

Item 8 Risk Management Annual Report

Report of the Head of Finance (Portfolio: Economic)

Recommended:

1. That the annual report on Risk Management be reviewed and noted.
2. That the amended Risk Management Strategy be endorsed.

SUMMARY:

This report provides the Committee with an update on the key risks contained in the Council's Corporate Risk Register (attached as Annex 1) and a snapshot of Service Risks (attached as Annex 2) as well as summarising the amendments to the Risk Management Strategy (Annex 3).

1 Introduction

- 1.1 The Corporate Risk Register shows changes from the previous quarter highlighted in ***bold italics***. The register includes the risk scores and target risk scores for five quarters in order to demonstrate the direction of travel of the risks over the year.
- 1.2 The summary of service red risks presented is a 'snapshot' from the most recent versions of the service risk registers, it does not show the progress over the last year as the corporate register does.
- 1.3 A commentary on the Corporate and Service red risks has been provided in the body of this report.

2 Background

- 2.1 During the year the Corporate Risk Register and Service Risk Registers are updated on a quarterly basis by Officers Management Team and at the end of the year the Risk Management Strategy is reviewed and updated as appropriate.
- 2.2 The Principal Auditor facilitates this review and update and is able to respond to any queries relating to the risk management process. Any questions relating to the management of specific risks will however need to be taken up with the "Risk Owner" shown in the register.

- 2.3 The risk register includes a target risk score. This reflects the expected impact and likelihood of the risk if the planned actions are completed by the planned deadline. The nature of corporate risks is such that we do not expect to see changes in the scores over one or two quarters, by their nature these risks, and therefore the movement in risks scores, will generally be longer term.
- 2.4 We would expect to see some risk scores decreasing as a result of carrying out the future actions. However there will be some risks where the future actions are designed to prevent the risks (likelihood and/or impact) from getting any worse and therefore we would expect the score to remain the same despite having carried out the further actions by the stated date. The format of the risk register has been revised to distinguish between those risks which are being managed to maintain a risk level (score) and those which are being managed to decrease a risk level (score).
- 2.5 The register also now differentiates those risks which are “Accepted” i.e. the target score has been achieved on these risks and no further action is planned other than ongoing monitoring. Risks remain on the register as an aide memoire to ensure these are subject to ongoing review.

3 Risk Management Strategy

- 3.1 The strategy has been reviewed for 2014 and a copy provided in Annex 3. Minor amendments have been made to the contents page and to:
- (a) Reflect the new Corporate Plan.
 - (b) Explain the risk profile.
- 3.2 The revised strategy will be available on the Council’s website once approved.
- 3.3 The Corporate risk register is to be reviewed against the new Corporate Action Plan later in the year.

4 Summary of Corporate Risks

- 4.1 The following section provides a summary of those Corporate Risks which are being managed to maintain or reduce the risk score.
- 4.2 (C1) The risk of a lack of social housing increasing pressure on the TVBC housing waiting list – New staffing arrangements were introduced during 2014 with 2 temporary posts made permanent. The target date has been revised to September 2015 to encompass the monitoring of the new arrangements and the homelessness caseload. The risk score has remained the same throughout the year and reflects the current stability of the Housing Waiting List.
- 4.3 (C2) The likelihood of the risk of a breach of the Data Protection Act occurring – The risk score has been maintained at “low” likelihood during the year. Member training is to be picked up as part of the induction process and staff e-learning is under development.

- 4.3 (C3) The risk that TVBC fail to prepare and agree up to date strategic and local planning documents - The target date has been revised to October 2015 when any further action will be considered pending the outcome of the inspector's report. The risk score has remained unchanged over the year. An action has also been added to timetable work required for the next Local Development Scheme.
- 4.4 (C4) The risk that the Council is unable to effectively manage its assets - Recruitment of Building Surveyor is underway with the target date having been revised to August 2015. An action has been added regarding the funding and rollout of the 2016-18 Asset Management Plan with a target date of November 2015.
- 4.5 (C5) Failure of Service and Corporate BCPs in the event of an incident – Business Continuity arrangements have been reviewed by management during the year. This is reflected in the 2 revised actions and target dates in the register for completion of an accommodation and IT business continuity plan and the subsequent revision of the Service BCPs.
- 4.6 (C8) Breach of public procurement regulations, poor value for money, poor contract management - The work plan for procurement for 2014/15 has been implemented with the exception of training on the revised Public Procurement Regulations and a new plan agreed for 2015/16. The score has remained constant and the target date has therefore been revised to March 2016.
- 4.7 (C10) - The risk of inappropriate comments/behaviour/actions from staff - The action to review the Employee Code of Conduct was revised to August 2015 at the last meeting to tie in with the New Member Code of Conduct to be introduced following the Borough Council elections. The risk score has stayed unchanged throughout the year.
- 4.8 (C12) – The risk of breaching the Equality Act – The target date has been revised to December 2015 with training to be included in the Member induction process.
- 4.9 (C13) – The risk of a rise in homelessness - This remains the highest scoring risk on the corporate register. The risk and target scores have remained constant at red throughout the year although the risk score reduced from “Very high” to “High” from December. This was due to the review of staffing arrangements which has enabled close monitoring of homelessness caseloads. An action to continue to monitor the situation and the use of bed and breakfast accommodation is set to coincide with the next quarterly review of the risk register.
- 4.10 (C14) – The risk that TVBC is unable to predict the impact of the introduction of Universal Credit and the resource impact - The planned implementation date for Universal Credit is 23/09/15. The risk score “likelihood” has been reduced from “Low” to Very Low” as the initial stages of implementation relate just to new claims for single jobseekers. The risk score will be reassessed once larger numbers start to transfer. The target date has been revised to December 2015 to reflect this.

5 Summary of Service red (high) risks

- 5.1 There are two red risks currently recognised as “High” within Services. These are shown in Annex 2. This provides a ‘snapshot’ from the most recent versions of the service risk registers, it does not show the progress over the last year as the corporate register does.
- 5.2 Service red risks are considered by Management Team as part of the quarterly review to consider their inclusion or not in the Corporate Risk Register.

6 Conclusion

- 6.1 The Council has successfully embedded Risk Management into its day to day activities, business planning and decision making processes whilst maintaining a common sense approach and without it becoming an onerous task on Officers and Councillors.
- 6.2 Risks are identified and managed throughout the year and are formally captured quarterly and reported annually.
- 6.3 The Officers’ Management Team will continue to monitor corporate and service risks registers throughout the year and take necessary action as appropriate.
- 6.4 The Principal Auditor will continue to notify OSCOM Members of any risk targets that are not achieved on a quarterly basis.

The Committee is requested to consider the annual corporate risk report and to endorse the revised Risk Management Strategy.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	3		
Author:	Jan Balfour	Ext:	8234
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