BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	**Audit Committee**
Report of:	**Acting Assistant Director, Audit & Risk Management**
Date of Meeting:	**15th March 2016**
Subject:	**Corporate Risk Register Update**

Wards Affected:	**All**

1. Purpose of Report

1.1 To update the Audit Committee with information on the management of risks and issues within the Corporate Risk Register (CRR) (Appendix A). The information in Appendix A has been compiled using updates received from directorates.

1.2 This report also includes the updated Risk Management Policy, Strategy and Methodology documents for the Audit Committee's review at Appendices B, C and D respectively.

2. Recommendations

2.1 That the Audit Committee review the information provided by directorates and decide if the risk ratings are reasonable, if action being taken is effective, or if further explanation / information is required. The level of risk has remained static for most risks, but one has increased and five have reduced:

Increased:

- Risk 2015/16.22 - Lack of capacity and capability to respond to the threat of industrial action, employee relations tensions, etc. due to organisational downsizing.

Reduced:

- Risk 2015/16.04 - Risk of enforcement action and fines of up to £500,000 by the Information Commissioner's Office (ICO) for failure to comply with the 40 day timescale for responding to Subject Access Requests.
- Risk 2015/16.07 - Not responding fully and effectively to the issues from recent reviews concerning school governance and related matters.
- Risk 2015/16.10a - Resolution of contractual issues in the Highway Maintenance and Management PFI contract.

- Risk 2015/16.20 - Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement.
- Risk 2015/16.29 - Risk of Court deciding against the Council regarding the Homeless Service.

2.2 That the Audit Committee approves the deletion of two risks:

- 2015/16.10a. This is because a commercial settlement signed on 18th December 2015, has resolved a number of contractual issues regarding the Highway Maintenance and Management PFI Contract.
- 2015/16.29. The High Court dismissed the four applications for Judicial Review.

2.3 That the Audit Committee approves the merging of risks 2015/16.02 & 2015/16.09, and rewording of risks 2015/16.03 and 2015/16.23.

2.4 That the Audit Committee approves the proposed changes regarding risk leads / owners.

2.5 That the Audit Committee considers if any new risks, further re-wordings or deletions should be included in the CRR.

2.6 That the Audit Committee considers if it requires further information on the management of any of the risks included in the CRR.

2.7 That the Audit Committee notes that where risks have been subject to overview and scrutiny reviews this has been recorded within the CRR.

2.8 That the Audit Committee approves the revised Risk Management Policy, Strategy and Methodology documents.

3. Background Information

3.1 Members have a key role within the risk management process.

3.2 The Audit Committee terms of reference, sets out its responsibilities and in relation to risk management these are:
- providing independent assurance to the Council on the effectiveness of the risk management framework and the associated control environment,
- whether there is an appropriate culture of risk management and related control throughout the Council,
- to review and advise the Executive on the embedding and maintenance of an effective system of corporate governance including internal control and risk management; and
- to give an assurance to the Council that there is a sufficient and systematic review of the corporate governance, internal control and risk management arrangements within the Council.

4. Corporate Risk Register Update

4.1 The CRR is aligned to the corporate objectives of the Council and identifies the key risks to be managed at a corporate level.

4.2 The CRR focuses on the cross-cutting corporate issues.

4.3 A Lead Director has been identified for each risk. Directorates have provided information detailing the management of the risks within their service areas as at January 2016.

4.4 The CRR is attached as Appendix A.

5. Embedding Risk Management

5.1 Presentations, training and facilitated workshops are provided by Birmingham Audit on request to help embed risk management across the Council and in working with our partners. The current main route to provide risk management awareness is the e-learning package for managers, accessed via the internet.

5.2 Information on the Council's approach to risk management is available via the BCC website - these are public documents for staff, external partners and anyone else to see. Additional information is attached to the risk management page on InLine, to support staff in using risk management in their day to day role. Advice, support and guidance are provided by Birmingham Audit as requested.

5.3 Service managers are also asked about their risk management arrangements as part of routine audit work. In addition the mandatory Public Sector Internal Audit Standards include a requirement with regard to risk management.

5.4 Risk management is also covered within the Annual Governance Statement.

6. Legal and Resource Implications

6.1 The work carried out is within approved budgets.

7. Risk Management & Equality Impact Assessment Issues

7.1 Risk management forms an important part of the internal control framework within the Council.

7.2 The Council's risk management strategy has been Equality Impact Assessed and was found to have no adverse impacts.

8. Compliance Issues

8.1 Decisions are consistent with relevant Council Policies, Plans and Strategies.

9.   Recommendations

9.1 That the Audit Committee review the information provided by directorates and decide if they agree that the risk ratings are reasonable, if action being taken is effective, or if further explanation / information is required.

9.2 That the Audit Committee approves the risk rating changes, and deletion of risks 2015/16.10a and 2015/16.29.

9.4 That the Audit Committee approves the merging, re-wording, and leads / owner changes.

9.4 That the Audit Committee considers if any new risks, further re-wordings or deletions should be included in the CRR.

9.5 That the Audit Committee considers if it requires further information on the management of any of the risks included in the CRR.

9.6 That the Audit Committee approves the revisions to the Council's Risk Management Policy, Strategy and Methodology documents at Appendices B, C and D respectively.

…………………………………..
Acting Assistant Director, Audit & Risk Management

Contact officer: Cynthia Carran, Principal Business Auditor
Telephone No: 303 2104
e-mail address: cynthia.carran@birmingham.gov.uk

Current / Residual risk (i.e. inherent risk mitigated by controls/actions in place):

Likelihood:

High			**10b, 22**	**1, 2, 3**
Significant		**16, 17, 18,**	**30**	**5, 6**
Medium		**19, 21**	**13, 14, 15**	**7, 11, 12, 29**
Low		**4, 20**	**10a, 23, 24**	
	Low	Medium	Significant	High

Impact

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low cost control improvements sought if possible

Measures of likelihood:

Description	Example Detail Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.
Medium	Possible, might occur at some time. 20% - 50% chance.
Low	Unlikely, but could occur at some time. Less than 20% chance.

Measures of impact:

Description	Example Detail Description
High	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate / improve performance missed / wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Major impact on costs and objectives. Substantial opportunity to innovate / improve performance missed / wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Waste of time and resources. Good opportunity to innovate / improve performance missed / wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Minor loss, delay, inconvenience or interruption. Opportunity to innovate / make minor improvements to performance missed / wasted. Short to medium term effect.

