

# Corporate Risk Management Update

**Audit Committee**

**Date: 23<sup>rd</sup> July 2018**

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Wards:	All
Locality Affected:	All
Parishes Affected:	All

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## **1. Purpose and Reasons**

- 1.1 To present Audit Committee with a summary of risk management activity in the Council and with the most recently updated Corporate Risk Register.
- 1.2 Audit Committee provides independent assurance to the Council on the effectiveness of the Council's risk management, internal control and its overall assurance framework. This report summarises the areas that the Committee may wish to consider in gathering this assurance and provides a basis for discussion.
- 1.3 The risk management processes and the Corporate Risk Register are key components of the successful delivery of the Council's Vision, Priorities and Pledges and the Swindon Programme, ensuring that awareness and management of risk are intrinsic to the Council's approach.

## **2. Recommendations**

The Committee is recommended to:

- 2.1 Endorse the risk management approach and processes and risks captured in the Corporate Risk Register.

## **3. Detail**

- 3.1 Since the last report and following the input from members of the Audit Committee the corporate risk management process outlined in that report has been consolidated and is now fully operational. There have also been a number of further changes to the Corporate Risk Register to reflect the Council's current position.
- 3.2 Council wide and directorate scorecards, which capture in one document, key performance information and risk are in place. Corporate Directors present their scorecards to Corporate Management Team monthly, thus ensuring that there is peer scrutiny and discussion of risk and importantly, a real focus by the Council's directors on the directorate and Council wide actions we are taking to mitigate the risk and the efficacy of those actions.
- 3.3 As previously, the directorate and corporate risks flow from knowledge and understanding of service area risk and performance. Heads of Service produce risk registers as part of their business planning. Heads of Service Scorecards

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Further information on the subject of this report can be obtained from Carmel Burton  
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which include risk and performance information are now in place. These provide a format to ensure that risks at service level are presented and discussed as part of a wider discussion about performance and are updated quarterly.

- 3.4 In addition to the regular meetings in place between Internal Audit and Risk, which ensure both that audit findings are captured in the Corporate Risk Register and that audit priorities reflect corporate risk, audit findings are also included in the scorecards at all levels so that they are also an intrinsic part of the monthly performance and risk discussions.
- 3.5 The Corporate Risk Register has been reformatted to make it more manageable and to ensure that it focusses on key corporate risks all of which are high impact. All risks are owned by a Corporate Director, reinforcing accountability for risk. A particular feature of the risk register is that it focusses on the likelihood of risks occurring and both the actions which will reduce that likelihood and most crucially, the progress the Council is making with those actions. The current version of the Corporate Risk Register, is attached at Appendix One.
- 3.6 Our current Corporate Risks have been identified as:
- 3.6.1 Financial Sustainability. This is the risk that the Council's major programmes and strategies do not deliver the expected financial and non-financial benefits and/or the Council's Vision. This continues to be rated as high to reflect the fact that the Swindon Programme is still developing. This rating will be regularly reviewed in the light of the progress of the programme
- 3.6.2 Empowering Communities. This is the risk that we do not successfully maximise opportunities to work with communities to support them to have more influence and responsibility in their own areas. This has been rated as medium to reflect the fact that work with communities and stakeholders is ongoing.
- 3.6.3 Growing the Economy. This is the risk that the Council is unsuccessful in growing and sustaining the level of business activity necessary to provide sufficient employment for our residents and generate enough business rates income to pay for the services we need to provide. This rating has been increased from medium to high, reflecting the fact that many of the dependencies for this work are outside the Council's direct control and this reliance on influence and partnership carries an inherent degree of risk.
- 3.6.4 Managing our Council Environment. This risk considers aspects of our environment which if not managed could have a significant negative impact on the Council's effectiveness. They are Health and Safety, IT systems and the local, national and international context. Health and Safety and the local, national and international context are rated as medium, reflecting progress made in health and safety and the Council's
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awareness of policy changes. The rating for IT has been raised to high to reflect the complexity and volume of system improvements in train and concerns about the financial viability of Capita.

- 3.6.5 Delivering Quality. This risk considers two areas of the Council's work where poor quality will pose significant risks to the Council. The first is our work to safeguard vulnerable children and adults which has been assessed as high risk, reflecting that work with the most vulnerable always carries a level of risk and the impact the level of increasing demand has on the Council's capacity to respond. The rating for children's safeguarding also reflects the fact that the Ofsted system of inspection has been revised for January 2018, which has increased the rigour and expectations of performance and quality which the service is working to meet. The rating for adults reflects the level of maturity of the improvement plan and process improvements underway. The second area looks at governance and the risk that the Council acts outside its powers. The likelihood of this has been rated as low, reflecting the robustness of our systems of governance and the current checks and balances.
- 3.6.6 Realising Potential. This is the risk that we do not make the best use of all available capacity, either within our own staff or through strong and effective partnerships which restricts our ability to deliver our vision, priorities and pledges. This risk has been assessed as medium, reflecting growing work to develop our staff through programmes such as Swindon Manager, Future Leaders and Aspiring leaders and the work to review and build partnerships including the newly merged One Swindon Health and Wellbeing Board.
- 3.6.7 Effective Prevention. This is the risk that our preventative and early intervention work is not sufficiently targeted and hence is not successful in halting the rise in demand. This then results in increasing spend on social care leading to challenges in balancing the budget and a potential loss of services which residents value. This risk has been lowered to medium likelihood as although demand continues to be an issue there is emerging evidence that preventative work is having an impact in areas such as delayed transfers from hospital, smoking cessation and improving employment rates for adults with learning difficulties and care leavers.
- 3.6.8 Business Continuity. This is the risk that our arrangements to continue to deliver essential services where normal business has been disrupted are not sufficiently robust. This risk is rated has been reduced to low reflecting that the continued focus on this area by Corporate Management Team is ensuring that the robust plans and processes are in place.

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## **4. Alternative Options**

4.1 Not applicable

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

5.1 Risk management activity is a core activity for the Council. As such, costs of risk management are funded from existing budgets.

### Legal and Human Rights Implications

5.2 As part of the Accounts and Audit Regulations 2015, it is a statutory requirement that the Council has a sound system of internal control which includes effective arrangements for the management of risk.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 Nothing specific for this report.

### Diversity Impact Assessment

5.4 A Diversity Impact Assessment has not been completed for this report as it is a summary of actions within service areas to mitigate and address risk. Where applicable, Diversity Impact Assessments have been undertaken which cover the actions within the Corporate Risk Register. These assessments are held in the responsible service areas.

### Risk Management

5.5 A risk assessment has not been completed for this report as it is a summary of risk management activity overall. The Corporate Risk Register is the corporate assessment of the key risks facing the Council at this time

## **6. Consultees**

6.1 The Director of Finance (Section 151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

6.2 The Chief Executive, Corporate Management Team and the Head of Internal Audit were also consulted in respect of this report.

## **7. Background Papers**

7.1 None

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## **8. Appendices**

8.1 Appendix One – Corporate Risk Register July 2018.