

RISK MANAGEMENT AND SERVICE RISK ASSURANCE

1 Purpose

- 1.1 To present an update on Risk Management and the results of the Service Risk Assurance for 2015/16.

2 Recommendations/for decision

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| 2.1 To review the Service Risk Assurance results and identify any issues for further consideration |
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3 Risk Management - Supporting information

- 3.1 The risk management arrangements of the Council are a key part of the overall internal control arrangements of the Council and form part of the Annual Governance Statement.
- 3.2 The Council is currently undergoing significant organisational change. The introduction of the new CIPFA Governance Framework in April 2016 and the ongoing Commercial AVDC programme have necessitated a review of the risk management arrangements.
- 3.3 The starting point for this was a review of the Council's risk management strategy in late summer 2015. The revised risk management strategy was presented to Audit Committee in September 2015 and reflected changes in the Council's approach to risk and its changing risk appetite. We now need a framework to enable us to put our strategy into action.
- 3.4 The Strategic Risk Register was last reviewed in September 2015. A recent high level review identified that a number of the risks are no longer relevant to the organisation, or have changed. Workshops are planned with sector leads in the next few months to identify the strategic risks and sources of assurance over those risks. This will result in an updated risk register.
- 3.5 The Council needs to align its risk management strategy with its commercial ambitions to ensure that risk management can be evidenced. Discussions are currently underway with senior managers to determine what this might look like in the future.

4 Service Risk Assurance - Supporting information

- 4.1 The Audit Committee has a role to monitor the effectiveness of risk management and internal control across the Council. As part of discharging this role the committee is asked to review the Service Risk Assurance results for 2015-16.
- 4.2 In March 2014 the internal control self assessment was replaced by a new service risk assurance check. The new process was developed to address identified gaps in assurance for specialist areas such as Health and Safety, IT security, financial control and Safeguarding.
- 4.3 The revised process was devised to take into account the key compliance risks as well as the service specific risks. The process reflects the level of risk for each service against key areas. This in turn helps determine where further information is required on how specific risks are being managed.
- 4.4 The Service Risk Assurance process was undertaken with 20 services/teams. Due to a number of reorganisations it is not possible to make a direct

comparison with last year. This process was undertaken slightly earlier than normal due to changes resulting from the Commercial AVDC programme.

4.5 The biggest risks for services are reported as Information Security, Health and Safety and Business Continuity.

4.6 More detailed results can be found in appendix 1.

5 Reasons for Recommendation

5.1 To allow members of the Audit Committee to review the Service Risk Assurance results.

6 Resource implications

6.1 None

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Background Documents None

Background

In March 2014 the internal control self assessment was replaced by a new service risk assurance check. The new process was developed to address identified gaps in assurance for specialist areas such as Health and Safety, IT security, financial control and Safeguarding.

The revised process was devised to take into account the key compliance risks as well as the service specific risks. The new process reflects the level of risk for each service against key areas. This in turn helps determine where further information is required on how specific risks are being managed.

An outline of the process is set out below.

Stage 1 – High Level Risk Assessment

Service assesses whether their risk potential is High, Medium or Low against key area.

Stage 2 – Detailed Risk Assurance Profile

For each area identified as High or Medium the risks for that specific area are discussed and controls that are in place are mapped. If there are any gaps these are identified and action is recorded.

Stage 3 – Specialist Review

The relevant specialist lead (e.g. Health & Safety) reviews the assurance documented and gives an opinion on whether in their view all the relevant risks have been identified.

Stage 4 – Overview for AGS

Business Assurance Services reviews overall assessment and reports any key weaknesses in Annual Governance Statement.

