

Corporate Risk Management Update

Audit Committee

Date: 28th November 2017

Author:	Cabinet Member for Corporate Services and Digitalisation Corporate Director of Resources and Growth
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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 there have been some adjustments to the corporate risk management process and a number of changes to the Corporate Risk Register
- 3.2 Process amendments have been designed to provide additional assurance that directorate and service risks are captured in the corporate process as part of a wider discussion about risk in the context of performance. This has been achieved through the introduction of a Council wide and directorate scorecards, which capture in one document, key performance information and risk.
- 3.3 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.

Corporate Risk Management Update

Audit Committee

Date: 28th November 2017

- 3.4 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. Work is underway to ensure that these risks are presented and discussed as part of a wider discussion about performance.
- 3.5 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 so that they are also an intrinsic part of the monthly performance and risk discussions.
- 3.6 The Corporate Risk Register has been reformatted to make it more manageable and to ensure that it focusses on key corporate risks. All risks are owned by a Corporate Director, reinforcing accountability for risk. The current version of the Corporate Risk Register, which includes progress with the mitigating actions is attached at Appendix One.
- 3.7 Our current Corporate Risks have been identified as:
- 3.7.1 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 has been rated as high to reflect the fact that the Swindon Programme is in its early stages. This rating will be regularly reviewed in the light of the progress of the programme
 - 3.7.2 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.
 - 3.7.3 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 has been rated as medium, reflecting the fact that a new Economic Strategy and governance is in place.
 - 3.7.4 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. The three aspects are all rated as medium, reflecting progress made in health and safety and improvements in IT infrastructure.
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Corporate Risk Management Update

Audit Committee

Date: 28th November 2017

- 3.7.5 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 medium risk, reflecting that work with the most vulnerable always carries a level of risk. This rating for children's safeguarding also reflects the fact that the Ofsted system of inspection has been revised for January 2018 with new judgement criteria (yet to be published) and as such is new and untested, which increases the uncertainty of the outcome. 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.
- 3.7.6 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 One Swindon and Health and Wellbeing Board.
- 3.7.7 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 is rated as high as although there is significant work on managing demand, work is at an early stage and as yet evidence shows that demand for social care continues to rise.
- 3.7.8 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 as medium reflecting that the Corporate Management team have focussed on this area ensuring that significant work is happening to improve the robustness of our plans and processes.

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.

Corporate Risk Management Update

Audit Committee

Date: 28th November 2017

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

8. Appendices

- 8.1 Appendix One – Corporate Risk Register November 2017.