

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

14 NOVEMBER 2019

REPORT OF THE INTERIM HEAD OF FINANCE

CORPORATE RISK ASSESSMENT

1. Purpose of Report.

- 1.1 The purpose of the report is to provide the Audit Committee with an update on the changes to the Corporate Risk Assessment which have been made following Audit Committee on 8 August 2019.

2. Connection to Corporate Plan / Other Corporate Priority.

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.

3. Background.

- 3.1 Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2 The Audit Committee's Terms of Reference requires the committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Council's risk management, internal control and corporate governance arrangements.
- 3.3 The Corporate Risk Assessment is considered and reviewed by the Corporate Management Board, Senior Management Team and Audit Committee, as part of the Council's quarterly Corporate Performance Assessment framework, and is used to inform the Overview and Scrutiny Committees' Forward Work Programme and the budget process.
- 3.4 The 2019-20 Corporate Risk Assessment is aligned with the Council's Medium Term Financial Strategy and Corporate Plan and was reported to Audit Committee on 17 January 2019.
- 3.5 The 2019-20 Corporate Risk Assessment was subsequently reviewed by Corporate Management Board and it agreed changes that were reported to Audit Committee on 8 August 2019. At this meeting the Audit Committee requested that the scores on two risks be reconsidered. These were:

- Risk 1: “There is a risk that the Council is unable to make robust medium to long term decisions requiring service change” for which the likelihood score was reduced from 3 to 2.
- Risk 8: “There is a risk that the Council is unable to attract or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services” for which the likelihood score was reduced from 3 to 2.

4. Current situation / proposal.

4.1 Corporate Management Board has reconsidered the scores for Risk 1 and Risk 8 as follows:

- **Risk 1 - There is a risk that the Council is unable to make robust medium to long term decisions requiring service change**

It is proposed that the likelihood score be increased from 2 (unlikely to happen) to 3 (will possibly happen) with the revised risk score being 15. The reason for this is that future Welsh Government funding is uncertain with settlements being agreed on a year by year basis making forward planning more challenging.

- **Risk 8 - There is a risk that the Council is unable to attract or retain a workforce with the necessary skills to meet the demands placed upon the authority and its services**

It is proposed that the likelihood score be increased from 2 (unlikely to happen) to 3 (will possibly happen) with the revised risk score being 12. The reason for this is that the Council is continuing to have difficulty retaining and recruiting employees in certain types of professions including property, planning, legal and finance.

5. Effect upon Policy Framework & Procedure Rules.

5.1 There are no implications upon policy framework and procedural rules.

6. Equality Impact Assessment

6.1 Equality issues permeate many of the risks identified and where appropriate equality impact assessments are completed within the process of approving the mitigating actions.

7. Wellbeing of Future Generations (Wales) Act 2015 Implications.

7.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

8. Financial Implications.

8.1 There are no financial implications directly associated with the Corporate Risk Assessment. Implementation actions will be progressed within approved budgets.

9. Recommendation.

- 9.1 That Members consider the changes to the Corporate Risk Assessment and receive a further report in January 2020 concerning the 2020-21 Corporate Risk Assessment and review of the Corporate Risk Management Policy.

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14 November 2019

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Background documents

None