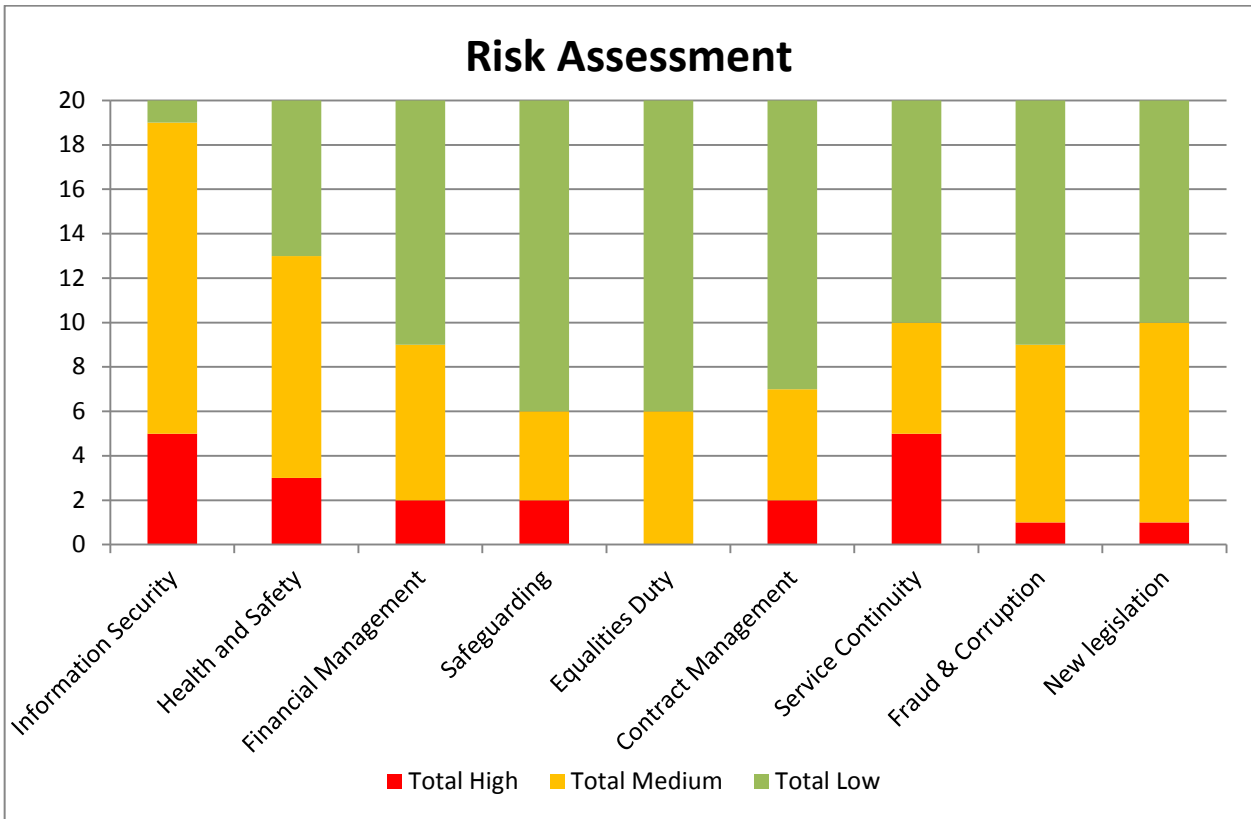
2015/16 Overview

The Service Risk Assurance process was undertaken with 20 services/teams. Due to a number of reorganisations it is not possible to make a direct comparison with last year. This process was undertaken slightly earlier than normal due to changes resulting from the Commercial AVDC programme.

