

Southend-on-Sea Borough Council

**Agenda
Item No.**

**Report of the Executive Director (Finance and
Resources)**

to

Audit Committee

on

13 January 2021

Report prepared by: Andrew Barnes, Head of Internal Audit

Risk management update
A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To update the Audit Committee on the delivery of the risk management policy statement and strategy.

2. Recommendations

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

3. Risk Management Policy Statement and Strategy

- 3.1 Work has continued on the implementation of the strategy through the updated Transforming Together programme as part of the Behaviours and Culture element of the programme aiming to ensure that risk awareness and horizon scanning is business as usual for all teams. Initially this has focussed on accessing key elements of the Council's arrangements as these are important to the effective implementation of the strategy and embedding of an effective approach:
- Governance Boards – being the 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
 - Children's Services improvement work – due to the importance of that service operating effectively
 - Capital Programme Board – being the group that leads on monitoring the progress with delivery of the capital programme.
- 3.2 Attendance at the Governance Boards has continued, and this has identified a need to ensure that they are sufficiently well understood by the organisation for them to be properly embedded, with the necessary workflow to establish a proper understanding of the risks that they are dealing with. Senior Management and the Good Governance Group have also been in discussion about the role of each of the Governance Boards and will be addressing this in early 2021 to provide clearer signposting about the role of the Boards so that all staff can understand their role in the delivery of simple and effective governance.

- 3.3 The Better Queensway Operational Management Group has been attended at which the key risks were highlighted and discussed by each of the eight workstreams. These risks were captured in a risk register and 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. Work has begun on the development of an Operations Manual which provides the opportunity to bring project processes, including risk management and Council roles and responsibilities, together into a single document. This will minimise the risk caused by the departure of any one project team member by ensuring others are already aware of the processes to be followed.
- 3.4 The Children's Services' Performance Board has been attended to heighten the role of risk and opportunity in both making decisions and determining whether the right and sufficient assurances on delivering outcomes is being sought, reviewed, and acted upon. Colleagues have been supported to develop those conversations into a practical and simple approach for identifying, capturing and escalating risk from a team to service level and then onto the Improvement Board. This has resulted in the capture of risk in the 2020/21 Improvement Plan Closure report to the Improvement Board, a new template for the highlight reports to be presented to the Improvement Board incorporating risk issues and a new template being developed for the teams within the service to capture and escalate risk issues.
- 3.5 The Capital Programme Board is currently being supported to specifically review and capture the risks to projects failing, leading to the failure to deliver the Capital Programme, how these can be mitigated and then how these can be managed, monitored and reviewed.
- 3.6 In addition the corporate risk register has been reformatted, reviewed and updated and is being reported to Cabinet on 14 January 2021, 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 Ambition, Roadmap 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 14 January 2021