Index by Risk / Issue Number

Revised No.	Prev No.	Short Description of Risk / Issue	Page
2015/16.01	1c	Defend and / or settle post 2008 equal pay claims	11
2015/16.02 Risks merged	23 / 61	Not responding fully and effectively to the improvement agenda for Children - improving children's safeguarding and social care	11
2015/16.03 Risk reworded	14b / 50	Failure to identify alternative funding stream for school PFI contracts revenue pressure impacting on availability of maintenance funding for essential management of the LA schools estate	13
2015/16.04 Risk reduced	59	Risk of enforcement action and fines by the ICO for failure to comply with the 40 day timescale for responding to SARs	31
2015/16.05	1a	Defend and / or settle pre 2008 equal pay claims	14
2015/16.06	1b	Further equal pay claims	14
2015/16.07 Risk reduced	57	Not responding fully and effectively to the issues from recent reviews concerning school governance and related matters	17
2015/16.09 Risk merged with 2015/16.02	61	Not responding fully and effectively to the improvement agenda for Children	N/A
2015/16.10 Part (a) - risk reduced & nominated for deletion	46	Resolution of contractual issues in the Highway Maintenance and Management PFI contract, and failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case	15
2015/16.11	N/A	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget)	19
2015/16.12	45	Loss of personal or sensitive data	20
2015/16.13	2	Failure to comply with the Equality Act 2010 and the Public Sector Equality Duty	21
2015/16.14	28	On-going reduction in government grants resulting in a shortfall in resources and avoid legal challenge	23
2015/16.15	52	Insufficient in-house IT expertise within Directorates & Inadequate or ineffective corporate control of non-core IT spend	24
2015/16.16	32	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery	25
2015/16.17	42	Web services may be disrupted by malicious attacks on Council's web based services	25
2015/16.18	55	Ineffective Corporate Risk Marker IT solution	27
2015/16.19	37	Evaluation of cost & benefits of different service delivery options & failure to fully implement the decisions made to change policy / service delivery	27
2015/16.20 Risk reduced	41	Delivery of the Localisation Agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement	32
2015/16.21	44	Unpaid allowances	29
2015/16.22 Risk increased	30	Employee relations, performance issues, sickness absence levels etc.	16
2015/16.23 Risk reworded	35	IT refresh / update	29
2015/16.24	54	Risk of fines from HRMC for Directorates employing long term consultants	31
2015/16.29 Risk reduced and nominated for deletion	N/A	Risk of Court deciding against the Council regarding the Homeless Service	21
2015/16.30	N/A	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme	17

Corporate Risk Register Update for Audit Committee March 2016

Key: CO - Corporate Objective. AFC - A fair city: where people are safe, healthy and not living in poverty. APC - A prosperous city: where businesses flourish, where people have education and training, and where unemployment is low. ADC - A democratic city: where people have more say in local decision-making.

				INDEX OF RISKS / ISSUES (in order of severity of risk)							
Ranking	New Ref No.	Old Ref No.	C. O.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact March 2016	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
								Nov 2015	July 2015	Mar 2015	
1	1	1c	APC	Defend and settle post 2008 equal pay claims.	Strategic Director, Finance &Legal	**Actual: H/H** **Target: H/H**	Same	H/H	H/H	H/H	11
2	2	23 & 61	AFC	Not responding fully and effectively to the improvement agenda for children - Failure to improve children's safeguarding and children's social care.	Strategic Director, People Directorate	**Actual: H/H** **Target: M/H**	Same	H/H	H/H	H/H	11
3	3	14b / 50	APC	Failure to identify alternative funding stream for school PFI contracts revenue pressure, impacting on availability for essential management of the LA schools estate.	Strategic Director, Finance &Legal	**Actual: H/H** **Target: M/S**	Same	H/H	H/H	H/H	13
4	5	1a	APC	Defend and settle pre 2008 equal pay claims.	Strategic Director, Finance &Legal	**Actual: S/H** **Target: L/H**	Same	S/H	S/H	S/H	14
5	6	1b	APC	Further equal pay claims.	Strategic Director, Finance &Legal	**Actual: S/H** **Target: M/H**	Same	S/H	S/H	S/H	14
6	10	46	APC	a) Resolution of contractual issues in the Highway Maintenance and Management PFI contract. b) Failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case.	Strategic Director, Economy	**Actual: H/S (Relates to part (b) only)** **Target: L/S**	Part Reduced	H/S	H/S	M/S	15
7	22	30	APC	Lack of capacity and capability to respond to employee relations tensions, poor service, performance issues, sickness absence levels and poor morale due to organisational downsizing and pay freezes.	Strategic Director, Change & Support Services	**Actual: H/S** **Target: L/M**	Increased	M/S	L/S	L/S	16

APPENDIX A

Corporate Risk Register Update for Audit Committee March 2016

INDEX OF RISKS / ISSUES (in order of severity of risk)

Ranking	New Ref No.	Old Ref No.	C. O.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact March 2016	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
								Nov 2015	July 2015	Mar 2015	
8	30	N/A	AFC	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.	Strategic Director, People Directorate	**Actual: S/S** **Target: M/S**	Same	**S/S**	**N/A**	**N/A**	17
9	7	57	AFC	Not responding fully and effectively to the issues from recent reviews concerning school governance and related matters.	Strategic Director, People Directorate	**Actual: M/H** **Target L/H**	Reduced	**S/H**	**S/H**	**S/H**	17
10	11	N/A	APC	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget).	Chief Executive	**Actual: M/H** **Target: L/H**	Same	**M/H**	**M/H**	**N/A**	19
11	12	45	APC	The loss of significant personal or other sensitive data.	Strategic Director, Major Projects	**Actual: M/H** **Target: L/H**	Same	**M/H**	**M/H**	**M/H**	20
12	29	N/A	AFC	Risk of Court deciding against the Council regarding the Homeless Service.	Strategic Director, People Directorate	**Actual: M/H** **Target: M/H**	Reduced	**H/H**	**N/A**	**N/A**	21
13	13	2	ADC	Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.	Strategic Director, Place Directorate	**Actual: M/S** **Target: M/S**	Same	**M/S**	**M/S**	**M/S**	21
14	14	28	APC	On-going reduction in government grants resulting in a shortfall in resources and avoid legal challenge.	Strategic Director, Finance & Legal	**Actual: M/S** **Target: L/L**	Same	**M/S**	**M/S**	**M/S**	23
15	15	52	APC	Insufficient in-house IT expertise within Directorates and inadequate or ineffective corporate control of non-core IT spending.	Strategic Director, Change & Support Services	**Actual: M/S** **Target: L/S**	Same	**M/S**	**M/S**	**M/S**	24
16	16	32	APC	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery.	Strategic Director, Major Projects	**Actual: S/M** **Target: M/L**	Same	**S/M**	**S/M**	**S/M**	25