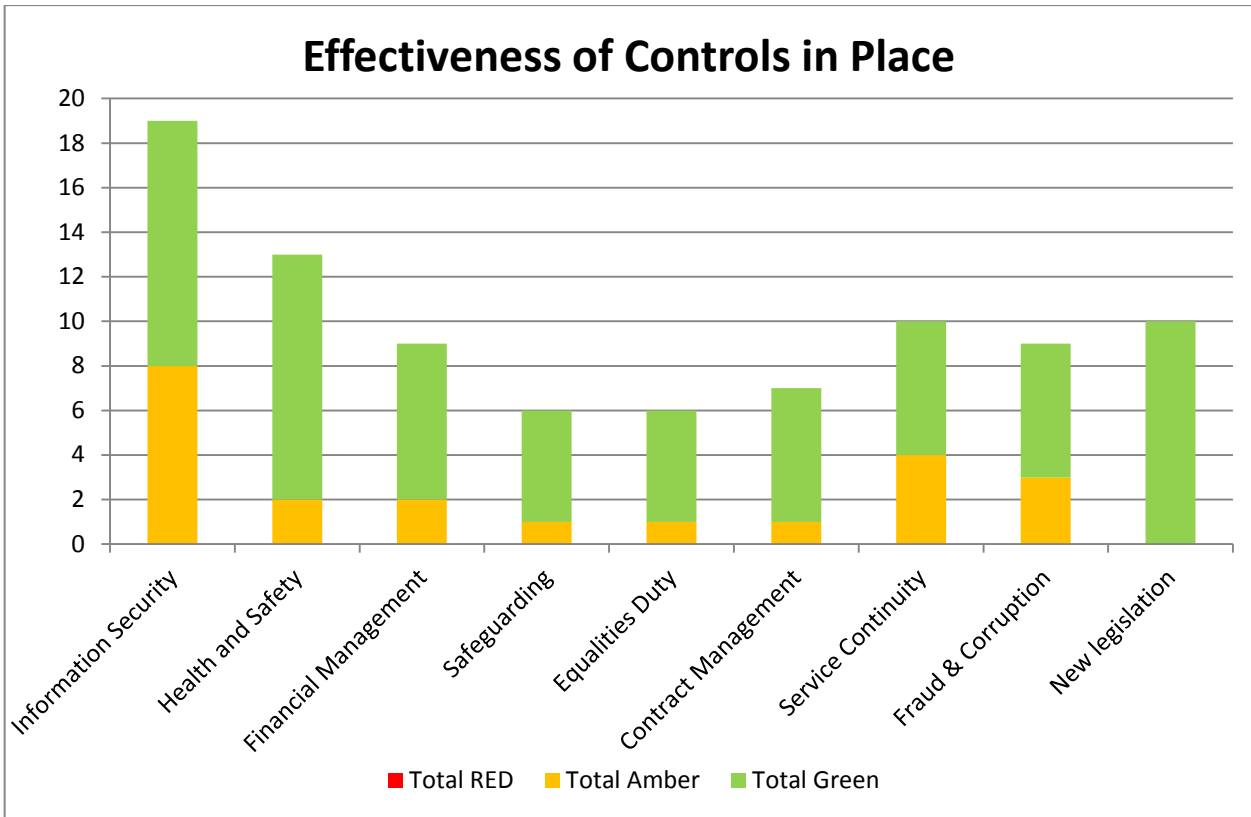
The process this year has been undertaken through a mixture of self completion and individual discussions with Managers. The discussions have been led by Business Assurance Services.

A full list of ratings can be found in appendix 1

The graph below shows a summary of the Risk Rating for all services/teams.



The graph below shows the assurance rating for all services.



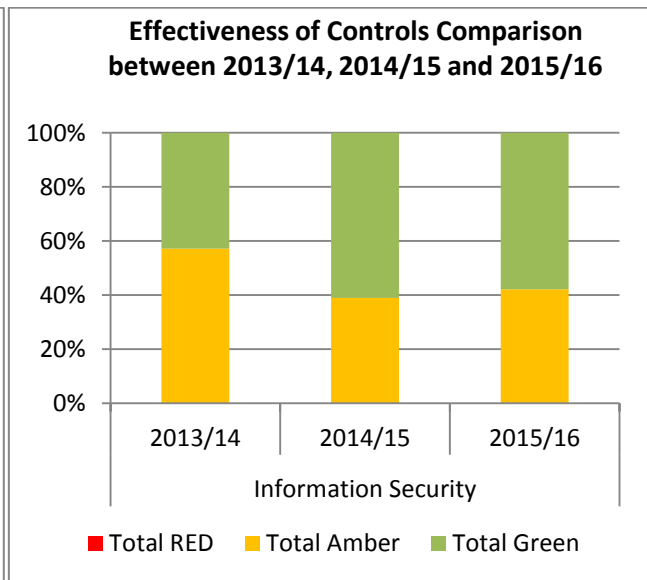
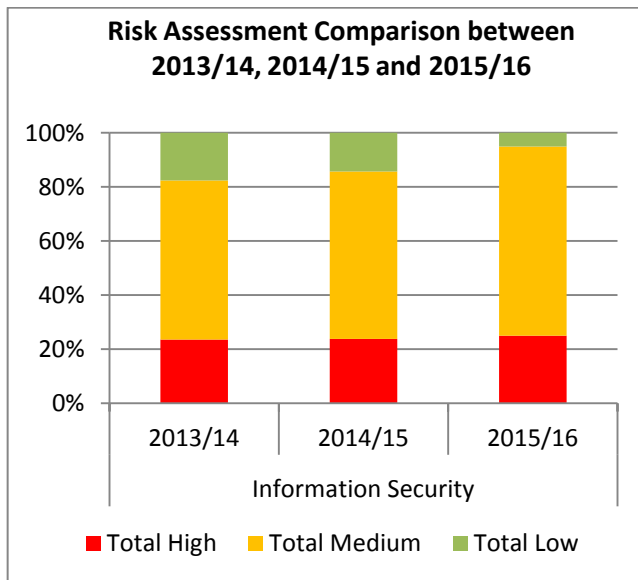
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Trend over time.

