

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

15 JANUARY 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

THE CORPORATE RISK ASSESSMENT 2015 - 16

1. Purpose of Report.

- 1.1 The purpose of the report is to explain the outcome of the annual risk assessment and inform the Committee of the proposed risk management timeline contained in Appendix 2 of the Risk Management Policy.

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 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.
- 3.3 The Corporate Risk Assessment is considered and reviewed by Corporate Management Board, Cabinet and Audit Committee. It is used to inform the budget setting process and contributes to the Council's quarterly Corporate Performance Assessment framework.
- 3.4 The 2015-16 Corporate Risk Assessment is fully aligned with the Council's Medium Term Financial Strategy and Corporate Plan.
- 3.5 The Council has always recognised the importance of risk management. A formal policy, outlining the risk assessment process was adopted in 1998 and this was revised in 2004, 2006 and again in 2012 and 2013.

4. Current situation / proposal.

- 4.1 The risk assessment has been reviewed in consultation with Corporate Directors, Business Managers and Heads of Service and was considered by Corporate Management Board on 22 December 2014. It 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 A scoring matrix is used which takes into account both the likelihood of the risk taking place and the impact if it did. The inherent risk is measured and then the residual risk; after the risk mitigation measures are applied. The scoring matrix is within the Risk Management Policy. For information, **Appendix 2** contains a summary of how the residual risk scores have changed over the last three years.
- 4.3 The risk assessment will be subject to review on a quarterly basis by Corporate Management Board, as part of the Corporate Performance Assessment and twice yearly by Audit Committee.
- 4.4 During 2015-16 the Risk Management Policy (**Appendix 3**) will be subject to a fuller review in conjunction with Corporate Management Board and consideration will be given to how it can better capture risks as they change throughout the year.
- 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 consider the annual risk assessment and updated risk management timeline contained within Appendix 2 of the Risk Management Policy.

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6 January 2014

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Background documents

None