

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO AUDIT COMMITTEE

20 NOVEMBER 2014

### REPORT OF THE CORPORATE DIRECTOR - RESOURCES

#### THE CORPORATE RISK ASSESSMENT 2014 - 15

##### **1. Purpose of Report.**

- 1.1 The Audit Committee oversees risk management within the Council. The purpose of this report is to inform the Audit Committee of the amendments made to the 2014-15 Corporate Risk Assessment as a result of the quarterly reviews undertaken by Corporate Management Board.

##### **2. Connection to Corporate Improvement Objectives/Other Corporate Priorities.**

- 2.1 Effective risk management is an essential part of the framework for ensuring good corporate governance and supports delivery of the Council's improvement 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 Council adopted its Risk Management Policy in 1998, and it has since been reviewed and revised in 2004, 2006, and 2012.
- 3.3 The Audit Committee's Terms of Reference requires the Committee to review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements.
- 3.4 Audit Committee considered the 2014-15 Corporate Risk Assessment at its meeting in January 2014. It was subsequently included in the Council's Medium Term Finance Strategy that was approved by Council on 19<sup>th</sup> February 2014.
- 3.5 In accordance with the Council's Corporate Risk Management Policy, it is a requirement that the Corporate Risk Assessment is considered and reviewed by Corporate Management Board, Cabinet and Audit Committee, and is one of the components reviewed as part of the Council's quarterly Corporate Performance Assessment framework.

##### **4. Current situation / proposal.**

- 4.1 The Corporate Risk Assessment has been reviewed and updated by Corporate Management Board at their meetings on 24 March 2014, 30 June 2014 and 27

October 2014. The up to date document is attached as **Appendix 1**. It identifies the main risks facing the Council, the likely impact of these on Council services and the wider County Borough, what is being done to manage the risks and allocates responsibility for the Council's response.

4.2 The principal changes throughout 2014 have been as follows:

- The "Using Resource Effectively" risk has been updated to reflect the development of the Medium Term Financial Strategy for 2015-16 to 2018-19;
- The "Supporting Vulnerable People" risk has been updated to reflect the current position of the modernisation and transformation agenda and in particular the outcome of the Homecare tender;
- Due to the improving economic outlook, the likelihood score for the "Impact of Persistent Economic Downturn" risk has been reduced from 5 to 4. This results in a reduction in the residual risk score from 20 to 16. It has also been updated to include the current position of regeneration projects;
- The emphasis of the "Supporting Vulnerable Children, Young People and Their Families" risk has been changed from an inability to recruit and retain competent Social Workers to the number of Looked After Children, the complexity of cases and the length of stay in care;
- The risk mitigation measures for "Disposing of Waste" have been amended to include the current position with the preferred bidder for the anaerobic digestion plant;
- The "Healthy Lifestyle" risk mitigation measures reflect the Corporate Plan;
- The "Impact of Homelessness" risk reflects the uncertainty about the effect of the Housing Act which will be enacted in April 2015;
- Responsibility for the "Collaboration with Partners" risk has been moved from the Corporate Director - Resources to the Assistant Chief Executive Legal and Regulatory Services;
- The "Educational Attainment" risk reflects the post Estyn inspection plan which provides a greater focus on standards in schools. This has led to a reduction in the likelihood risk from 4 to 3. The residual risk score moved from 16 to 12;
- The likelihood score for the "Implementing a New Pay and Grading System" risk has been reduced. This means that the risk score has reduced to a level where the risk no longer appears in the Corporate Risk Assessment;
- The Welfare Reform, School Modernisation, Maintaining Infrastructure and Equal Pay risks have been reviewed quarterly but essentially remain the same;

4.3 The outcome of the 2015-16 Corporate Risk Assessment and review of the Risk Management Policy will be reported to Audit Committee on 15 January 2015. Corporate Management Board have identified that the 2015-16 Corporate Risk Assessment will include a risk around Local Government Reorganisation.

**5. Effect upon Policy Framework & Procedure Rules.**

5.1 None.

**6. Equality Impact Assessment.**

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

**7. Financial Implications.**

7.1 There are no financial implications directly associated with the risk assessment. Actions planned to mitigate each risk are required to be progressed within approved budgets.

**8. Recommendation.**

8.1 It is recommended that Members:

- Note the changes to the Corporate Risk Assessment attached as Appendix 1;
- Receive a further report in January 2015 concerning the 2015-16 Corporate Risk Assessment and review of the Risk Management Policy.

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Corporate Director - Resources  
27 October 2014**

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**Background documents**

None