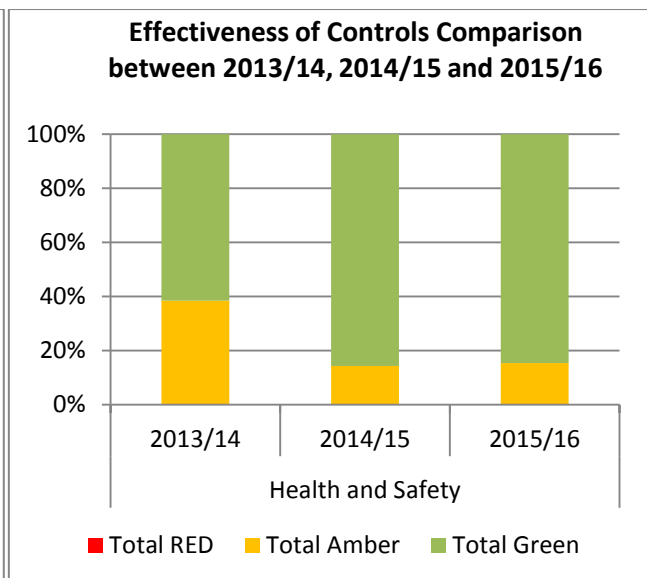
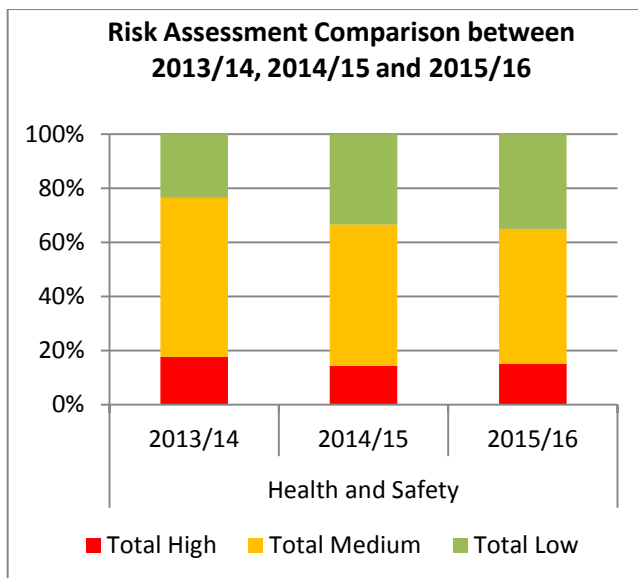
The graphs below show the changes over the last 3 years. We cannot make direct comparisons year on year due to organisational changes. In 2013/14 17 areas were assessed, however due to organisational changes 21 areas were assessed in 2014/15 and 20 areas in 2015/16.

Information Security has been consistently one of the biggest areas of concern over the last three years, followed by health and safety.

