

Southend-on-Sea Borough Council

Agenda
Item No.

Report of the Executive Director (Finance and
Resources)

to

Audit Committee

on

15 January 2020

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Risk management update

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To update the Audit Committee on the revised risk management policy statement and strategy approved by Cabinet on 17 September 2019 and Council on 24 October 2019.

2. Recommendations

- 2.1 **The Audit Committee notes the delivery of implementing the revised risk management policy statement and strategy.**

3. Risk Management Policy Statement and Strategy

- 3.1 The Cabinet approved the revised risk management policy statement and strategy on 17 September 2019. This was called into Policy and Resources Scrutiny Committee on 10 October 2019 which referred the item to Full Council on 24 October 2019 where it was approved.
- 3.2 Subsequently work has continued on the implementation of the strategy. This has been focussed on accessing two key elements of the Council's arrangements as these are considered important to the effective implementation of the strategy:
- Governance Boards – being the revised way the Council is seeking to manage itself and the delivery of the Southend 2050 outcomes
 - Better Queensway project management arrangements – being the most significant project and investment that the Council is currently undertaking.
- 3.3 Attendance at the Governance Boards commenced in October, however this identified that they were not yet sufficiently embedded with the necessary workflow to establish a proper understanding of the risks that they were encountering. Senior Management and the Good Governance Group have also undertaken a review of the role of each of the Governance Boards and will be re-launching these in early 2020 to clarify all staff's understanding of their role in the delivery of simple and effective governance. Therefore this element of the implementation has been deferred until the re-launched Governance Boards become established.

- 3.4 The Better Queensway Operational Management Group was attended in November at which the key risks were highlighted and discussed by each of the eight workstreams. These risks have been captured in a risk register and will be reported to, discussed and challenged with the Partnership Board to ensure that there is agreement that these are the key risks and that the approach is dealing with them is appropriate.
- 3.5 In addition the corporate risk register has been reviewed and updated and is being reported to Cabinet on 16 January 2020, therefore Members will be able to access and review the current position of the corporate risk register within the agenda papers for that meeting.

4. Reasons for Recommendations

- 4.1 One of the purposes of the Audit Committee is to provide independent assurance on the adequacy of the risk management framework, therefore understanding and overseeing the approach to risk management enables the Committee to achieve this purpose.**

5. Corporate Implications

5.1 Contribution to the Southend 2050 Road Map

The corporate risk management arrangements underpins the operational effectiveness of the Council's corporate governance arrangements and specifically monitors progress of managing key risks associated with the successful delivery of Southend 2050 Road Map and Outcomes.

5.2 Financial Implications

Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes. Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss.

5.3 Legal Implications

The Accounts and Audit Regulations 2015 require the Council to ensure that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's function and which includes the arrangements for the management of risk.

5.4 People Implications

Any people implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

5.5 Property implications

Any property implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

5.6 Consultation

Consultation has taken place with key stakeholders.

5.7 Equalities and Diversity Implications

Corporate equalities considerations have been considered in the drafting of the risk management strategy and corporate risk register and any specific equality related risks have been identified for the Council.

5.8 Risk Assessment

Failure to implement a robust assurance framework which includes fit for purpose risk management arrangements increases the risk that Council objectives will not be delivered.

5.9 Value for Money

Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

5.10 Community Safety Implications

Any community safety implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

5.11 Environmental Impact

Any environmental implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

6. Background Papers

- The Accounts and Audit Regulations 2015
- Risk management policy statement and strategy
- Corporate risk register as being reported to Cabinet on 16 January

8. Appendices

Appendix 1 Updated risk management policy and statement action plan

Ref	Implementation Action Plan	Estimated Timing	Progress To Date
1	General communications to the organisation following approval of the Policy Statement and Strategy	October 2019	Communication with performance leads undertaken
2	Attendance at four 2050 Governance Boards to capture programme / corporate risks Identification of Risk Champions	October 2019	Attendance at Governance Boards commenced but deferred Performance lead risk champions in place
3	Attendance at Good Governance Group to workshop corporate risks and procedures	October 2019	Deferred pending update to the Governance Boards
4	Attendance at CMT to propose risk management procedures and seek approval for operational guidance documents	November 2019	Deferred pending update to the Governance Boards
5	Attendance at Directorate Management Team Meetings to promote risk management and new approach	December 2019	Deferred pending completion of updated arrangements
6	Refresh of Corporate Risk Register	December 2019	Phase 1 refresh being reported to Cabinet
7	Attendance at service team meetings to promote new approach	March 2020	To be undertaken following completion of updated arrangements
8	Meetings with outcome leads / groups to workshop risks	March 2020	To be undertaken following completion of updated arrangements
9	Refresh of Corporate Risk Register	March 2020	Phase 2 to be undertaken following completion of updated arrangements
10	Update and refresh of this action plan for 2020/21 as part of the Annual Review of Risk Management	May 2020	To be undertaken following completion of updated arrangements
11	Independent review of Risk Management for inclusion in Annual Report and Head of Internal Audit Opinion, to manage conflict of interest for HoIA	May 2020	To be undertaken following completion of updated arrangements