Corporate Risk Register Update for Audit Committee March 2016

Ranking	New Ref No.	Old Ref No.	C. O.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact March 2016	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
				INDEX OF RISKS / ISSUES (in order of severity of risk)				Nov 2015	July 2015	Mar 2015	
17	17	42	A P C	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.	Strategic Director, Change & Support Services	**Actual: S/M** **Target: L/M**	Same	**S/M**	**S/M**	**S/M**	25
18	18	55	A F C	Ineffective Corporate Risk Marker IT solution.	Strategic Director, Change & Support Services	**Actual: S/M** **Target: L/M**	Same	**S/M**	**S/M**	**S/M**	27
19	19	37	A P C	Failure to adequately evaluate the costs and benefits of different service delivery options. Failure to fully implement the decisions made to change policy and service delivery.	Strategic Director, Change & Support Services	**Actual: M/M** **Target: M/M**	Same	**M/M**	**S/M**	**M/S**	27
20	21	44	A P C	Unpaid allowances / contractual overtime payments / equality of flex time agreements.	Strategic Director, Change & Support Services	**Actual: M/M** **Target: M/M**	Same	**M/M**	**M/M**	**M/M**	29
21	23	35	A P C	IT Refresh / update.	Strategic Director Change & Support Services	**Actual: L/S** **Target: L/S**	Same	**L/S**	**L/S**	**M/S**	29
22	24	54	A P C	Risk of fines from HMRC for Directorates employing long–term consultants.	Strategic Director Change & Support Services	**Actual: L/S** **Target: L/M**	Same	**L/S**	**L/S**	**L/S**	31
24	4	59	A P C	Risk of enforcement action and fines by the ICO for failure to comply with the 40 day timescale for responding to SARs.	Strategic Director, Major Projects	**Actual: L/M** **Target: L/L**	Reduced	**H/H**	**H/H**	**H/H**	31

Corporate Risk Register Update for Audit Committee March 2016

				INDEX OF RISKS / ISSUES (in order of severity of risk)							
Ranking	New Ref No.	Old Ref No.	C. O.	Short Description	Lead Director	Actual Risk rating and Target rating Likelihood / Impact March 2016	Change in residual risk	Actual risk level in previous 3 updates to Audit Committee			Page No.
								Nov 2015	July 2015	Mar 2015	
25	20	41	A D C	Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement.	Strategic Director, Place Directorate	**Actual: L/M** **Target: L/M**	Reduced	**M/M**	**M/M**	**M/M**	32

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.01	1c	Failure to successfully defend and / or settle post 2008 equal pay claims. (Risk) Lead: Strategic Director, Finance & Legal Owner: Kate Charlton	High / High	**Lead Director comment** A significant number of claims have been issued. A proportion of these have already been settled or are in the process of settlement. A growing proportion are now progressing through the tribunal and civil court process. No win / no fee solicitors are still canvassing for claimants. The validity of claims is constantly challenged by Legal Services. Each claim is subject to robust legal challenge. Settlement of claims is subject to financial provision and establishing validity of claims.	**Target risk rating:** High / High **Anticipated date of attainment of the target risk rating:** October 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - regular separate reporting to Corporate Governance Group, EMCB and the Audit Committee. External & internal audit review.	The subject of equal pay claims has been discussed at meetings of the Corporate Resources O&S Committee and former Governance, Resources and Customer Services, but only in general terms during items relating to the Council's budget and Annual Audit Letter.
2015/16.02	23	Not responding fully and effectively to the improvement agenda for Children - Failure to improve children's safeguarding and children's social care. (Risk) Lead: Strategic Director, People Directorate Owner: Alastair Gibbons Risks 2015/16.02 & 2015/16.09 merged	High / High	**Lead Director comment** Lord Warner concluded his work at the end of May 2015. A 2-year refreshed improvement plan has been agreed by Cabinet and includes practice improvement, recruitment and retention, commissioning and partnership working. It reflects a new vision and purpose for Children's Services and focuses on how we will support workers to deliver more direct social work with families, to bring about positive change for children. The DfE have agreed that Essex will be our improvement partner and a plan of activities has been agreed. The first phase of the Essex work involved a diagnostic self-assessment of assessment teams leading to plans for improvement. In early 2016 this will be repeated for safeguarding teams. The Chief Social Worker has been appointed, and with Principal Social Workers for each of the areas and MASH, is reviewing and driving practice improvement underpinned by a new Quality Assurance Framework.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** April 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance, Peer review, Ofsted visits, Scrutiny Committee monitoring, Monitoring Board, and Children's Commissioner. Bi-weekly Quartet Board Meetings (Children's Improvement Programme Board). The refreshed improvement plan, with the necessary investment is being delivered. There is still much to do, (for example, about the capacity of HR corporate resources, a credible recruitment and retention strategy and effectiveness of the Safeguarding Board) to ensure the quality of practice and its timeliness. To that end a proposed future operating model is currently being discussed with partners, and we are	Education & Vulnerable Children O&S Committee: • Completed the Scrutiny Inquiry: Children Missing from Home and Care (presented to Council in Jan 2016). Also discussed children missing from education and the safeguarding issues at the Jan 2016 meeting. • Discussed the Children's Social Care and Safeguarding Improvement Plan at the June 2015 meeting. Members