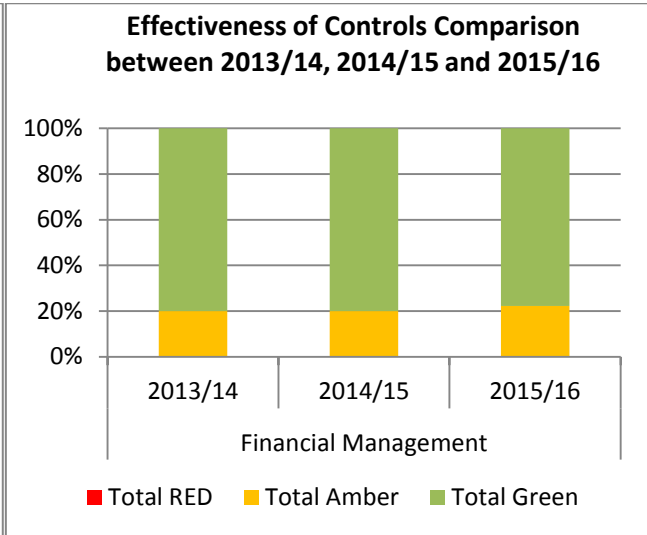
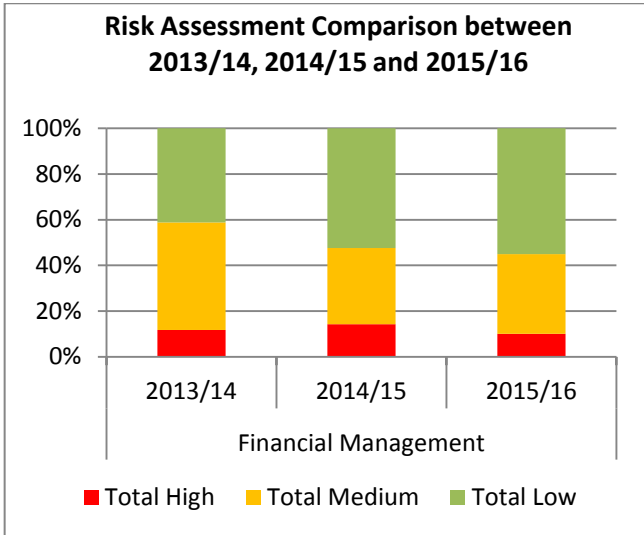
Information Security



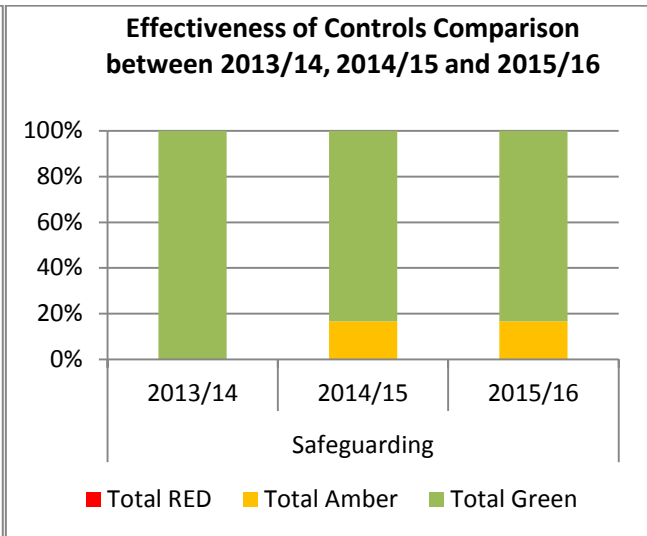
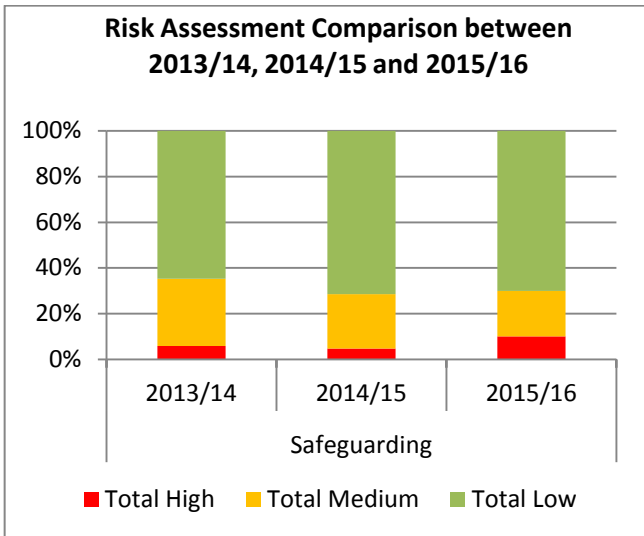
Health and Safety



