

Audit Committee

Monday 28th September 2020



Report of: Director Finance, S151

Title: Annual Risk Management Report 2020/21

Ward: Citywide

Officer Presenting Report: Jan Cadby, Risk and Insurance Manager

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Recommendation

The Audit Committee review and comment on progress made on the Council's Risk Management arrangements as a source of assurance that risk management arrangements are in place and developing.

Summary

This report presents the progress being made in embedding and maintaining risk management arrangements within Bristol City Council in line with the Risk Management Assurance Policy.

The significant issues in the report are:

- The risk management arrangements continue to embed with good levels of engagement from the Executive, Extended and Directorate Leadership Teams. The scrutiny continues to become more embedded during 2020/21.
- As strategic planning, resource management and resilience processes are strengthened; the identification, management and communication of risk to the achievement of the Council's strategic priorities and objectives will continue to embed.
- The 2019/20 Internal Audit report on risk management concluded that progress has been made in the embedding of risk management within the Council there remained a body of work which needed to be advanced in order for the Council to move further towards risk maturity as part of the risk management journey. A limited assurance audit opinion was assigned regarding progress in the embedding of risk management and the current adequacy and effectiveness of the Council's risk management.



1 Policy

3.1.1 Risk management is the culture, process and structure that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council's governance framework. The Council faces different types of risks, including internal, external, strategic, and those arising from major projects.

The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). The Council is required to comment on the effectiveness of its arrangements in this regard. The statement must also identify any significant governance issues that may have resulted from failures in governance and risk management.

Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enables the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Risk Management Assurance Policy on an annual basis.

It is considered good practice to regularly review and update the Risk Management Assurance Policy to ensure it strengthens the Council's approach to its risk management and assurance arrangements.

2 Consultation

Internal - First to fourth tier managers, Extended Leadership Team, Corporate Leadership Team, Cabinet Member, Finance, Governance and Performance.

External - None

3 Context

3.2 Risk Management Update

3.2.1 The Annual Governance Statement (AGS) declaration 2019 - 20 has highlighted a number of opportunities to enhance Risk Management. Managers' self-assurance identified inconsistency in completion of service risk registers and a need for risk management training. Additionally, an Internal Audit review of risk management arrangements identified improvements are required to plan activity that will further support embedding of arrangements and the need for greater alignment of risk with service planning.

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3.2.2 During the year the Risk and Insurance Team put a framework for risk management in place which included:

- Strengthened the capacity for risk management with appointments to the Risk and Insurance Team additional support

- Risk Management was integrated within Service Planning to aid decision making and to inform on the annual Budget Risk Register this will continue to be a focus for 2020/21 planning.
- Formal guidance.
- Accessibility via SharePoint and communications for Service Risk Registers via management and internal communications.
- Availability of training, workshop, guidance and templates. Contributed to Corporate Induction.
- Quarterly risk reporting through Divisional Management Teams, Executive Director Meetings, Corporate Leadership Board (CLB), Audit Committee and Scrutiny.
- Increased levels of engagement and ownership by Heads of Service through a series of risk management awareness sessions and workshops and provided Risk Management drop in sessions.

3.2.3 There was also a significant improvement in the support and encouragement from senior leadership to support embedding risk management. Planned activities for 2020/21 were briefed to CLB Team in May 2020. The high level plan has been attached at Appendix A setting out how risk management will be further embedded.

3.2.4 Areas from the Audit to focus on in 2020/21 include:

- Directorates to take up risk management workshops and training.
- Service Risks aligned to Service Plan objectives.
- The directorate level of resource dedicated to risk management.
- Evidencing of risk discussion and decisions within Directorates.

3.2.5 The Risk Management Annual Plan core objectives are to:

- To provide Members and Senior Officers an understanding of the key risks facing the Council and its community, and to provide assurances that those risks are being managed.
- Build and maintain a risk aware culture within the council, including learning and development.
- Developing, implementing and reviewing the Risk Management Framework and risk management processes.
- Develop competence and maturity in risk management.
- Continue to link with other functions within and beyond the Risk Management Team that advise on specific aspects of operational risk management activity (insurance, health, safety and wellbeing, business continuity, civil contingencies, internal audit).
- Further align key complimentary frameworks including Service Planning, Performance and Projects.

This includes a focus on:-

- Increasing the level of engagement and ownership by Service Managers.
- Enhancing the engagement of Members in the risk management process.
- Refreshing the Corporate and Directorate Risk Reports.
- Risk Management training and awareness.
- Maintaining the focus of the process on reducing risk against the council's Corporate Plan 2018-23 and beyond.

3.2.6 Plans for 2020/21 include:

- Mandatory Risk Management E-Learning for staff.
- Annual Risk Management Maturity Assessment.
- Review of Risk Management within Decision Making, Business Case approvals, Project Management and Procurement Frameworks.
- Directorate Risk Reports received by Scrutiny.
- Review of the responsibilities and accountability of the Corporate Risk Management Board (CRMB).
- Implementation of a Risk Management System.
- Review the Risk Management Assurance Policy.
- Ensuring that the Corporate Risk Report (CRR) is soundly based to help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.
- Member training.

4 Proposal

- The Audit Committee are requested to receive and comment on the Annual Risk Management Report and Plan 2020/21.

5 Other Options Considered

None necessary. Having robust risk management arrangements and processes in place is a requirement of the City Council. The Risk Management Action Plan has been developed in line with the Risk Management Assurance Policy.

6 Risk Assessment

The Risk Management Assurance Policy will further develop risk management assessment within the City Council, and help the management of risk arrangements embed.

7 Public Sector Equality Duties

- 8a)** Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);

- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
- tackle prejudice; and
 - promote understanding.
- 8b) No equalities assessment necessary for this report.

8 Legal and Resource Implications

Legal - N/A

Financial - N/A

Land - N/A

Personnel - N/A

9 Appendices:

Appendix A – Risk Management Annual Plan

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Risk Management Assurance Policy.