

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of the Executive Director (Finance and  
Resources)

to

**Audit Committee**

on

**12 January 2022**

Report prepared by: Andrew Barnes, Head of Internal Audit

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## **Risk management update**

### ***A Part 1 Public Agenda Item***

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#### **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 is being undertaken on updating the policy statement and strategy through the updated Future Ways of Working programme as part of the Decision-Making element of the programme, with the aim of ensuring that risk awareness and horizon scanning is business as usual for all teams. This has focussed on accessing some of the key elements of the Council's arrangements as these are important to the effective delivery of the strategy and embedding of an effective approach:

- Governance Boards – being key elements of the way the Council is currently seeking to manage itself and the delivery of the Southend 2050 outcomes
- Departmental Management Team meetings (DMTs) – being the key forum at which groups of senior managers gather to discuss key issues in their departments.

- 3.2 The re-introduction of a Corporate Plan from 2022/23 provides the opportunity for a review of the Council's governance framework that underpins the delivery of the expectations of the Corporate Plan, and therefore a team has been convened to review the current arrangements and make recommendations to deliver improvements that will seek to implement the Council's aim of simple and effective governance. Effective risk management is regarded as a key element of the governance framework and will therefore provide a key element of the updated governance framework.

- 3.3 Ongoing attendance at the Governance Boards has confirmed there is a need to ensure that the overall governance framework is reviewed and updated to reflect the Council's aim of simple and effective governance, and for the updated arrangements to be sufficiently well understood by the organisation for them to be effectively utilised and become properly embedded. This includes the necessary workflow to establish a proper understanding of the risks that are being dealt with.
- 3.4 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 2022 as part of the work to provide an updated governance framework to support the implementation of the Corporate Plan, with clearer signposting about the role of the elements of the framework so that all staff can understand their role in the delivery of simple and effective governance and how this contributes to the delivery of the Council's aims and objectives through implementation of the corporate plan.
- 3.5 All of the Council's DMTs have been visited to gain a clearer understanding of how the current risk management policy statement and strategy is being utilised across the Council, and from this understanding a revised proposed approach and tools are being developed to assist teams with the local management of the risks they are encountering and an enhanced ability to raise awareness of these and escalate them as necessary. Work is in progress on updating the Risk Management Policy Statement and Strategy as part of this work.
- 3.6 In addition the corporate risk register is being reviewed and updated and will be reported to Cabinet on 22 February 2022, 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 22 February 2022