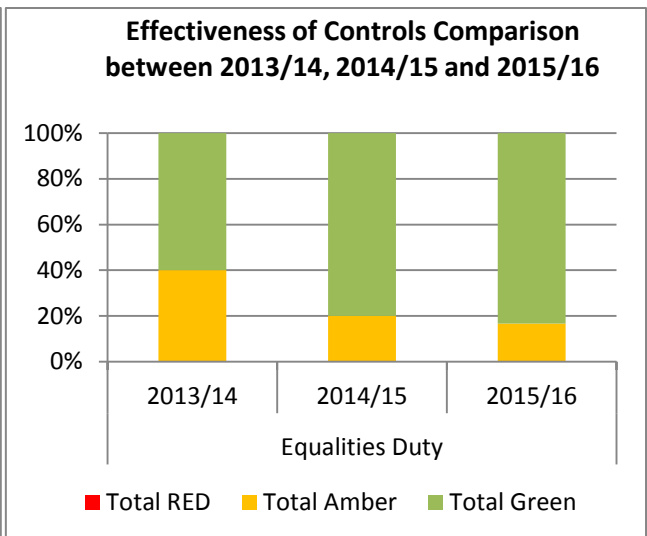
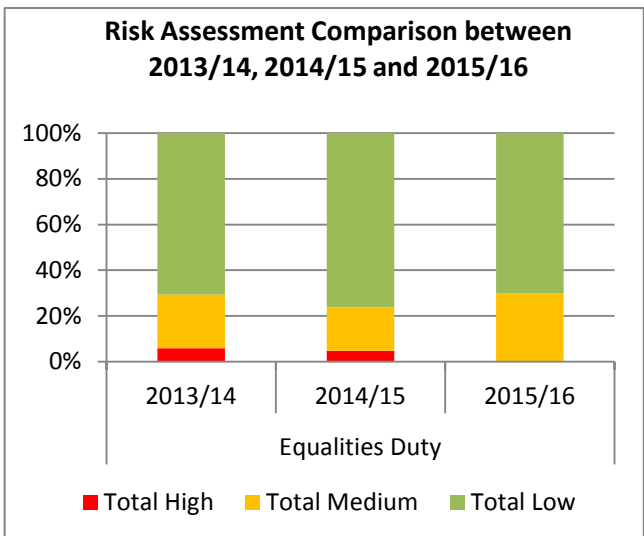
Financial Management



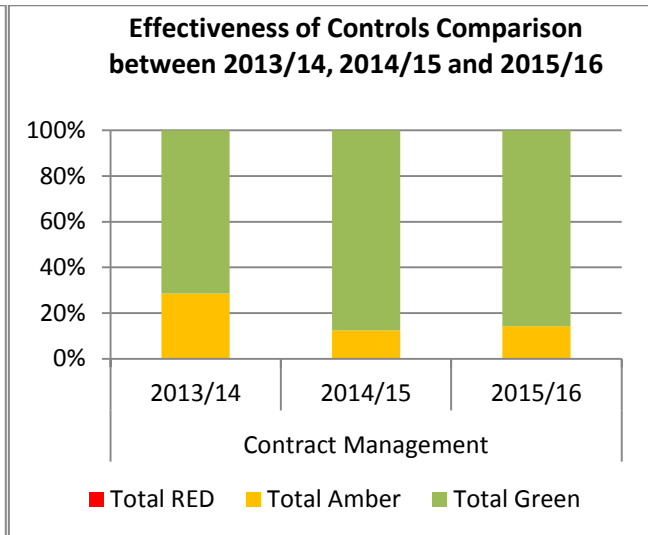
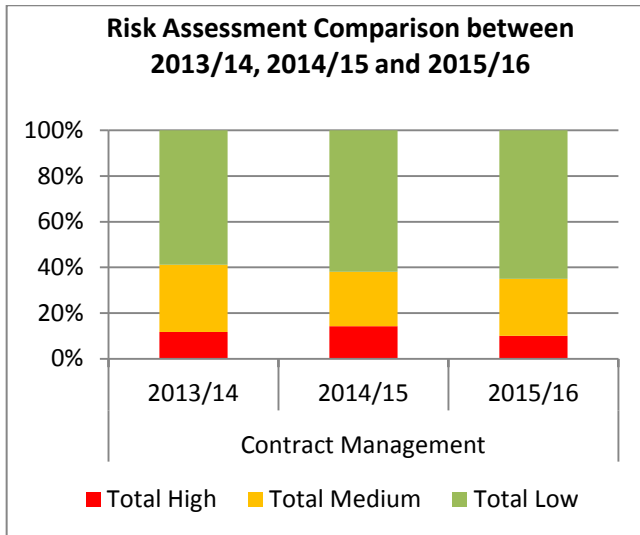
Safeguarding



