

Central Bedfordshire Council

AUDIT COMMITTEE

12 January 2015

RISK UPDATE REPORT

Advising Officers:

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Purpose of this report:

The purpose of this report is to give an overview of the Council's risk position as at December 2014.

RECOMMENDATION

The Committee is asked to consider and comment on the contents of the report.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny as the Audit Committee provides independent scrutiny of the Authority's financial performance.

Background

2. The Terms of Reference of the Audit Committee include the monitoring of the operation of the Risk Management Strategy. This report is the regular update report to assist the Committee in discharging its responsibilities.
3. The purpose of this report is to give an overview of the Council's risk position as at December 2014.

Strategic Risks

4. The Strategic Risk Register has been reviewed and updated in consultation with the Directorate Risk Co-ordinators.
5. The December risk report is contained at Appendix A. The report contains 12 strategic risks, each with a residual score of 9 or more. A

score of 9 or more generally represents an unacceptable risk exposure, with further mitigation required.

6. The risks have been reconsidered and the key revisions are set out below.
7. (STR0001), relating to the risks associated with significant reduction or redirection of funding has been updated to acknowledge the continuing financial pressures facing the Council. There has been no change to the residual risk score.
8. The Growth strategic risk (STR0003) has been reviewed and updated to reflect the formal submission of the Development Strategy to the Secretary of State in October 2014. The residual likelihood score has reduced from 4 to 3, resulting in an overall residual risk score of 12.
9. The residual risk scores for the Health and Safety risk (STR0006) have been reviewed. The impact score has reduced from 5 to 4, giving a residual score of 12, as a result of mitigating actions taken.
10. The ICT failure risk (STR0008) has been reviewed and the utilisation of Disaster Recovery experts to progress the finalisation of Business Continuity Plans and an IT Disaster Recovery Plan has been reflected. There is currently no change to the residual risk score, but the risk will be further reviewed to reflect the outcome of this work.
11. The risk associated with Partnerships (STR0009) has been reconsidered in detail and now focuses on the fragility of our partners as a result of the significant changes and pressures they face, including budgetary pressures, transfers of responsibilities, geographical factors, confusing accountabilities and increasing complexities. These factors increase the risks that services to our public could be compromised and that increased costs could fall on the Council. The inherent risk score is 16. Although a range of mitigating actions has been identified, the residual risk score is also currently 16.
12. STR0010 – Protecting Children – has been reviewed. The description has been amended to read “The failure to recruit and retain professional and qualified social workers and discharge the Council’s statutory safeguarding responsibilities”. There has been no change to the residual score.
13. The Information Management risk (STR0013) has also been reviewed. Although there has been no change to the residual risk score, the risk now acknowledges the requirement to comply with the Health and Social Care Information Centre Information Governance (HSCIC IG) Toolkit, and the action being taken to supply and submit the evidence required by the end of October 2015. This risk is currently under further review.

14. The mitigating actions for the Procurement risk (STR0022) have been updated, and reflect the work being undertaken to drive improvement. There has been no change to the residual risk score.
15. The risk relating to the potential loss of revenue/income generation within the Assets Disposal programme (STR0024)) has been reassessed. The inherent likelihood score has been reduced from 4 to 3, giving an overall inherent risk score of 15. The residual impact score has been reduced from 5 to 4, resulting in a residual risk score of 12. The revised scores reflect the perception of a more buoyant market.
16. Following discussions with senior managers, risk STR0025, relating to the failure of the effective transfer of the BUPA managed care homes to the Council, has been removed from the strategic risk register, as it is now considered to be an operational issue.
17. An additional strategic risk has been added to the register. This relates to risks associated with failing to adopt a Community Infrastructure Levy (CIL) by 6th April 2015 (STR0027), including the financial implications. It is anticipated that the CIL will be adopted in July/August 2015 following the adoption of the Development Strategy. The residual risk score is 16.
18. There are no revisions to the remaining strategic risks.

Operational Risks

19. The risk report also highlights the key operational risks facing the Council. These have been drawn directly from Directorate risk registers as uploaded onto the JCAD risk management system.
20. The dashboard has listed the 7 operational risks with a risk score of 15 or above.

Emerging Risks

21. As reported to the last Committee, the Implementation of the Care Act will place significant pressures on the Council. Although this is not currently captured as a strategic risk a Project Initiation document (PID) for the work streams has been drafted. Once this is finalised, the strategic risk will be developed further and a score assigned.
22. Senior managers regularly consider emerging risks and the register will be revised and updated to reflect any significant issues identified as a result of these reviews.

Council Priorities

23. Good risk management enables delivery of the Council's aims and objectives. Good risk management ensures that we adopt a planned and systematic approach to the identification and control of the risks that

threaten the delivery of objectives, protection of assets, or the financial wellbeing of the Council.

Corporate Implications

Legal Implications

24. There are no legal implications.

Financial Implications

25. There are no financial implications.

Equalities Implications

26. There are no equalities implications..

Conclusion and next Steps

27. Internal Audit and Risk will continue to coordinate and update the Strategic Risk register and an update will be presented to the next Audit Committee.

Appendices

Appendix A – December 2014 Risk summary dashboard.

Background Papers

None