

Regulatory and Audit Committee

Title: Risk Management Group Update

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Local members affected:

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Summary

The Risk Management Group met on 5 July 2016, and was attended by:

- Cllr David Martin (Chair)
- Cllr Timothy Butcher
- Maggie Gibb, Head of Business Assurance
- Gill Quinton, Managing Director (Business Enterprise and Shared Services)
- Richard Schmidt, Head of Strategic Finance (Deputy S151)

The following items of business were covered:

One Council Board (OCB) Risk Register:

- The OCB Risk Register details the highest level, most strategic risks faced by the organisation, with each risk owned by a member of the OCB. The risks were last reviewed in May so the impact of significant events since (e.g. BREXIT) were not reflected in the risk register.
- Three new potential risks had been identified and OCB Members will describe and score the risks and add them to the strategic risk register prior to the next review in August. The three potential risks were the Future of Local Government in Bucks; the Growth Agenda and Terrorism.

- Members challenged the movement of the risk scores in the period since the last review as this is not clearly visible from the risk register. The new corporate risk management system should allow reporting of previous risk ratings and movement against each risk over certain periods with commentary. The new system is due to be in place for testing in September 2016.
- The RMG discussed the current strategic risks, scores and the current mitigating actions.

High Level Business Unit (BU) and Key Financial Risks

The report provided an analysis of the high level risks and key financial risks which were regularly reviewed by Business Unit and HQ Boards. During discussion key points were raised as follows:

- If risks required escalating for the attention of OCB, this would happen through discussion with the Managing Directors. We have recently established a network of Risk Champions who co-ordinate the recording and update of Business Unit risks and provide challenge to the risk owners. The Risk Champions facilitate the reporting of risks to the relevant BU Boards/Leadership Teams as appropriate. A regular meeting of all Risk Champions will be held to discuss cross cutting corporate risks, as well as sharing knowledge and best practice.
- It was suggested and agreed that quarterly reports be provided to Members so that trends could easily be identified and comparisons made, and as mentioned above, this will be possible following implementation of the new system.
- Members highlighted that some risk scores appeared disproportionately high and others not necessarily high enough. BUs are responsible for identifying and scoring their risks, however the Business Assurance Team (supported by the Risk Champions) provide challenge over the quality/appropriateness of the risk information.

HQ Risk Register

The current risk register for HQ was presented by the Director of Assurance and the Managing Director of Business Enterprise and Shared Services.

The risk register contains corporate wide risks and also risks specific to delivering the role and functions performed within HQ. The risks are identified by service managers and are regularly monitored and reviewed by the relevant Senior Management Team (Assurance, Strategy & Policy and Business Enterprise). High level risks from these registers are brought together to form the HQ Consolidated Risk Register and a report goes to the HQ Leadership Board on a quarterly basis. A specific finance risk register has recently been established within each BU to ensure that as an organisation we are fully aware of the key financial risks facing the Council in the current climate. OCB discuss the key financial risks on a monthly basis as part of reviewing the budget monitoring position.

The RMG scrutinised and challenged the latest HQ risk register which currently holds 29 risks of which 18 are red (score of 15 and above) and 11 are amber (score of 10 – 14).

Children's Social Care and Learning Risk Register

The latest risk register for CSC&L was presented by the Managing Director of the Business Unit.

The risks are reviewed and challenged on a regular basis through the Senior Leadership Team, and updates are co-ordinated by the CSC&L Business Manager. The risk register includes those risks identified as part of the Children's Improvement Programme.

The Managing Director highlighted the following key risk areas for discussion:

- The service had been through a period of greater stabilisation. Support from HR colleagues was recognised and the workforce stabilised, although there remained work to do in this area.
- A joined up memorandum of co-operation was created with 19 other Local Authorities across the South East as a method to stabilise retention of staff and to cap the level of pay to agency workers.
- 1600 audits had been undertaken internally and the Improvement Board met regularly to monitor performance on a monthly basis. One area of risk identified was with 'data recording', and the MD confirmed that this had improved significantly.
- There had been an increase in the number of Foster Carers and a greater number of children were being cared for in County than previously. Permanent adoptions had also increased.
- The Government had asked all Local Authorities to consider supporting Kent in terms of placing unaccompanied asylum seekers.
- There was a major shift from Government encouraging schools to become academies. A small number had automatically converted to academy status following inadequate OFSTED inspections.
- The outcome of any OFSTED inspection was identified as a major risk but work over the last two years had brought confidence that the next inspection would not bring anything unexpected.

Recommendation

The Committee is asked to note the report.

Background Papers

Risk Management Group Terms of Reference
Risk Management Group minutes