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				We have also recruited a dedicated Head of Service for the Independent Reviewing Service, linked to a much more effective Quality Assurance Framework and a more robust 'Safety Net' for children across the city. The appointment of the Executive Director for Children Social Care also helps mitigate this risk. The Children's Service is now fully staffed. A new Commissioner for Children's Care has been appointed. He will work with the Council to oversee continued implementation of the improvement plan, already agreed with the DfE. Cabinet approved a years 2 and 3 improvement strategy on 20 April 2015. There is now greater clarity on resources and priorities going forward. BCC will be inspected by Ofsted in the Spring, and while the service overall has improved, this risk rating should remain in place until post inspection. An Improvement Plan until April 2017, with necessary investment is in place and is being delivered.	investigating the replacement of the CareFirst case system so that practitioners are freed up to undertake direct social work practice.	had an informal meeting in October 2015 to discuss the improvement plan in more detail. • Held meetings with the Exec Director for Children's Services, Chief Social Worker, adoption and fostering team and visits to 2 children's homes.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.03	50 & 14b	Failure to identify alternative funding stream for school PFI contracts revenue pressure, impacting on availability of maintenance funding for essential management of the LA schools estate. Lead: Strategic Director, Finance & Legal Owner: Mike Jones Risk reworded	High / High	**Lead Director comment** Major review of PFI contract management arrangements underway following Local Partnerships pilot project. External consultants are engaged and a Lead Officer allocated to fully explore all opportunities to reduce PFI costs. Proposals are being brought forward and while the project more than pays for itself, there are limited opportunities to impact on the major £6m annual affordability gap. The savings proposal, being implemented to meet the current PFI affordability gap from within the funds available to invest in the maintenance of the estate, has not yet impacted on the funding available for emergency repairs. However, there are significant risks of funding shortfall into 2017/18, due to the diminishing annual maintenance grant funds available, particularly as more schools convert to academy status. The High / High risk rating relates to the PFI affordability gap and subsequent impact on availability of funding to address backlog maintenance across the schools' estate. The opportunities to reduce the PFI costs are limited, and this therefore remains a high risk in terms of management of the education infrastructure and potential impact of asset failure. There is a very substantial Schools Capital Programme in delivery that includes basic need and planned maintenance programmes, with further emergency maintenance projects emerging regularly. Mitigations include: • Schools capital maintenance programme is successfully levering school spend on essential repairs and maintenance through a dual funding strategy. • Dedicated resource is focusing on maximum savings against current PFI contracts although opportunities are limited.	**Target risk rating**: Medium / Significant **Anticipated date of review/attainment of the target risk rating:** September 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Management reporting to Strategic Director Finance & Legal on PFI savings. Oversight and monitoring of temporary school closures due to asset failure.	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				• Lean review of Acivico has potential to reduce overheads associated with planned maintenance programme, releasing those funds for investment into the schools stock. • Options for alternative revenue funding stream for the PFI affordability gap are being explored.		
2015/16.05	1a	Failure to successfully defend and / or settle pre 2008 equal pay claims. (Issue) Lead: Strategic Director, Finance & Legal Owner: Kate Charlton	Significant / High	**Lead Director comment** In 2010, the Tribunal determined that the Council had no defence to pre 2008 equal pay claims (Barker v Birmingham City Council). C12,000 early claims without the involvement of solicitors have been settled including a further cohort as part of settlement agreements reached in 2011 and 2013. Claims issued since January 2015 are now out of time and are not valid claims. The Council is succeeding in striking out these out of time claims. The validity of claims is constantly challenged by Legal Services. Each claim before any offer to settle is made is subject to robust legal challenge. Any offer of settlement is subject to available financial resources.	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** Ongoing. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review.	See risk 2015/16.01 above.
2015/16.06	1b	Risk of further equal pay claims. (Risk) Lead: Strategic Director, Finance & Legal Owner: Kate Charlton	Significant / High	**Lead Director comment** Claimant solicitors are continually 'fishing' for further equal pay liability by issuing further equal pay claims in addition to those referred to in risks 01and 05. The validity of these type of claims is, and will be subject to robust legal challenge. At the moment, there is no determination as to liability or attainment as to target risk due to the nature of the challenge.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** Not known at current date. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reporting to Corporate Governance Group, Audit Committee, external & internal audit review.	See risk 2015/16.01 above.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.09	61	Risk that BCC is not able to respond to the improvement agenda for Children's. (Risk) Merged with risk 2015/16.02		**Lead Director comment** See risk 2015/16.02 above.	See risk 2015/16.02 above.	See risk 2015/16.02 above.
