

BARNSELY METROPOLITAN BOROUGH COUNCIL

Report of the AED Finance (Audit and Risk Management)

Audit Committee – 27th March 2013

STRATEGIC RISK REGISTER – UPDATE MARCH 2013

1. Purpose of the Report

- 1.1 The purpose of this report is to highlight the most significant of the proposed changes to the Authority's Strategic Risk Register.
- 1.2 This report forms part of the Audit Committee's assurance process where it was agreed that following the implementation of a revised process for the consideration of the SRR by the Senior Management Team (SMT) and Cabinet that the Audit Committee considers this revised process.
- 1.3 It is important to note and recognise that the nature of risk management is that it is constantly moving. In recognition of that, SMT had previously agreed to undertake a 'zero-based' review of the SRR to ensure the nature of the prevailing circumstances the Council is facing are appropriately reflected and considered in the SRR.
- 1.4 Initial preparatory work in this regard has been undertaken, and a brief presentation of the proposed risks and review process was delivered to SMT on 22nd January 2013.

2. Recommendation

- 2.1 **It is recommended that the Audit Committee consider the proposals relating to the SRR, and continue to receive periodic updates as to the progress of the actions taken and their impact on the SRR.**

3. Introduction

- 3.1 Audit Committee will note that SMT had originally intended to undertake a 'zero-based' review of the SRR, following the last update, in late 2011. Following the appointment of a new Chief Executive, and subsequent discussions with her, the Acting Assistant Chief Executive (Finance and Property) and the head of Performance and Partnerships, a draft version of the SRR was presented to SMT on 22nd January 2013.
- 3.2 It was agreed following the presentation that members of the Risk Management Section (RMS) would meet with named officers within the SRR to begin a review of the proposed risks, their consequences, and also consider risk controls and mitigations actions.
- 3.3 These meetings have commenced, with an aim of reporting back to SMT and Cabinet, and subsequently, the Audit Committee in June 2013.

4. Zero-Based Review of the SRR – Key Issues

4.1 It would be premature at this stage to release full details of the proposed SRR to Audit Committee, until members of SMT have had an opportunity to consider and reflect upon the proposed draft risks.

4.2 However, a number of other proposed improvements were detailed to SMT during the presentation on 22nd January 2013, including:

- All proposed risks have been aligned to the Authority's Corporate Plan Priorities and Future Council Themes, as well as the Authority's Corporate Peer Challenge Improvement Plan, in order that the risks support and reflect the strategic direction the Authority is taking;
- Risk controls will (in part) be sourced from the developing Control Assurance Framework, which will be directly influenced by the outcomes of the Annual Governance Review process;
- The risk assessment of risks detailed in the SRR will be removed, and in its place, each risk will be traffic-light colour coded. This colour coding will reflect the overall level of 'concern' the risk owner has regarding the successful mitigation of the risk;
- Risk mitigation actions have been sourced directly from the Authority's own Priorities and Organisational Change Priorities. This ensure that the mitigation actions are relevant to the activity colleagues are taking within the Authority to drive improvement and facilitate change.

4.3 The proposed review process for the SRR will include:

- The RMS meeting relevant parties;
- Risk owners, managers and risk mitigation owners will have an opportunity to reflect on operational risk activity, and consider broad issues relating to the risks and their mitigation actions;
- The RMS will meet with individual risk owners, managers and risk mitigation owners to facilitate updates;
- Updates will be keyed in by the RMS; and,
- A report to SMT, Cabinet and Audit Committee will be prepared. It is envisaged that this report will address the SRR on a holistic basis, and move to an exception / highlight report as appropriate.

4.4 It is envisaged that the SRR review process will become more refined as further iterations of the SRR are produced.

5. Delivering Corporate Plan Priorities and Future Council Themes

5.1 The SRR lists those significant risks which could impact upon the delivery of the Authority's objectives as set out in the Corporate Plan. Risks within the SRR are linked to both the Corporate Plan, and the Authority's Corporate Peer Challenge Improvement Plan, in order to ensure that the register is focused upon those risks which are considered to be significant potential obstacles to the achievement of corporate objectives.

6. Risk Management Issues

- 6.1 The report focuses upon the development of the SRR and the contribution this will make to the embedding of a risk management culture throughout the Authority.
- 6.2 Failure to fully develop the SRR will present a significant risk to the successful implementation of the required culture.

7. Financial Implications

- 7.1 There are no specific financial implications arising directly from this report although there is often a cost in taking (or not taking) specific action identified through the risk management process. Most individual Cabinet reports have financial implications and so the application of good risk management is vital to ensure the most effective use of resources.

8. Background Papers

- 8.1 Various paper and electronic files which are available for inspection at the Westgate Plaza One offices of the Authority.

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