

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 10th OCTOBER 2019

RISK MANAGEMENT REVIEW

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 recommendations from Zurich Municipal in relation to the recent risk management review and to note the actions in place to strengthen current arrangements

2. RECOMMENDATIONS

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

2.1.1 note the current review of risk management arrangements being undertaken

3. KEY ISSUES

Financial Implications

- 3.1 Whilst there are no direct financial implications of implementing the recommendations from the review it is important to note that by having a robust and consistent risk management regime the financial implications of any issues that may arise from the impact of a risk is mitigated by the controls in place.

Legal Implications

- 3.2 The Council operates within a number of statutory Governance regulations and has obligations to deliver services within a compliant framework. The management of risk ensures that the Council works within a legal environment when supporting its residents.

Service / Operational Implications

- 3.3 Risk Management is a vital part of the controls in place within the Council to ensure that services are being delivered in a compliant and quality way to our residents. The identification and management of risks is key to the stability of our operational and financial structure. Effective risk management should be undertaken on a regular basis as shown below:



As part of the contract we hold with Zurich Municipal in relation to our insurance arrangements we also have support in managing risks and developing a robust framework of procedures and processes to identify and mitigate risk.

- 3.4 Following a recent Internal Audit which identified improvements that could be put in place a review was requested and undertaken by Zurich to enable officers to further understand how the current arrangements can be improved and strengthened.
- 3.5 The review considered the following areas:

Risk Culture & Leadership

Exploring the attitude that Senior Officers and Members take towards the role and priority of risk management

Risk Appetite & Strategy

Reviewing the extent to which the policies for risk management support the organisation and how the appetite for risk is considered and utilised

Governance

Establishing how assurance is provided to stakeholders, the effectiveness of reporting arrangements and how risk is managed within departmental areas.

Methodology

Assessing whether effective risk processes and tools are in place in order to support the organisation

People & Training

Evaluating the level of risk management skills, knowledge and capacity across the organisation

Projects, Partnerships & Supply Chain

Determining whether there are effective arrangements for managing risks within projects and with partners and suppliers

In considering the areas above a judgement was made as to the current position of the Council in relation to the maturity of risk management across the areas above. In all but

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People and Training the risk management approach was seen to be “in development” with training being more inconsistent and fragmented so clearly an action that requires more structure and support.

- 3.6 The review found that there is evidence that the Council takes the management of risk to its objectives seriously and some key stakeholders recognise the value that the risk management framework brings to the organisation. Focus is given to understanding the key strategic risks facing the Council’s and there is also evidence that areas of the organisation are doing a considerable amount of work on an ongoing basis.
- 3.7 However, the review found that there is not a consistent approach to robust risk management processes. This has the potential to impact on the performance of service delivery, may result in key risks to the organisation not being identified or managed sufficiently and could result in a loss of stakeholder confidence should risks materialise which haven’t been identified or mitigated appropriately.
- 3.8 Despite this there is evidence that improvements are relatively easy to implement and Zurich recognised that there is a momentum for change which they found encouraging.
- 3.9 Three priority areas were identified as outlined below which are underpinned by several separate actions which will embed a robust risk management process.
- Improve the link between performance and risk by developing the role of the Cabinet and Portfolio Holders within the Risk Management framework to include consideration of, and input into, Strategic and Service Level Risk whilst being conscious of releasing such information into the public domain.
 - Provide greater direct support to Departmental management teams to build a robust risk profile and support the embedding of effective risk management practices.
 - Improve the level of risk management capability and awareness across Member and Officer groups, tailored to needs. Possibly supported by the establishment of a Risk Management Group

Next Steps

- 3.10 A session with the Corporate Management team has been undertaken recently to go through the recommendations and a further session has been set up to understand risk appetite. The risk management group has been re-established and an action plan to address the recommendations is being developed and will be presented to future meetings. Training has been agreed with Zurich and will be rolled out to managers and risk champions over the next year.

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Customer / Equalities and Diversity Implications

- 3.11 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 Effective Risk Management provides a framework for risks to be addressed and mitigated in relation to the delivery of the Councils Strategic Purposes. The action plan to improve risk management will be presented to future meetings of this committee.

5. APPENDICES

None

6. BACKGROUND PAPERS

Departmental risk registers.

AUTHOR OF REPORT

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