2015/16.10	46	a. Failure to resolve performance, contractual and commercial matters in the Highway Maintenance and Management PFI contract. Lead: Strategic Director, Economy Owner: Paul O'Day Risk (a) reduced & nominated for deletion b. Failure to obtain the full extent of Core Investment Period deliverables in accordance with the business case for the Highway Maintenance and Management PFI contract. Lead: Strategic Director, Economy Owner: Paul O'Day	Low / Significant High / Significant	**Lead Director comment** A commercial settlement has resolved a number of contractual issues with Amey Birmingham Highways Limited (ABHL) regarding the Highway Maintenance and Management PFI Contract. The settlement was signed on 18th December 2015. **Lead Director comment** The Council has sought to resolve the issue informally but this has not been possible. The Council referred this matter for adjudication under the contractual Dispute Resolution procedure, the outcome of which was advised favourably to the Council's case in July 2015. The outcome has now been referred to court by the Service Provider.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** N/A. **Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** A trial date in February 2016 has been confirmed. **Source(s) of assurance regarding progress with mitigating the risk:** External legal advice and representation has been engaged.	The chair of the Corporate Resources O&S Committee, together with the two opposition leads, received an informal briefing from Highways officers in September 2015 regarding the Amey Contract.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.22	30	Lack of capacity and capability to respond to threat of industrial action, employee relations tensions, poor service, performance issues, sickness absence levels and poor morale due to organisational downsizing and pay freezes. (Issue & Risk) Lead: Strategic Director, Change & Support Services Owner: Dawn Hewins Risk increased	High / Significant	**Lead Director comment** The budget proposals for 16/17 and 17/18 include making savings of circa £30m from workforce costs. In addition there will be continuing headcount reductions of over 1,000. We are also reviewing our organisational operating model, organisational structure and the roles & responsibilities of employees. This is a significant and challenging change agenda that will have an impact on the Council's workforce, including support staff in the 170 schools within the City still under the employment of the Council. In this context the likelihood of some form of industrial action is probable. There are business continuity plans in place in readiness for industrial action and they have been effective in reducing the impact of action on service users. Particular areas of risk such as Fleet and Waste management have well progressed contingency plans. Effective workforce planning is required along with clear transition plans from existing to new models. Facilitated sessions will be required with Directorates to develop the workforce strategy and approaches and to provide quality assurance around achievability.	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating:** Ongoing. **Source(s) of assurance regarding progress with mitigating the risk:** The Council's workforce strategy is currently in development. This includes; strategic workforce planning aligned to scale and impact of proposed change, robust management of organisational redesign to foresee and manage risks around workload volumes, development and retention of core skills, specialist knowledge, morale and staff engagement. There will be a focussed plan to ensure employees have an opportunity to shape and influence proposals and increase understanding as to why these measures are necessary. HR working with each Directorate on contingency plans.	The Corporate Resources O&S Committee received an update from the Deputy Leader and senior HR officers at its October 2015 committee meeting. In the 2013/14 municipal year, the former Governance, Resources and Customer Services O&S Committee requested the Employment and Human Resources Committee to undertake an inquiry on Performance and Development Reviews. Members received a progress report at their November 2014 meeting and had further discussions with the Chief Exec on this topic at their February 2015 meeting.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.30	N/A	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme. (Risk) Lead: Strategic Director, People Directorate Owner: Alan Lotinga	Significant / Significant	**Lead Director comment** The Younger Peoples Re-Provision programme is focused on maximising people's independence and moving them to less restrictive accommodation, which has encountered opposition from carers who do not want people to move. There has also been opposition from providers. Legal Services involved in high risk cases. Proposed new team to script and roll out the offer - job descriptions have been written and JQ'd adverts placed in January. Detailed work has taken place re-profiling the target and working with a consultancy Group (Impower). The three year target has been revisited and the remaining 28 million profiled over a five year period in line with Future Council proposals and the Adult Transformation programme. If Future Council proposals proceed then PEPSG will be reviewed.	**Target risk rating:** Medium / Significant **Anticipated date of attainment of the target risk rating:** Ongoing - review end of May 2016. **Source(s) of assurance regarding progress with mitigating the risk:** The Care & Housing Allocation Panel is in operation, and receives all information regarding placement moves. Commissioning are contributing and discussion is taking place regarding the market. The appointment of a Lead Officer, Commissioning has helped. The Personalisation, Empowerment & Placement Strategic Group (PEPSG) has been formed, which has been informed by a 'peer review' led by the Director of Public Health. The work-streams are reporting into PEPSG and Councillor Hamilton now attends on a regular basis.	None.
2015/16.07	57	Failure to respond fully and effectively to the issues from recent reviews concerning school governance and related matters. (Risk) Lead: Strategic Director, People Directorate Owner: Colin Diamond Risk reduced	Medium / High	**Lead Director comment** Sir Mike Tomlinson was appointed as Commissioner to oversee a programme of improvement and his time in Birmingham has been extended to March 2016. Improvement is being driven by the Leader, Cabinet Member, Chief Executive and Strategic Director. The City Council and DfE agreed to the appointment of Colin Diamond, Deputy Commissioner, to the interim post of Executive Director Education, from April 2015. The Education and Schools Strategy Improvement Plan agreed in December 2014 builds on a number of pieces of work including the Clarke and Kershaw reports triggered by	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** September 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance obtained through the usual systems, and checked by the Cabinet Member. There will also be verification through key channels - the Unions, meetings with Heads and Governors etc. Oversight of the Action Plan and checks on implementation.	School governance with regard to safeguarding issues was discussed at the June 2015 meeting of the Education & Vulnerable Children O&S Committee and the informal meeting held in October 2015. Members have been involved in the LGA Peer Review. The Peer Review Findings were due to be discussed at the February 2016

