

# Central Bedfordshire Council

**Audit Committee**

**11<sup>th</sup> March 2019**

## **Risk Update Report**

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### **Purpose of this report**

1. The purpose of this report is to give an overview of the Council's risk position as at February 2019.

### **RECOMMENDATIONS**

The Committee is asked to:

1. **Consider and comment on the contents of the report.**

### **Issues**

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.

### **Strategic Risks**

3. In February all Directors were engaged to consider and refresh the current Strategic Risks and this report provides the resulting update on that risk information along with relevant mitigation. Social Care, Health & Housing Directorate are still in progress and will update for the next Committee.

4. The changes are shown in a track changes format on the Risk Register at Appendix B, key changes include:
- both *STR0035 - Failure to deliver major transformation programme within Children's Services* and *STR0038 - Ineffective partnership response to Emergency Planning* are now considered to be business as usual.
  - *STR0040 - Political and economic uncertainty arising from UK leaving EU and other significant international events*. Impact scores at both Inherent and Residual level increase to 5 and 4 respectively given the current uncertainty.
  - *STR0033 - The impact of cyber crime*. Given the persistent and increasing sophistication of threat facing all organisations, this risk was felt to be underscored at the Inherent level and therefore amended to 5x5 for both likelihood and impact.
  - *STR0042 - Failure to deliver a coherent educational landscape*. This is a new Strategic Risk relating to the Future Schools Programme.
  - *STR0041 – Failure to enact the changes we seek to move the organisation forward*. This risk was also felt to be underscored at the residual level due to the scale of change occurring within the organisation at present and therefore the likelihood rating this increased to 2.

### **Operational Risks**

5. This update to the Committee provides a summary position on operational risk based on the priority risks arising from the Directorate (DMT) Risk registers. For the Dashboard see Appendix C. The operational risk register is largely unchanged since the last quarter with one new risk within Community Services relating to the possibility of higher costs for the Waste contracts.
6. As previously reported to the Committee, as a result of the new approach there was always an expectation for iterative improvement in the operational risk information over a cycle of several quarterly updates. This will now be further strengthened by a raft of measures agreed by Management as detailed in the Action Plan for the Corporate Risk Management Review (separate agenda item at this Committee).

### **Council Priorities**

7. 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**

8. The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This report is part

of those arrangements and is designed to ensure that the appropriate controls are effective.

9. There are no direct legal implications arising from this report.

## **Financial and Risk Implications**

10. No direct implications arising from this report.

## **Equalities Implications**

11. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

12. There are no equality implications arising directly from this report. If any equality implications were found to arise during the course of any risk management activity it would be the responsibility of management in that service area to consider and address through the standard Policy and Procedural response. Equality implications are also addressed via the Corporate Equalities Action Plan.

## **Conclusion and next Steps**

13. 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 – Strategic Risk summary dashboard.

Appendix B – October 2018 Strategic Risk register.

Appendix C - Operational Risk summary dashboard

## **Background Papers**

None

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