

**BROMSGROVE DISTRICT COUNCIL**

**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 16<sup>TH</sup> JUNE 2016**

**CORPORATE GOVERNANCE AND RISK**

Relevant Portfolio Holder	Councillor Geoff Denaro
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No

**1. SUMMARY OF PROPOSALS**

- 1.1 For Members to consider the draft Corporate Risk Register for 2016/17 and to update Members on the Annual Governance Statement for 2015/16.

**2. RECOMMENDATIONS**

**2.1 The Committee is asked to asked to:**

- 2.1.1 consider the draft register and propose any further risks to be included
- 2.1.2 note the updates on the Annual Governance Statement

**3. KEY ISSUES**

**Financial Implications**

- 3.1 There are no financial implications in relation to the development of the register or the associated Governance updates.

**Legal Implications**

- 3.2 The Council operates within a number of statutory Governance regulations and the Corporate Risk Register demonstrates how the Council will address and mitigate risks associated with the delivery of the Councils Strategic Purposes. The Annual Governance Statement details the ways that the Council operates within both the statutory and general good governance framework.

**Service / Operational Implications**

**Corporate Risk Register**

- 3.3 The Corporate Risk Register has been developed by the management team to address issues that are of a strategic nature and are seen as areas that have potential to impact on the delivery of the Strategic Purposes. The register attached at Appendix 1 is the draft 2016/17 register to enable members to be aware of corporate risks within the Council and uses the Red/ Amber / Green Scoring Mechanism to assess the risk associated with the

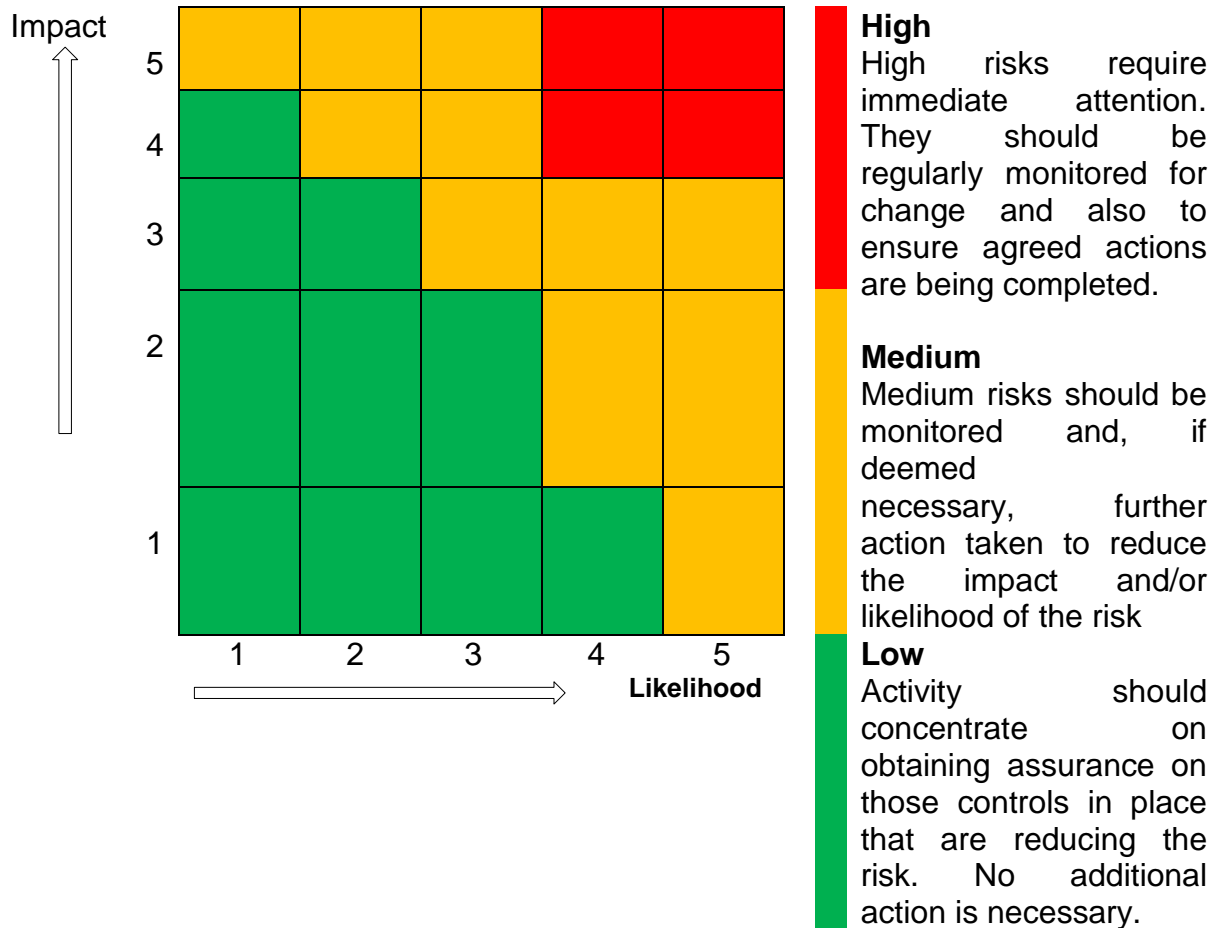
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issue and details both the controls and mitigating actions that are in place to reduce the risk to the organisation.

- 3.4 The scoring mechanism is shown in the table below and the Impact Scoring Criteria is attached at Appendix 2:

**Risk scoring matrix**

The risk scoring matrix reflects the Councils' current appetite / tolerance to risk. This risk tolerance should be reviewed at least annually as part of the formal refresh of risk management. There are three risk classification (low, medium and high) and these are based on the impact and likelihood values that are given to each risk. The risk matrix below illustrates how risks are classified.



- 3.5 An additional risk has been included for 2016/17 in relation to the Financial Management arrangements. In addition there is a risk associated with non compliance with statutory requirements on health and safety which replaces the risk of fatalities within service provision. Management team are reviewing the register and Members are asked to consider the draft register and make any proposed changes or additions to be monitored on a 6 monthly basis by this Committee.

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#### **Annual Governance Statement**

- 3.6 The compilation of an Annual Governance Statement is a statutory requirement. The Annual Governance Statement provides an open and honest self – assessment of the Authorities governance arrangements across all of its activities, with a clear statement of the actions being taken to address identified areas of concern.
- 3.7 The Authority has used the six principles that underpin effective governance which has been identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) to assess the adequacy of its governance arrangements. The return is completed and published annually as part of the Final Accounts.
- 3.8 Following a recent internal audit of the process around the Governance Statement it is proposed that the process becomes more inclusive for both managers and members and any actions from the Governance Statement are monitored as part of the S11 monitoring from 2016/17.
- 3.9 A recent assurance schedule has been sent to all Heads of Service to assess the current controls within their department and this will be reported to management team to identify any areas of concern to improve in 2016/17.

#### **Customer / Equalities and Diversity Implications**

- 3.10 By promoting good governance the Council ensures that all of its residents and communities have a consistent standard of service and opportunities.

#### **4. RISK MANAGEMENT**

- 4.1 The Corporate Risk Register provides a framework for risks to be addressed and mitigated in relation to the delivery of the Councils Strategic Purposes.

#### **5. APPENDICES**

Appendix 1 - Draft Corporate Risk Register 2016/17  
Appendix 2 - Impact scoring criteria

#### **6. BACKGROUND PAPERS**

Departmental risk registers.

#### **AUTHOR OF REPORT**

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