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				Trojan Horse, along with transformation already underway in SEND and Education Services. Progress has been made on a number of issues (for example: a revised recruitment process for LA governors; guidance to schools on the Nolan principles of good governance; improved take up of safeguarding training; a new whistleblowing policy implemented from January 2015; improved communications). The Council commissioned Birmingham Education Partnership to deliver school improvement support and challenge functions from September 2015. An Education Improvement Group comprising BCC, DfE, Regional Schools Commissioner and Ofsted meets monthly to share information on schools causing concern. Systematic school surveys are in place to inform the work of the local authority. Work on civic leadership and community cohesion is being developed given the need to tackle the causal factors underlying Trojan Horse and has been included in the plan as Theme 12. This will complement the city leadership approach to be established in the light of the Kerslake review. A week long peer review, by the LGA in November 2015, confirmed evidence of progress, particularly on safeguarding & governance, and improved relationships with schools but with more to do. By the end of November 2015, the existing plan progress was 91% overall. A new Education Improvement Plan will be drafted for early 2016. This will cover the next phase of improvement. An operating model for the Local Authority's education function is also being designed and consulted on.	Monitor Key Indicators - for example, the extent to which Head Teachers feel complaints / concerns are identified and responded to. Assurance via the Commissioner is an external check.	committee meeting. Governance and related matters were also picked up in the previous Scrutiny Inquiry on Child Sexual Exploitation (presented to Council in December 2014) and the recommendations are currently being tracked.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.11	N/A	Not responding fully and effectively to the recommendations made in the Kerslake Report and implementing the Future Council Programme (including setting a medium / long term balanced budget). (Risk) Lead: Chief Executive Owner: Gillian Connolly / Steve Powell	Medium / High	**Lead Director comment** The following key activities have been undertaken: Implementation of the Future Council Programme (of which Kerslake is an important sub-set): • Each of the sub programmes has a project plan, risk register and functioning governance arrangements in the form of a sub programme board. In addition they have a group of 'Link Members' who provide guidance and challenge from a member perspective. All current and future activity is being recorded within the project management tool - Verto, which is currently being re-specified to potentially generate a more useful system. The current reporting arrangements are a combination of Verto and Microsoft to make sure that there aren't any gaps in the reporting arrangements. • Programme management has been strengthened. A new programme manager has been appointed along with a programme planner, and there is one overall milestone plan for the programme. • The Programme Board has been reviewed / reconstituted, and includes the senior responsible officers (SROs) for each of the sub programmes. The Board meets weekly and agendas include coverage on key risks as part of the 'highlights report' presented by the Programme Manager. • Risks and issues are being debated / mitigated at each sub programme level, and escalated to the Programme Board if mitigation is not possible at that level. • The Future Council Programme budget has been identified and is being supplemented with funding from	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** Ongoing - review April 2017. **Source(s) of assurance regarding progress with mitigating the risk:** Planned activities to further mitigate this risk: • Ongoing reporting on progress to the Birmingham Independent Improvement Panel until they finish in March 2016. • That the budget is approved. • That the organisation remains focused on the delivery of the final Kerslake actions regardless of whether the BIIP is still in place or not.	A Future Council Working Group was set up in July 2015 to facilitate cross-party overview of, and engagement with, the FC Programme. The group includes the five O&S chairs. The Corporate Resources O&S Committee received an update on the FC Programme at its September 2015 meeting. The former Governance, Resources and Customer Services O&S Committee continue to oversee the development of the programme and this was discussed at its April 2015 meeting. There is a Member Development Prog in place and the Corporate Resources O&S Committee received an update on the work completed to date at its July 2015 meeting. A further update will be brought to that committee in the near future.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				the Department for Communities and Local Government. This means that funding is secure for at least the next two years, and additional capacity can be sought to strengthen our work and ensure that implementation is swifter. For example: additional resource to implement the ideas coming from the 'Demand' work. • The Kerslake actions are a sub set of the programme and delivery is being monitored on a monthly basis. Monitoring of the Kerslake actions demonstrates significant delivery. As well as being monitored internally, the report is shared with the Birmingham Independent Improvement Panel every month. For the small number of Kerslake actions that are not on track, effort is being made to mitigate that and progress change at pace. • The proposed budget includes a number of new ideas that were generated from the work undertaken about demand management in the summer of 2015. The budget development process has allowed for the approval of a medium-term balanced budget, which will create the financial environment needed to undertake the change necessary to deliver the revenue savings required.		
2015/16.12	45	That the loss of significant personal or other sensitive data may put the City Council in breach of its statutory responsibilities and incur a fine of up to £500,000 from the Information Commissioner. (Risk) Lead: Strategic Directorate, Major Projects Owner: Malkiat Thiarai	Medium / High	**Lead Director comment** Current controls based on encryption of data on mobile devices or copied to removable media; and programme of staff education and training. Breach management processes have been established with clear lines of responsibility to the Senior Information Risk Owner, and the Monitoring Officer. Known data breaches are discussed at the Breach Management Panel and reports and recommendations are presented to the Monitoring Officer for consideration to notify the Information Commissioner's Office.	**Target risk rating:** Low / High **Anticipated date of attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance via reports to Breach Management Panel. Further controls on assuring that suppliers and partners impose similar controls on City Council data in their possession.	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
					A new secure email solution, Egress, is in the process of being implemented and is expected to be available to all staff by March 2016. New IG training modules are in the final draft stage of development and are anticipated to be available to staff in April 2016.	
2015/16.29	N/A	Risk of Court deciding against the Council regarding the Homeless Service. (Risk) Lead: Strategic Director, People Directorate Owner: Alan Lotinga Risk reduced and nominated for deletion	Medium / High	**Lead Director comment** The Homeless Service was subject to a Judicial Review. On the 8th February 2016 the High Court dismissed the four applications for Judicial Review challenging our scheme for assistance under Pt 7, Housing Act 1996, in which it was alleged that Birmingham City Council were guilty of systemic failure in dealing with applications under Pt 7, which amounted to gate-keeping. The Court found that there was no evidence to support such a claim.	**Target risk rating:** Medium / High **Anticipated date of attainment of the target risk rating:** End February 2016. **Source(s) of assurance regarding progress with mitigating the risk:** We have identified some concerns regarding the service and these have been changed in line with legal advice.	The Health and Social Care O&S Committee completed the Scrutiny Inquiry: Homeless Health (presented to Council in July 2015), which focused on the health and housing needs of single homeless people.
2015/16.13	2	Failure to comply with all of the requirements of the Equality Act (2010) and the Public Sector Equality Duty. (Risk) Lead: Strategic Director, Place Directorate Owner: Mashuq Ally	Medium / Significant	**Lead Director comment** Legal challenge can delay implementation of change and significantly delay or reduce the planned savings to be achieved this may also have a detrimental impact on other services. It is important therefore, that Equality Assessments (EAs) are carried out robustly across BCC regarding all initiatives and service delivery changes. The responsibility for ensuring that EAs for all major policy / budget changes lies with the Directorates. Legal Services are advising on high risk EAs. Following consultation with Legal Services and Directorate Equality Leads, the Equality Analysis Toolkit was developed to improve the guidance information to staff. If followed, this guidance should help improve the content and standard of EAs submitted for approval.	**Target risk rating:** Medium / Significant **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** • Corporate Governance is in place to manage this risk effectively and close monitoring by ECS&CS and Legal Services will continue in order to address any issues which may arise. • Corporate Consultation undertaken on savings proposals. • Unique EA reference will be tracked and reported against individual Corporate Savings Proposals. • Corporate Steering Group to oversee	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				The Equality Analysis Toolkit is available to Directorates to undertake EAs for all new Policies and Procedures. Advice and support on completion of the EA is provided from the Equalities, Community Safety and Cohesion Service (ECS&CS) and Legal Services. Guidance on undertaking consultation has been updated and is available on Inline and this is now aligned with the EA process. Over 700 staff ranging from GR5 through to JNC have been trained on the EA Toolkit and on undertaking an EA and this training continues to be available. Corporate consultation and EAs have been undertaken on all relevant corporate savings. Directorates will continue to undertake consultation and EAs for individual initiatives where appropriate. This process is overseen by the Directorate Equality Champions. A robust approach exists for savings proposals. Corporate Consultation, EAs and all associated consultation are aligned, with emphasis on feedback from the protected groups. All EAs and consultation are tracked corporately. A cross directorate steering group chaired by the Service Lead for Equalities, Community Safety and Cohesion has been tasked to oversee compliance to this agenda. The Service Lead for Equalities, Community Safety and Cohesion provides regular update on progress with the EAs to the Corporate Governance Team.	compliance. • Initial RAG assessment of savings proposals to be undertaken. • Legal advice sought on high risk initiatives. • Process of Legal sign off on Cabinet Reports. Management assurance. In addition to current guidance and information, the development and use of the online Equality Analysis Toolkit will help mitigate against managers undertaking inadequate EAs. The toolkit provides a step by step process and on line guidance to completing an EA and developing an action plan. The online toolkit provides an overview of all EAs undertaken on the system. Project managers are encouraged to take legal advice on high risk initiatives.	

