

## 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 March 2015.

### RECOMMENDATIONS

The Committee is asked to:

1. 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 this is the responsibility of the Audit Committee.

### 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 March 2015.

### Strategic Risks

4. The Strategic Risk Register has been reviewed and updated in consultation with the Directorate Risk Co-ordinators.
5. The March 2015 risk register dashboard is attached at Appendix A. The report contains 13 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 reflect the financial risks associated with the general uncertainty around future government policies in the light of the impending elections. There has been no change to the residual risk score.
8. Due to likely delays to the adoption of the Development Strategy the Growth strategic risk (STR0003) is currently under review in order to reassess the risk implications to the Council. As a result of the Planning Inspector's recent conclusion that the Council had not fulfilled its Duty to Co-operate over its Development Strategy the residual likelihood score has increased from 3 to 4, giving an overall residual risk score of 16.
9. The mitigating actions for the Procurement risk (STR0022) have been updated, and reflect the actions planned to review and update procurement rules, tools and guidance following the introduction of new procurement legislation in 2015. New procurement training is planned. There has been no change to the residual risk score.
10. The risk relating to the potential loss of revenue/income generation within the Assets Disposal programme (STR0024) has been reviewed and the mitigating actions updated, including the re-profiling of the asset disposal programme, and the option of slowing down the delivery of the capital programme. There has been no change to the residual risk score.
11. 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.
12. The risk of failing to adopt a Community Infrastructure Levy (CIL) (STR0027) has been reviewed. It is now anticipated that the CIL will be adopted in October/November 2015. The residual likelihood score has been revised from 5 to 4, resulting in an overall residual risk score of 16.
13. The implementation of the Care Act 2014 will place significant pressures on the Council and this has been recognised as a strategic risk and added to the risk register, referenced STR0028. A Programme Board is in place to manage this risk. In considering this risk a distinction has been made between compliance with the legislative requirements for April 2015 (Phase 1) and the risks associated with the financial impact of the Council needing to support a greater than anticipated number of residents and their carers (Phase 2). The majority of the risk is associated with Phase 2. The inherent likelihood risk score is 4 and the impact score is 5, resulting in an inherent risk of 20. The residual

likelihood risk score is 3 and the impact score is 4, resulting in a residual risk score of 12.

14. STR0008 – Disruption of core IT infrastructure and STR0013 – Information Management and Data Protection are currently under review.

15. There are no revisions to the remaining strategic risks.

### **Operational Risks**

16. 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.

17. The dashboard has listed the 8 operational risks with a risk score of 15 or above.

18. Within Children's Services, the risk of failing to manage and secure information leading to security alerts and privacy breaches has been added as a top scoring risk. The residual risk score is 15.

### **Emerging Risks**

19. No additional strategic risks have been identified. 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.

### **Risk Management Strategy**

20. The Council's Risk Management Strategy will be reviewed during 2015/16 to ensure that it reflects current issues, such as the recently published CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

### **Council Priorities**

21. 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**

22. None directly from this report.

### **Financial Implications**

23. None directly from this report.

### **Equalities Implications**

24. None directly from this report.

### **Conclusion and next Steps**

25. 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 – March 2015 Risk summary dashboard.

### **Background Papers**

None