

## Central Bedfordshire Council

**AUDIT COMMITTEE**

28 September 2015

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### **RISK UPDATE REPORT**

Report of Charles Warboys, Chief Finance Officer  
(charles.warboys@centralbedfordshire.gov.uk)

Advising Officer: Kathy Riches, Head of Internal Audit and Risk  
(kathy.riches@centralbedfordshire.gov.uk)

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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 September 2015.

#### **RECOMMENDATION**

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 September 2015.

#### **Strategic Risks**

4. The Strategic Risk Register has been reviewed and updated in consultation with the Directorate Risk Co-ordinators.
5. The September 2015 risk register dashboard is attached at Appendix A. The report contains 13 strategic risks. 10 risks have 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. The likelihood residual risk score has increased from 3 to 4, resulting in an increase of the residual risk from 12 to 16. A number of factors have contributed to this revision in score, including:
  - General uncertainty around future government policies following the recent elections. Further clarification is expected by December 2015 when the financial settlement is announced.
  - Public health funding reductions and the impact across a range of Council services
  - The Emergency Budget
  - Social Care financial pressures
  - Impact of New Living Wage
  - Impact of Continuing Healthcare decisions on both Children and Adults
  - Issues relating to Housing Need, including Homelessness and Social Housing Rents.
8. The Growth strategic risk (STR0003) has been reviewed. 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 was increased from 3 to 4 in March, giving an overall residual risk score of 16. Further work is in progress to reassess this risk.
9. The ICT failure risk (STR0008) has been reviewed and the mitigating actions have been updated to reflect the recent review that was commissioned into the current CBC infrastructure. The recommendations made are currently being considered. The residual likelihood score has been reduced from 3 to 2, resulting in an overall residual risk score of 8.
10. STR0010 relating to the risks associated with failing to recruit and retain professional and qualified social workers within Children's Services has been reviewed. There are no changes to the risk scores but the consequences have been updated to reflect the increased case loads for social workers. The mitigating actions have also been updated.
11. The Information Management risk (STR0013) has been updated to reflect the outcome of the recent ICO audit. An action plan has been prepared to address the recommended improvements. As a result, the residual likelihood score has reduced from 3 to 2 and the overall residual risk score is now 8.
12. The mitigating actions for the Procurement risk (STR0022) have been updated, and reflect the progress made in reviewing and updating procurement rules, tools and guidance following the introduction of new procurement legislation in 2015. New procurement training is in progress. The residual risk score will be reconsidered in the light of this.

13. (STR0026) relating to the risks associated with Deprivation of Liberty safeguards has been reviewed. The residual likelihood score has reduced from 3 to 2, resulting in an overall residual risk score of 6. This reflects that, although there has been a significant increase in the number of requests for deprivation of liberty assessments, these are being dealt with in a timely manner.
14. The risk of failing to adopt a Community Infrastructure Levy (CIL) (STR0027) has been reviewed to reflect current progress. It is now anticipated that the CIL will be adopted in February/March 2016. Consideration is being given to recent legal advice that a CIL could be introduced without a Development Strategy and the residual risk score will be reconsidered in the light of this.
15. Whilst the implementation of Phase 2 of the Care Act 2014 has been deferred, there will still be significant pressures on the Council. There have, therefore, been no changes made to the risk scoring of strategic risk STR0028.
16. There are no revisions to the remaining strategic risks.

### **Operational Risks**

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

### **Emerging Risks**

19. Although risks have been regularly reviewed and updated, a fundamental review and refresh of the strategic risk register has not taken place since July 2013. In the light of the likelihood of continuing funding reductions, changes in Government policy, and changes in service provision a further fundamental review of the register is planned to be undertaken following the next financial settlement, due in December. This will provide an opportunity to reassess the current risks and further consider emerging risks.

### **Risk Management Strategy**

20. The Council's Risk Management Strategy is currently under review 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 – September 2015 Risk Summary Dashboard

## **Background Papers**

None