

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

JULY 2021

REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

CORPORATE RISK ASSESSMENT 2021-22

1. Purpose of report

- 1.1. The purpose of the report is to provide the Governance and Audit Committee with an update on the changes to the Corporate Risk Assessment, in accordance with the Council's risk management timeline contained in the Council's Risk Management Policy.

2. Connection to corporate well-being objectives / other corporate priorities

- 2.1. This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
 - **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

- 3.1. Good governance requires the Council to develop effective risk management processes, including an assessment of corporate risks.
- 3.2. The Governance and Audit Committee's Terms of Reference require 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 (CMB), Senior Management Team, and Governance 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 2021-22 Corporate Risk Assessment is aligned with the Council's Medium Term Financial Strategy (MTFS) and Corporate Plan.
- 3.5. The 2021-22 Corporate Risk Assessment was reported to the Governance and Audit Committee on 28 January 2021, prior to approval by Council as part of the MTFS in February 2021.

4. Current situation / proposal.

- 4.1. A recent audit of risk management services was undertaken by SWAP Internal Audit Services on behalf of the Council's Regional Internal Audit Service (RIAS). Whilst the audit opinion provided 'reasonable assurance' a number of recommendations were made to strengthen the reporting process including the need to introduce a separate 'risk guidance' document, embedding processes to strengthen the link between the Corporate Risk Register (CRR) and risks identified in Directorate Business Plans, and also recommended changes to the format of the CRR. Work is currently underway to develop an internal risk guidance document, which will then need to be considered by CMB. The Insurance Officer will also liaise with Directorates over the coming months to ensure that risk processes in Directorate Business Plans are aligned with the Council's Corporate Risk Management Policy.
- 4.2. The Corporate Risk Assessment attached at **Appendix A** has been reviewed in consultation with CMB, and CCMB. It identifies the main risks facing the Council, their link to the corporate well-being objectives under the Well-being of Future Generations (Wales) Act 2015, the likely impact of these risks on Council services and the wider County Borough, identifies what is being done to manage the risks and who is responsible for the Council's response.
- 4.3. The Corporate Risk Assessment has been amended to include a change recommended by SWAP Internal Audit Services, which introduces a new column displaying the date the score was assigned. Risks 1-9 have been allocated the date of January 2019 to reflect the introduction of the new risk scoring matrix when new risk measures were introduced to capture more discernibly the key risks of the Council. Risks 10 onwards were added after January 2019 and have been assigned dates relevant to when they were first identified.
- 4.4. The Corporate Risk Assessment includes 16 risks, 7 risks scored high, 6 risks scored medium, and 3 risks scored low.
- 4.5. One new risk (risk 16) "There is a risk that the Welsh Community Care Information System (WCCIS) will fail to operate" has been added and has a High risk with a score of 15. This is an ICT system that holds all Bridgend County Borough Council social care records and is supported by an external contractor. As all of Bridgend social care records and services are held on this system if it should fail social work practitioners would be unable to check records of individuals known to the service and this could cause safeguarding issues.
- 4.6. Direction of Travel - The Majority of risk scores remain unaltered apart from risk 8 - 'Unable to attract, develop, or retain a workforce with the necessary skills to meet the demands placed upon the Local Authority and its services'. The likelihood element of the residual score has increased from 3 to 4, resulting in an increased risk score from 12 to 16, as the mitigation actions are not currently able to reduce the risk from the raw levels.

5. Effect upon policy framework and procedure rules

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

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report

7. Well-being 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 as a result of this report.

8. Financial implications

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

9. Recommendations

- 9.1. It is recommended that the Committee consider the updated Corporate Risk Assessment 2021-22 (Appendix A) and receive a further report in November 2021 prior to review of the 2022-23 Corporate Risk Assessment and the Corporate Risk Management Policy in January 2022.

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July 2021

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Background documents:

None