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.14	28	Not planning appropriately for the on-going reduction in government grants resulting in a shortfall in resources, and avoid legal challenge. (Risk) Lead: Lead: Strategic Director, Finance & Legal Owner: Steve Powell	Medium / Significant	**Lead Director comment** Projections of resources are updated on a regular basis in the light of announcements made by the Government. This is assisted by liaison with the DCLG, LGA, IFS and other authorities to ensure that up-to-date intelligence is used. Formal corporate consultation took place in December 2015 / early January 2016 on medium-term budget plans. These set out a four year financial strategy, including proposals to balance the budget in both 2016/17 and 2017/18. This will be complemented by directorate consultation with stakeholders as appropriate. Budget proposals will be approved at the City Council meeting on 1 March 2016. Proposals are subject to the necessary Equality Analysis, and consideration of mitigations. There has been an increased focus on planning for the delivery of the savings programme, with the production of implementation plans and the identification of both additional support and programme management resources. Monitoring of the necessary management actions for delivery commenced in January 2016. The savings programme continues to be monitored through the savings trackers and the Star Chamber meetings convened by the Deputy Leader, and reported in the monthly revenue budget monitoring reports to Cabinet.	**Target risk rating:** Low / Low **Anticipated date of attainment of the target risk rating:** March 2018. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance as detailed in Lead Director comments also an Internal Audit review.	The subject of reduction in government grants has arisen in general terms at the Corporate Resources O&S Committee in discussions with the Leader and Deputy Leader regarding the budget.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.15	52	Inadequate or ineffective corporate control of non-core IT spend as a result of insufficient in-house IT expertise within Directorates to ensure software / systems changes are adequately specified, that their implementation is adequately managed and that changes are adequately coordinated across the organisation to maximise the benefit to the Council. (Issue) Lead: Strategic Director, Change & Support Services Owner: Nigel Kletz	Medium / Significant	**Lead Director comment** The review of Service Birmingham (SB) has emphasised that SB has an expert role and a duty to BCC to fulfil this role. This includes ensuring BCC making the right choices of software / systems and avoiding duplication of spending. New governance processes are in place to manage the ICT contract and particularly directorate spend, and further additional changes are planned. An ICT Improvement Programme is in place and is reported to the ICT Programme Board Chaired by the Deputy Leader. All spend over £200k will be approved at this Board. A seven year plan for changes to the management and governance of ICT is in place (subject to review and consultation). A critical friend has been appointed to provide the Council with advice and guidance on a range of ICT matters to support the ICT improvement programme and to support the 7 year plans actions. An interim Enterprise Architect has been appointed to support the Councils FCP and will lead on the development of the ICT Strategy. The original Future Operating Model has been delayed whilst more consideration is given to the impact of the Future Council Programme (FCP). However, two additional posts will be recruited by the end of November 2015. These posts have been JEQ, but have been temporarily delayed to ensure they support the FCP and emerging ISS model.	**Target risk rating:** Low / Significant **Anticipated date of attainment of the target risk rating:** June 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Governance structure in place and planned actions.	Completed the Scrutiny Inquiry 'Refreshing the Partnership: Service Birmingham' (presented to Council in June 2015). A progress report on implementation of the recommendations is programmed for the April meeting of the Corporate Resources O&S Committee.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.16	32	Risk of not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery; driving out property for disposal, but beyond capital receipt generation, ultimately solutions should deliver radical reductions in future revenue operating costs. (Risk) Lead: Strategic Director, Major Projects Owner: Peter Jones	Significant / Medium	**Lead Director comment** Risk mitigated by: • The Future Council Programme and proposals put out to public consultation, have the potential to drive commitment to property rationalisation, as part of the contributions to future years cost reductions. • LoCAL Programme - property information has been provided, a programme formed and a series of outline business cases produced. • Our Corporate Landlord Service has cleared, decommissioned and sold Tamebridge House. Accommodation changes across Directorates are being dealt with including freeing up of space to accommodate Call Centre and Service Birmingham staff to be relocated from B1 in 2016. • Continued development of the corporate property database (Techforge) - information and systems development continues to progress as planned and the additional functionality is being applied in the management of repairs and maintenance costs, etc.	**Target risk rating:** Medium / Low **Anticipated date of attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance as detailed in Lead Director comment.	None.
2015/16.17	42	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services. (Risk). Lead: Strategic Director, Change & Support Services Owner: Nigel Kletz	Significant / Medium	**Lead Director comment** Service Birmingham on behalf of the Council: • Have updated the Councils firewalls and introduced Intrusion Prevention Services (IPS) as part of the firewall implementation. This means that the firewalls are receiving regular updates from the supplier to detect new and evolving types of security attack. The firewalls detect and defeat many thousands of attacks every day. • Have implemented a cloud based Distributed Denial of Service (DDoS) system that defends four of the Council's main websites from high volume attacks where hackers are trying to flood the council's websites with requests for service. This service regularly defends	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating:** Ongoing - this risk can only ever be mitigated, and never fully closed due to the nature of hacking etc. **Source(s) of assurance regarding progress with mitigating the risk:** • The Council are now transmitting sensitive data securely through the PSN secure infrastructure together with the improvements / enhancements made to the firewalls. • Service Birmingham, on behalf of the Council,	Referenced in the Scrutiny Inquiry 'Refreshing the Partnership: Service Birmingham' (presented to Council in June 2015).