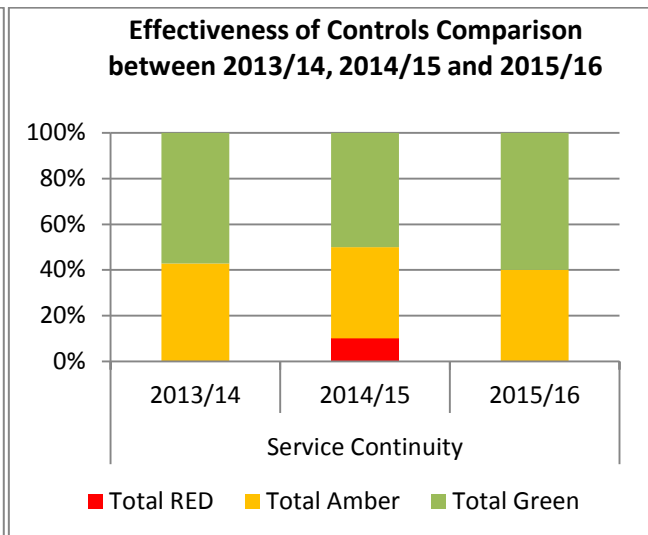
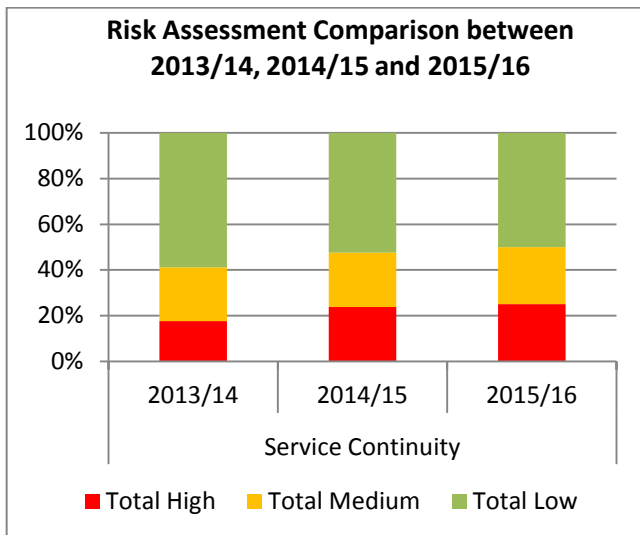
Equalities Duty



