

Audit Committee

Monday 26 July 2021



Report of: Director Finance, S151

Title: Q4 2020/21 Corporate Risk Report Update.

Ward: Citywide

Officer Presenting Report: Denise Murray – Director of Finance, S151

Contact Telephone Number: 0117 3576255

Recommendation

The Audit Committee review and comment the Q4 2020/21 Corporate Risk Report (CRR)

Summary

This report presents the Corporate Risk Report (Appendix A) as at March 2021.

The significant issues in the report are:

- The CRR is an important tool in managing risk. It aims to provide an overview of the significant risks facing the council and how they are being managed. The CRR attached to this report at Appendix A and is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB). The Q4 2020/21 risk review included managers from across the Council.
- The output from the CRR will annually contribute to the annual Audit Plan.



1 Policy

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.
- 1.4. Ensuring that the Corporate Risk Report (CRR) is soundly based will 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.
- 1.5. The CRR provides assurance to management and Members that the Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.
- 1.6. The CRR is a management tool and needs regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.
- 1.7. The CRR has been prepared and presented in line with the Risk Management Assurance Policy that was approved by Cabinet in January 2019.

2 Consultation

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

External - None

3 Context

Corporate Risk Register (CRR)

- 3.1 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).
- 3.2 Ensuring that the Service Risk Registers (SRR), Directorate Risk Reports (DRR) and the Corporate Risk Reports (CRR) are soundly based will 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.
- 3.3 The registers and reports are a management tool. They need regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service

delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.

3.4 Corporate Risk Report (CRR) - Summary of Corporate Risks: Members of the Executive Director Meetings (EDMs) reviewed the Directorate Risk Reports (DRR) in April 2021 to form the CRR. CLB were asked to accept the attached CRR in May 2021. The Mayor's Office was consulted in May 2021. The CRR sets out the critical, significant, and high rated risks both threats and opportunities. All other business risks reside on the Service Risk Registers and reported through the DRRs.

3.5 The Q4 20-21 Corporate Risk Report (CRR) as at 31st March 2021 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"> • 3 critical • 17 high • 4 medium • 1 new • 4 improving • 2 deteriorating • 3 closed 	<ul style="list-style-type: none"> • 0 significant • 3 high • 1 medium • 0 new • 0 improving • 0 deteriorating • 0 closed 	<ul style="list-style-type: none"> • 1 critical • 2 high • 0 medium • 0 new • 0 improving • 0 deteriorating • 0 closed

3.6 A summary of risks (Threat and Opportunities) for this reporting period are set out below.

3.7 There are three critical threat risks:

- CRR32: Failure to deliver enough affordable Homes to meet the City's needs. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR41: Growth and Regeneration (G&R) Portfolio of Capital Programmes and Project. Previously (Long Term Major Capital projects). The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR42: Provision of leisure centres. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Registers.

3.8 There are four improving threat risks:

- CRR5: Business Continuity and Council Resilience. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR9: Safeguarding Vulnerable Children. The risk rating being 3x7 (21) high threat risk. This risk is managed on the People Service Risk Registers.
- CRR12: Failure to deliver suitable emergency planning measures, respond to and manage emergency events when they occur. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR15: In-Year Financial Deficit. The risk rating being 1x5 (5) medium threat risk. This risk is managed on the Resources Service Risk Registers.

3.9 There is one new risk:

- CRR42: Provision of leisure centres. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the People Service Risk Registers.

3.10 There are two deteriorating Risk:

- CRR27: Capital Transport Programme Delivery. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR40: Unplanned Investment in Subsidiary Companies. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Resources Service Risk Registers.

3.11 There are 3 closed risks:

- CRR2: Failure to Manage Asbestos in housing properties. The risk rating being 3x3 (9) medium threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR19: Tree Management. The risk rating being 3x5 (15) high threat risk. This risk is managed on the Growth and Regeneration Service Risk Registers.
- CRR21: General Data Protection (GDPR) Compliance. The risk rating being 2x5 (10) medium threat risk. This risk is managed on the Resources Service Risk Registers.

3.12 The closed risks will be managed and monitored on the Directorate Risk Reports through the Executive Director Meetings.

3.13 The external / contingency risk BCCC3: COVID -19 reflects the positive action and pace of change the Council has adapted to delivering its services. This risk is being overseen by the Corporate Leadership Board following the stand down of the Director Resilience.

3.14 All risks on the CRR have management actions in place.

3.15 As with all risks, it is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

3.16 Appendix 1 sets out the summary of the threat risks on pages 1 to 17 opportunity risks pages 18 to 19, external and civil contingency risks on page 20 to 22 including controls and management actions. A summary of risk performance on pages 23 and 24 by level of risk, the risk matrix on page 25 and the risk scoring criteria on page 26.

Risk Management Framework

3.17 Risk management is the culture, process and structures 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 Annual Governance Statement (AGS) declaration highlighted several opportunities to enhance Risk Management.

- Increasing the level of engagement and ownership by Service Managers.
- Enhancing the engagement of Members in the risk management process.
- Engagement with the timeliness, completion, and accuracy of Service Risk Registers.
- Accuracy of Corporate and Directorate Risk Reports.
- Risk Management training and awareness.

- Risk Management within Decision Making, Business Case approvals, Project Management and Procurement Frameworks.

Maintaining the focus of the process on reducing risk against the council's Corporate Plan 2018

3.18 The risk management framework and process continues to be developed. During 2020/21 we have:

- Managed, maintained and communicated Risk Management on the Source and SharePoint and via Internal Manager Bulletins.
- Quarterly Risk Reporting.
- Procured Pentana Risk Management Database.
- Workshops and system training in progress for the cleansing of Q1 21/22 risk data.

3.19 Upcoming plans for 2021 include:

- Risk data migration to Pentana Risk System.
- Mandatory Risk Management eLearning for key staff.
- Annual Risk Management Maturity Assessment.
- Approach to management of risk reporting to CLB.
- Member training
- Review of the Risk Management Assurance Policy.

3.20 The Annual Governance Statement (AGS) declaration for 2020/21 opportunities to enhance Risk Management will be presented in the Q1 2021/22 Corporate Risk Report.

4 Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance that risk management arrangements are in place.

5 Other Options Considered

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

6 Risk Assessment

The Risk Management Assurance Policy and the CRR 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 - Corporate Risk Report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Risk Management Assurance Policy.