

 Finance & Audit Scrutiny Committee – 1 July 2014		Agenda Item No. <div style="text-align: right; font-size: 2em;">3</div>
Title	Review of Democratic Services Risk Register by Finance & Audit Scrutiny Committee	
For further information about this report please contact	Graham Leach Democratic Services Manager Tel: 01926 453375 email: graham.leach@warwickdc.gov.uk or Richard Barr Audit & Risk Manager Tel: 01926 456815 email: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	15 April – Finance & Audit Scrutiny Committee 11 January 2012 – Executive	
Background Papers	WDC risk management policy & guidelines	
Contrary to the policy framework:	No	
Contrary to the budgetary framework:	No	
Key Decision?	No	
Included within the Forward Plan? (If yes include reference number)	No	
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications	
Officer/Councillor Approval		
With regard to report approval all reports <i>must</i> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive	16 June 2014	Chris Elliott
Head of Service	Co-author	Graham Leach
CMT		
Section 151 Officer	16 June 2014	Mike Snow
Monitoring Officer	16 June 2014	As Deputy Chief Executive
Finance	16 June 2014	As S151 Officer
Portfolio Holder(s)	16 June 2014	Councillor Mobbs
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **SUMMARY**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Democratic Services Risk Register.

2 **RECOMMENDATIONS**

- 2.1 That Finance & Audit Scrutiny Committee should review the Democratic Services Risk Register attached at Appendix 1 and make observations on it as appropriate.

3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 To enable members to fulfil their role in managing risk (see section 7, below).

4 **POLICY FRAMEWORK**

- 4.1 The Democratic Services Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

5 **BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6 **RISKS**

- 6.1 The risks are contained in the Service's Risk Register, set out as Appendix 1.

7 **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 **RESPONSIBILITY FOR RISK MANAGEMENT**

- 8.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

“Members need to determine within existing and new leadership structures how they will plan and monitor the council’s risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council’s policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

9 **BACKGROUND**

9.1 Executive agreed on 11th January 2012 that:

- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.
- (b) Portfolio Holder Statements should include each service’s top three risks.
- (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
- (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

9.2 The full framework endorsed by Executive at that meeting is set out as Appendix 3.

9.3 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service

areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks (the latest version of this being presented to the January Executive meeting). Also, across the organisation, there are risk registers for specific projects such as the Clarendon Arcade.

10 **DEMOCRATIC SERVICES RISK REGISTER**

10.1 **Introduction**

10.1.1 The latest version of the Democratic Services Risk Register is set out as Appendix 1 to this report.

10.1.2 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 2 sets out the guidelines that are applied.

10.1.3 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

10.2 **Overview of Democratic Services Risk Management**

10.2.1 The Democratic Services Team Risk Register is owned and managed by the Democratic Services Manager and Monitoring Officer. Due to the reporting structure of the team in future this will be combined with the Chief Executive Office risk register to ensure it is considered with the relevant Portfolio Holder. This is because some of the issues can be cross-cutting and therefore covering more than a single Portfolio Holder. It is reviewed at one-to-one meetings between the Democratic Services Manager and Monitoring Officer. Specific risks will be discussed more frequently as they arise.

10.2.2 Members of staff within the service are made aware of the register and have input through team meetings and one-to-one meetings where risks are regularly discussed.

10.2.3 The risk register is reviewed and updated to reflect changes within the Council and the Service, for example the inclusion of the 2015 election and Individual Electoral Registration, both of which are required to have their own risk registers in specified formats and reported to the Electoral Commission. In addition the IER risk register is reported to the Cabinet Office and regional meetings.

10.3 **Democratic Services Risks**

10.3.1 In common with other Service Risk Registers, risks have been grouped into Generic and Service-Specific.

10.3.2 The three main risks at the time of writing are considered to be:

Insufficient Resources to deliver service

The services provided by Democratic Services are dependent upon staff and finance (money/budget) for their continued provision, with each of these risks featuring individually within the Democratic Services Risk Register. Any failure, shortage or not having the suitable resource will reduce or stop the provision of the services. Each of these resources feature within the Risk Register, and is proactively managed in accordance with Council policies and procedures. There are, however, specific concerns for the next 12 months that are being considered in detail; as an example of this, an assistant post has been created on a 12 month temporary contract for the team.

Balance of Team Plan requirements and External Demands

There is a significant number of projects that the Democratic Services Team must deliver over the next 12 months. This will stretch the resources available to the team and unexpected work (such as increased time spent on requests for information, complaints or additional committee meetings) will make these targets extremely difficult to achieve. For this reason consideration is being given to how these projects are managed within the team and some additional resources have been added to the team.

Elections 2015

At this time the project work for holding the 2015 two Parliamentary Constituency, Warwick District Council and Parish/ Town Council Elections is just beginning. There are, however, significant risks associated with this and these will need to be considered over the coming months. In preparation, monthly project meetings between the Chief Executive, Democratic Services Manager and Electoral Services Manager will commence from July and a main focus of these will be consideration of the associated risks. The primary concern at this early stage of planning is the sufficiency of resources to respond to the anticipated significant demand on the Electoral Services Team from January 2015 onwards.

- 10.3.3 The Democratic Services Team is at the core of the Council to ensure that it continues to operate and function. At the same time the Team has a number of key external customers that rely upon the delivery of its services. It is the balancing of these demands which requires careful consideration and management of the associated risk for each of these interactions.
- 10.3.4 As can be seen, several of the risks are in the "red zone". Over the coming few months, work will be undertaken to try to reduce these risks, as described in the "Further Actions" column of the Risk Register.
- 10.3.5 One risk set out in the Risk Register that is worth highlighting concerns the issue of a private and confidential report being made available for public consumption. The Monitoring Officer believes that, although there is no concrete evidence to confirm that the leaking was by a Councillor, circumstantial evidence suggests that prima facie this was the case. The Monitoring Officer advises that the issue brings the Council into disrepute and calls into question the essential trust relationship that is required between officers and members.

10.4 **Review of Risk Register by Members**

- 10.4.1 It is proposed that Members should review the risk register set out as Appendix 1, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holder and the Democratic Services Management Team on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.