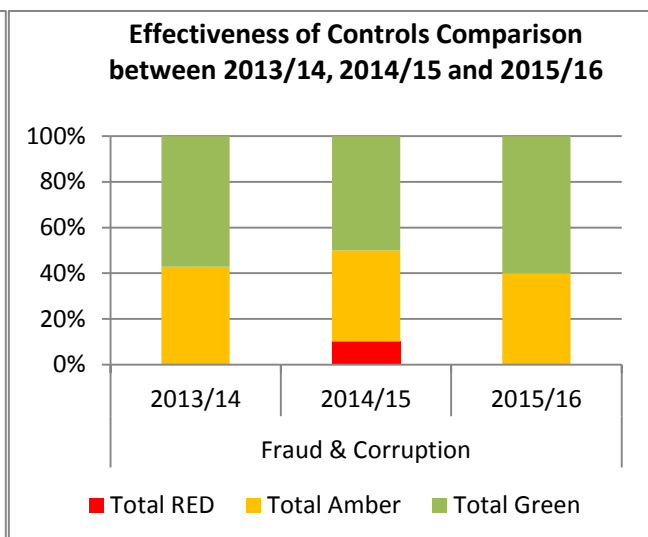
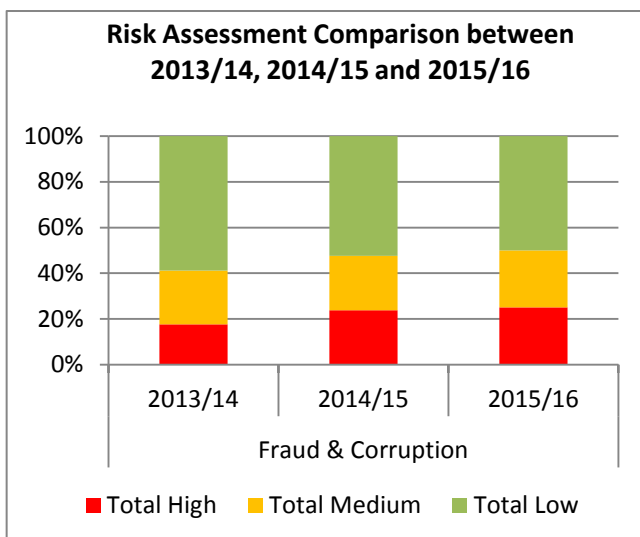
Contract Management



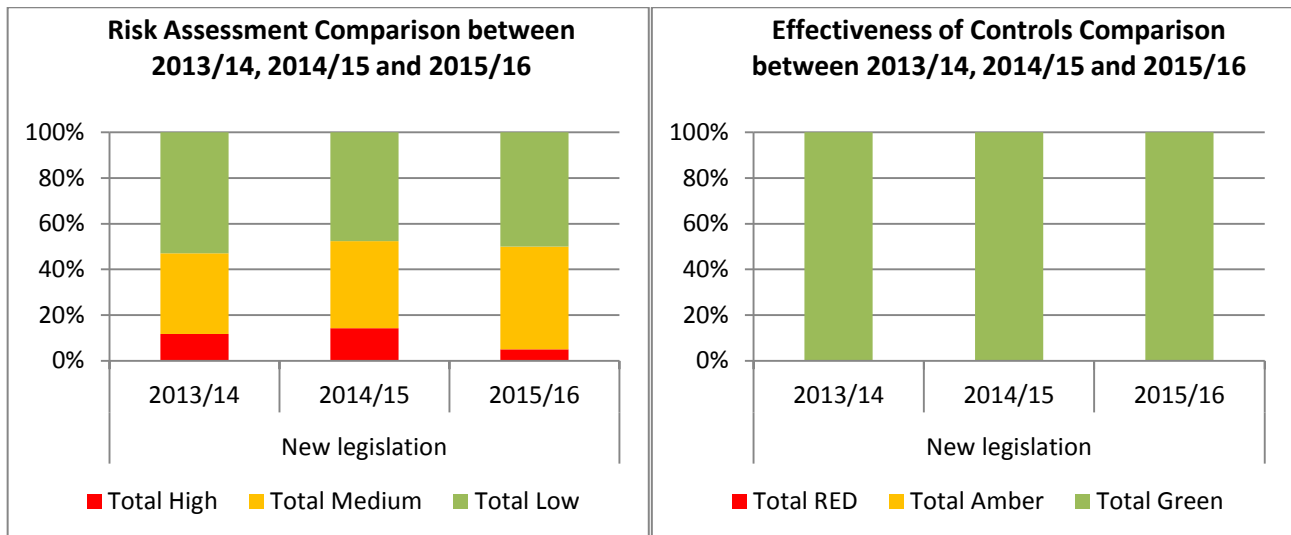
Service Continuity



Fraud and Corruption



New Legislation



Top Concerns for teams/services

Teams/services were also asked to highlight up to five top concerns for their area for the first time this year. They were asked to rate these concerns using the same rating system used for corporate risks.

The common themes across services were Information Security, Organisational Change and Financial Management.

Moving Forward

Due to the current organisational changes that the Council is undertaking, this is the last time that the service risk assurance will be completed in this format. The introduction of the new CIPFA Governance Framework in April 2016 and the ongoing Commercial AVDC programme will necessitate a review of our risk management arrangements.

Tamsin Ireland
March 2016