

# Report of the Strategic Director Corporate Resources to the meeting of Corporate Overview and Scrutiny Committee to be held on 11th October 2018.

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## **Subject:**

**Risk Management**

## **Summary statement:**

This report provides an outline of the purpose, objectives and developments in the Council's approach to risk management.

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**Portfolio: Leader of the Council**

**Overview & Scrutiny Area:**

**Corporate**

## **1. SUMMARY**

1.1 The purpose of the report is to update the Corporate Overview and Scrutiny Committee on progress made in relation to risk management over the last six months. The Council's Code of Corporate Governance recognises the need for

"Managing risks and performance through robust internal control and strong public financial management"

1.2 At the Corporate Overview and Scrutiny Committee of the 25<sup>th</sup> January 2018 it was resolved –

(1) That the recommendations of the Overview and Scrutiny Committee of the 11<sup>th</sup> January 2017 are implemented by the 30<sup>th</sup> June 2018.

(2) That the Overview and Scrutiny Committee considers an improvement plan which incorporates the following features:

- (i) That the Risk Coordinator Network is refreshed with all Directors required to nominate key managers within their service as the Risk Coordinator for their Department.
- (ii) That monthly reports are tabled at CMT, identifying progress made on the identification and recording of departmental risks. This should include applying any developments to the Council's risk management process.
- (iii) Covalent is to be used for the recording of all risks across the Council including the Council Plan Delivery Programme risks.
- (iv) Quarterly Risk Management reports to be produced for CMT and the Executive.

## **2. Background**

2.1 In March 2018 CMT were presented with an update detailing a number of issues

- (a) Work on departmental risks needed to be finalised before being submitted to the portfolio holder
- (b) The risk coordinator network had been refreshed.
- (c) It was the intention as part of best practice to report the Council's Strategic Risk Register to the Executive in the first quarter of 2018/19 reporting on the 12<sup>th</sup> June 2018.
- (d) Concerns have been raised around the number of risk regimes across the Council and the need to report them in different places.

2.2 Since the March meeting a number of actions has taken place that has further progressed risk management across the authority.

- (a) The departmental risks have been refreshed and they can now be shared with the portfolio holders.
- (b) CMT have received two reports on risk management

- (c) The Finance and Performance Report Quarter 1 2018/19 now included the Corporate Risk Register and been approved by the Executive on the 10<sup>th</sup> July 2018.

### **3. Councils Strategic Approach**

- 3.1 Discussions have taken place on the Council's approach to risk management with a need for a more coordinated strategy. There was concern about duplication between risk registers leading to confusion about where we were managing risks. The issue was how does the strategic risk register, the outcome boards and the budget process fit together. The route for dealing with risks from Health and Well Being Board and Health and Safety issues also needed to be incorporated.
- 3.2 A need to simplify the process was recognised including reducing the fields that needed to be completed to ensure that a consistent set of records around risks were maintained. Agreement on how risks should be escalated should be included where critical departmental risks needing to be recognised at a corporate level. It was also raised that the system needed to recognise that departments may want to manage risks at different levels within their service, with some taking an approach at Assistant Director level, whilst others wanted it at a Departmental level.
- 3.3 The risk strategy needed to be practical and take into account realistically the resources available. The strategy would also have to consider the impact of partnerships on the Council and how such related risks should be captured. It was proposed to reduce the risk matrix of impact and likelihood to either a three by three, three by four, or four by four analysis rather than the current six by four format which was perceived as too complicated.

### **4. Risk Coordinator Networks**

- 4.1 The Risk Coordinator Network had been refreshed with representatives from all departments identified. An initial meeting was held on the 17<sup>th</sup> July 2018. The Risk Coordinators had a good knowledge of Risk Management, however wanted more advice and support specifically in respect to how risk management operated within the Council. There was a need to manage the reminder process more carefully and be specific in what risk coordinators were required to update. Communications on risk management could be improved, both to risk coordinators and to wider management. It was planned there would be a major relaunch meeting covering the Council's approach to risk management during Autumn 2018.

### **5. Future Platform Options**

- 5.1 The risk data base on Pentana was satisfactory. Excel had been used for some risks and had worked well. There was concern whether a Council as large and complex as Bradford should depend on Excel for its risk management recording. It was also recognised that, if the Council went down a Power BI route, this would also need to be investigated, though it was recognised that a risk management system may still need to sit behind the Power BI reporting tool.

### **6. OTHER CONSIDERATIONS**

None

## **7. OPTIONS**

7.1 Corporate Overview and Scrutiny Committee may -

- Endorse the risk management proposals outlined in this report.
- Comment or seek further information on its application.

## **8. FINANCIAL & RESOURCE APPRAISAL**

There are no financial issues arising from this report

## **9. RISK MANAGEMENT AND GOVERNANCE ISSUES**

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

## **10. LEGAL APPRAISAL**

There are no legal issues arising from this report.

## **11. OTHER IMPLICATIONS**

### **11.1 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.

### **11.2 SUSTAINABILITY IMPLICATIONS**

Risk Management examines the sustainability of the activity and ensures that mechanisms are in place to deliver business continuity

### **11.3. GREENHOUSE GAS EMISSIONS IMPACTS**

There are no impacts on Gas Emissions.

### **11.4. COMMUNITY SAFETY IMPLICATIONS**

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

### **11.5. HUMAN RIGHTS ACT**

The Strategic Risk Register will take into account any Human Rights Act implications.

### **11.6. TRADE UNION**

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

### **11.7. WARD IMPLICATIONS**

In general Strategic Risks by their nature do not focus on individual ward

issues.

## **11.8 IMPLICATIONS FOR CORPORATE PARENTING**

Child Safeguarding is a key Strategic Risk for the Council.

## **11.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

This report does not require the completion of a Privacy Impact Assessment.

## **12. NOT FOR PUBLICATION DOCUMENTS**

None

## **13. RECOMMENDATIONS**

13.1 That the Overview and Scrutiny Committee notes the improvements made to the operation of risk management by the Authority since January 2018.

13.2 That officers continue with the progress in risk management processes over the current year.

## **14. APPENDICES**

None

## **15 BACKGROUND DOCUMENTS**

Report of the Strategic Director Corporate Services to the meeting of Corporate Overview and Scrutiny Committee to be held on 25th January 2018.

Report of the Assistant Director of Finance and Procurement to the meeting of the Executive to be held on 10th July 2018. Qtr. 1 Finance Position Statement for 2018-19