demographic change	Retained
Public Health – changing demographics and costs	Retained
Public Health – health protection	Retained
Environment and sustainability	Retained
Financial resilience and sustainability	Retained
Information security	Retained
Governance breakdown	Retained
Public sector sustainability	Retained
Business Continuity - Critical facilities	Retained

- 3.2 At the current time no new risks have been identified, however the AGS 2016 recognised these Governance Challenges for the 2016/17 financial year

- 1) Agreeing an operating and financial plan in the context of the intractable tensions between resources, expectations of citizens and service users, and the statutory framework
- 2) Improving educational attainment
- 3) Safeguarding vulnerable children
- 4) Mitigating the effects of a loss of experience and expertise arising from staff reductions, especially where loss of such resource impacts on the management of services protecting vulnerable people.
- 5) Establishing sound governance structures pertaining to the West Yorkshire Combined Authority ensuring democratic accountability at the local level.
- 6) Impact on governance structures arising from developing policies for the delivery of regional devolution.
- 7) Implications of the EU Referendum Result

These risks will be reviewed through the 2016/17 financial year and progress against them will be reported to the Governance and Audit Committee

### 4. Risk Reporting

- 4.1 The Council's risk management has yet to be integrated with the Finance and Performance reports. The Financial Monitor focus has needed to be the spending position of the authority and the significant financial risks the Council is now facing. Consideration has been given how best to incorporate the corporate risk register into

the regular financial monitor One solution would be to hold the Corporate Risk Register as an appendix and refer to it in the Risk Management and Governance Issues section of the report. However, the preferred solution is for specific sections to be copied from the risk register that are directly finance related and either include them within the service narrative or in the Risk Management and Governance Issues section.

**5. OTHER CONSIDERATIONS**

None

**6. OPTIONS**

None

**7. FINANCIAL & RESOURCE APPRAISAL**

There are no financial issues arising from this report

**8. RISK MANAGEMENT AND GOVERNANCE ISSUES**

There are no additional risks arising out of the implementation of the proposed recommendations in this report.

**9. LEGAL APPRAISAL**

There are no legal issues arising this from this report.

**OTHER IMPLICATIONS**

**10. EQUALITY & DIVERSITY**

There are no Equality & Diversity issues arising from this report.

**11. GREENHOUSE GAS EMISSIONS IMPACTS**

None

**12. COMMUNITY SAFETY IMPLICATIONS**

None

**13. HUMAN RIGHTS ACT**

None

**14. TRADE UNION**

None

**15. WARD IMPLICATIONS**

None

## **16 RECOMMENDATIONS**

- 16.1 That the Corporate Overview and Scrutiny Committee reviews the progress made on risk management during 2016 and comments on any future activity it wishes to be implemented.

## **17. APPENDICES**

None

## **18 BACKGROUND DOCUMENTS**

Report of the Director of Finance to the meeting of Corporate Overview and Scrutiny Committee to be held on 6<sup>th</sup> January 2016

Annual Governance Statement 2016