



AGENDA ITEM: 6

AUDIT AND GOVERNANCE COMMITTEE:

28th January 2014

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact for further information: Natasha Bryan (Extn. 5098)
(E-mail: natasha.bryan@westlancs.gov.uk)**

SUBJECT: RISK MANAGEMENT FRAMEWORK

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To set out details of the operation of the Risk Management Framework over the last twelve months.

2.0 RECOMMENDATION

2.1 That the continuing effective operation of the Risk Management Framework be noted.

3.0 BACKGROUND

3.1 West Lancashire Borough Council continues to recognise the importance of identifying, evaluating and managing all Key and Service Risks that could affect the Council.

3.2 Risk Management covers the whole spectrum of risks and not just those associated with finance, business continuity, insurance and health and safety. It also considers risks associated with service provision, compliance with legislation, public image (reputation) and environment.

3.3 Risk management is not about being 'risk averse' – it is about being 'risk aware'. Risk is ever present and some amount of risk taking is inevitable if the Council is to achieve its objectives. Risk Management is about effectively managing risks that could affect the Council. It is also about making the most of opportunities and achieving objectives. By being 'risk aware' the Council is in a better position to avoid threats and take advantage of opportunities.

- 3.4 The terms of reference of the Audit and Governance Committee include monitoring the effectiveness of the Risk Management Framework and corporate governance processes within the Council. This report assesses the operation of the Risk Management Framework over the last twelve months and the main developments that have occurred during that time.

4.0 DEVELOPMENTS OVER THE LAST TWELVE MONTHS

- 4.1 The Risk Management Officer Working Group has continued to meet twice a year. At the last meeting in December 2013 a range of issues were considered including Health and Safety risk assessments, contract issues, and how the risks involved with community transfers were being managed. The Group also reviewed the Risk Management Policy to see whether any amendments or modifications were required. However given that the policy had been reviewed and updated in January 2013, it was felt that it was up to date and that no further changes were required at this time. The policy will be reviewed again in 12 months to ensure it remains fit for purpose.
- 4.2 It is a best practice requirement that the Key Risk Register be reported to Cabinet bi-annually and this has continued to take place over the last twelve months. Arguably the most important risk facing Councils at this time is the financial challenge of dealing with significant and ongoing reductions in government grant funding. This risk is being effectively managed by the Council, and elsewhere on the agenda our external auditors have concluded that there are proper arrangements in place to secure the financial resilience of the Council.
- 4.3 The use of Covalent (our performance and risk management IT system) is currently being reviewed across the Council to ensure that the software is being utilised to its full potential. This work will include a review of licenses, refresher training for relevant officers, and a general housekeeping exercise across all Service Areas to ensure that information complies with the data quality protocol.
- 4.4 An Accident Review Group within Street Scene has now been established to consider incidents and to identify what risk management processes can be put in place to reduce insurance claims. New reporting forms and processes have been implemented and the group meets bi-annually to review these processes and any major incidents. The Group will also extend this approach to include other Service Areas where appropriate.
- 4.5 Risk Management training continues to be offered to new Officers when they start at the Council and refresher training has been conducted for existing Officers when requested.
- 4.6 Risk Management is an area that is regularly considered by Internal Audit and there are no significant control issues that have been identified as a result of these reviews.

5.0 REVIEW OF EFFECTIVENESS

- 5.1 The Risk Management Framework has once again operated effectively over the last year. The arrangements in place include the Key and Service Risk Registers, a Risk Management Policy, a Risk Management work programme and a training programme. The Risk Registers continue to be maintained on line and are subject to regular review and updating.

6.0 RISK ASSESSMENT

- 6.1 The continued review of the Risk Management Framework is essential to ensure the successful achievement of the Authority's objectives, demonstrate effective provision of its services and the maximisation of opportunities. If we are unable to maintain an effective Risk Management Framework, we could endanger the achievement of our primary objectives. By continually monitoring and reviewing the Authority's Risk Management Framework it should continue to improve, develop and meet best practice requirements.

Background Documents

There are no background documents (as defined in section 100D(5) of the Local Government Act 1972) to this report.

Equality Impact Assessment

The decision does not have a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None