

Central Bedfordshire Council

Audit Committee

11 January 2016

RISK UPDATE REPORT

Report of Charles Warboys, Chief Finance Officer
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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 2015.

RECOMMENDATIONS

The Committee is asked to:

1. Consider and comment on the contents of the report.
2. Approve the revisions to the Risk Management Strategy

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 December 2015. It was agreed with senior managers in September 2015 that a fundamental review of the risk register would take place following the Spending Review Announcement and the Local Finance Settlement. This review has been scheduled to take place in February 2016. However, some revisions have been made since the Committee last met and this report focuses on those issues.

Strategic Risks

4. The Strategic Risk Register has been reviewed and updated in consultation with the Directorate Risk Co-ordinators.
5. The December 2015 risk register dashboard is attached at Appendix A. The report contains 11 strategic risks. 9 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. The Growth strategic risk (STR0003) has been reviewed. It has been updated to reflect the current work in progress to develop a new Local Plan. There have been no changes to the risk scores. This risk will be subject to a detailed review and refresh in the New Year.
8. The Health and Safety risk (STR0006) has been reviewed by senior managers and it is now considered to be an operational risk rather than a strategic risk. Action has been taken to mitigate the risks associated with both people and properties. The impact residual risk score has been reduced from severe (4) to major (3) and the residual likelihood score has been reduced from possible (3) to unlikely (2). This risk has, therefore, been removed from the risk dashboard.
9. The Strategic Procurement risk (STR0022) has been reconsidered and now focuses on achieving best value through commissioning and procurement. Failing to comply with the Public Contract Regulations 2015 is now regarded as an operational risk and this element has been removed from the strategic risk description. There has been no change in the residual risk score.
10. As reported to the Committee meeting in September, the residual risk score of failing to meet legal requirements relating to Deprivation of Liberty Standards had been reviewed and amended downwards. Although there has been an increase in the number of requests for deprivation of liberty assessments, the additional workload has been successfully managed. The residual likelihood score was reduced from 3 to 2, resulting in an overall residual score of 6. This is no longer regarded as a strategic risk. However, it will be kept under review and monitored through the operational risk registers.
11. 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 submitted to the Secretary of State in April/May 2016 and adopted in October/November 2016. However, the Council continues to receive conflicting advice on whether the CIL can be adopted without a Local Plan and it may be some time before there is clarity on this issue. At this stage, there has been no change in the residual risk score but the position continues to be closely monitored.

12. There are no revisions to the remaining strategic risks at this stage.

Operational Risks

13. 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.

14. The dashboard has listed the 7 operational risks with a risk score of 15 or above. There have been no revisions since the last report.

Emerging Risks

15. As reported to the September Committee meeting, 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 and changes in service provision, following the Spending Review Announcement and the Local Government Finance Settlement a further fundamental review will be undertaken by senior managers in February 2016.

Risk Management Strategy

16. The Council's Risk Management Strategy has been reviewed and updated. Amendments have been made to ensure that it reflects current issues, such as the recently published CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, feedback from the recent Information Commissioner's Office (ICO) visit and feedback from the Directorate Risk Coordinators. A copy of the updated strategy is attached at Appendix B. The revisions made are summarised below:

- roles and responsibilities section amended to reflect the broader range of designations of posts that now exists
- reference included to further guidance available on the Information Risk Management process, and the management of project risks, and
- the inclusion of an annex that lists risk types (including information and fraud) and also a definition of strategic and operational risks

17. The revisions have been agreed with senior managers.

Council Priorities

18. 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

19. None directly from this report.

Financial Implications

20. None directly from this report.

Equalities Implications

21. None directly from this report.

Conclusion and next Steps

22. 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 2015 Risk summary dashboard

Appendix B – Risk Management Strategy November 2015/16

Background Papers

None