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				the Councils web sites from attackers. • Continuously scan the information security landscape with their partners to detect upcoming and new vulnerabilities which could be exploited by potential hackers. • Have implemented the PSN walled garden which has enhanced the security of all users accessing web based government systems. PSN services have been remodelled and are currently being monitored to ensure secure transmission. The Council has retained its PSN certification until April 2016. The management of cyber risks within BCC will form part of the security strategy and responsibilities clearly defined. The ICF will ensure that the cyber risk investment strategy is aligned to, and supports strategic priorities. There is improved reporting of cyber risks and security incidents which will be presented to the Corporate Information Security Group (CISG) bi-monthly. This will ensure BCC are fully aware of potential regulatory & legal exposures and can assess the implications for future investment decisions. An annual security statement will also be developed. The annual health check has been carried out and the result are being analysed by SB and BCC, overall the ICT security environment has improved. The health check identified some areas that need resolution. Where these are reliant on BCC decision, application owners were contacted w/c 18th January 2016.	are constantly monitoring the information security landscape with solution providers to detect upcoming and new vulnerabilities which could be exploited by potential hackers. • Given the nature of this risk these activities are now being kept under constant review.	

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.18	55	Ineffective Corporate Risk Marker IT solution. (Issue) Lead: Strategic Director, Change & Support Services Owner: Chris Gibbs	Significant / Medium	**Lead Director comment** The CRM (Corporate Risk Marker) solution went live in May 2013. There are a number of technical issues which have yet to be resolved including data not being shared as required. Further, the designed solution when working will only partially deliver the benefits sought. Consequently, the risk of not sharing information in respect of violence from residents has yet to be adequately mitigated. There is a further risk that there may be a perception that the CRM risks have been fully mitigated with the closure of the CRM project, when this is not the case. It is evident that the technical solution will not be delivered in the foreseeable future. Given this, a paper is being written for consideration at EMCB, including re-visiting the risk assessment to determine the requirement for a corporate risk marker solution, and identify appropriate solutions to mitigate the revised requirements.	**Target risk rating:** Low / Medium **Anticipated date of attainment of the target risk rating:** June 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance. On-going liaison regarding technical fixes to be made. Monitoring the use of the IT system by Corporate Safety Services. Continued use of existing (previous) systems by service providers. An alternative solution is now being scoped.	None.
2015/16.19	37	Failure to adequately identify the costs and benefits of different service delivery options arising from Service Reviews to enable them to be fully and accurately modelled and ensure they are feasible and the changes proposed can be delivered, before the decision to move forward is made.(Risk) Failure to fully implement the decisions taken to change BCC policy and service delivery to enable delivery of expected	Medium / Medium	**Lead Director comment** Any alternative delivery model must demonstrate some benefit and better value for the Council. There needs to be the early identification of all costs and benefits as part of the formulation and evaluation of options in the consideration of the business case. The ADs of Finance will provide support on key projects based on their area of expertise. Those developing new service delivery options need to evaluate the full circumstances on a case-by-case basis, seeking proper advice where necessary, in order to identify the implications of the change in service delivery model. This will include assessing what will be left behind in BCC (e.g.	**Target risk rating:** Medium / Medium **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance - reports to EMCB, notes and actions from Corporate Commissioning Board agenda. Dialogue with directorate lead commissioners. Finance to be involved in commissioning reviews. Additional resources to support commissioning have been recruited (internally) to support the commissioning approach.	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
		benefits / efficiency gains. (Risk) Lead: Strategic Director, Change & Support Services Owner: Nigel Kletz		fixed overheads, income targets etc.) as well as ensuring that all of the costs and income of the new model are taken into account - including those which are not applicable to a local authority model of delivery (e.g. taxation), together with some sensitivity and risk analysis. This needs to be done before any commitments are given. The need to evaluate the full circumstances for each delivery option requires a proportionality to it, and due regard for the need for calculated assumptions in order to avoid over-engineering financial modelling based on projected costs. The risk to the transferred service is the possible future loss of the Council as a customer and the risk to the Council is the loss of services provided to the transferred service as a customer, if the transferred service obtains these same services from another provider. These risks need to be managed by the corporate commissioning hub with peer reviews undertaken by Thematic Centres of Excellence and approval via Cabinet.	Commissioning Toolkit in place. Risk will be managed on a case by case basis through proper use of the Toolkit, and through reviews supported by the Assistant Directors of Finance. A checklist developed by AD Finance (Strategy) will continue to be used to ensure proper evaluation and appraisal of decision making reports. Corporate Commissioning Board will provide the governance for new commissioning strategies. CPS believes that given the challenges encountered in supporting alternative delivery models, and the innovative approaches required, the risk remains at Medium / Medium (target met). Only when we have examples of alternative delivery models being successfully implemented should this risk be removed. Mitigations detailed above are now in place with commissioning checklists to CCB ensuring that appropriate resources are in place to manage risk in implementing alternative service delivery models.	

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.21	44	Unpaid allowances / contractual overtime payments / equality of flex time agreements. (Risk) Lead: Strategic Director, Change & Support Services Owner: Dawn Hewins	Medium / Medium	**Lead Director comment** Whilst significant work has been undertaken to achieve harmonisation of terms and conditions there remains a small number of risks that are currently being addressed. The bulk of unpaid allowances claims have now either been successfully defended or settled. Any remaining claims are being considered and managed by Legal Services on a case by case basis. There also remains the potential of excessive use of overtime across the Council; this could potentially create equal pay risks. The Council ceased the use of all regular overtime with effect from 1st April 2014. Employees have potentially 6 years within which to make claims.	**Target risk rating:** Medium / Medium **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance. All new claims for allowances are being assessed on their merits and defended wherever practical. Use of overtime is being monitored on a monthly basis, with Strategic Directors taking responsibility for addressing any areas of concern.	None.
2015/16.23	35	Current information technology equipment not being refreshed / up dated to maximise use and obtain full benefit from utilising technology. (Risk) Lead: : Strategic Director, Change & Support Services Owner: Nigel Kletz Risk reworded to delete reference to Windows 7.	Low / Significant	**Lead Director comment** Cabinet agreed in May 2013 that the ICT desktop refresh should be managed centrally as part of the Windows 7 migration project. The reasons for centralisation included; ensuring BCCs desktop estate remains fit for purpose and capable of running supported software operating systems, maintaining the integrity and security of Councils network and ensuring compliance with BCCs five year refresh strategy. The advantages of a centrally controlled programme of desktop refresh include; reducing the requirement for Service Birmingham (SB) refresh projects, providing business areas with an opportunity to update asset management records and ensure best usage of their assets, introducing the potential to reduce contractual charges from SB by better management of the ICT estate. Proactively reviewing future business needs and specifying hardware requirements.	**Target risk rating:** Medium / Medium **Anticipated date of attainment of the target risk rating:** Attained. **Source(s) of assurance regarding progress with mitigating the risk:** BCC achieved Public Services Network Certification to 29 April 2016. Any potential risk has been considerably reduced by decommissioning Windows XP devices on the BCC network. A few hundred public network Windows XP devices remain on the BCC estate. However, these are disabled from the BCC network and undergoing a phased replacement as part of the ongoing BAU desktop refresh process. The IT Helpline database has been locked-down to prevent ad hoc purchases outside of the desktop	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
				A planned programme of desktop refresh also supports BCC's agility agenda, and enables future financial planning, as payment for desktop refresh is via prudential borrowing rechargeable to directorates over a period of 5 years. In February 2015 Cabinet approval for the 2015/16 programme of refresh was granted. In May 2015 the corporately managed desktop refresh programme, managed by the ICF team & carried out by SB commenced. Partnership working is required to ensure the desktop refresh programme is successful. SB need to consistently achieve the agreed minimum of 120 replacements per month and directorates need to provide their future ICT business requirements to the ICF on a quarterly basis. These risks are being managed by the ICF via monthly meetings with SB and directorate PICTOG groups. From May 2015 to December 2015 SB achieved refresh for 760 desktop devices, with a further 228 replacements for directorates scheduled between January and March 2016, bringing the total achieved for 2015/16 to 988 devices. This shortfall is due to a May start date for the programme and will be addressed by rolling over the shortfall to the 2016/17 programme.	refresh programme. To cover exceptional circumstances users can complete a business case form and send it to the ICF Service Review mailbox for review, approval, rejection. There is now a defined BAU exceptions process. The only exception to this is when the request is for non-standard ICT devices. Non-standard requests will continue to follow the non-standard process. This has been agreed with SB.	

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.24	54	Risk of fines from HRMC for Directorates employing long term consultants. (Risk) Lead: : Strategic Director, Change & Support Services Owner: Nigel Kletz	Low / Significant	**Lead Director comment:** Where a council appointed Managed Service Company (MSC) fails HMRC tests on employment status, there are potential fines related to tax and National Insurance avoidance. A new process and gateway for the engagement of off payroll 'Individuals' was approved by EMCB on 13th August 2013. In effect there are two gates, one within the Agency Gateway Team and the other within Corporate Procurement Services (CPS) and the Helpdesk, therefore the potential for officers to engage an individual incorrectly has been greatly reduced which in turn ensures compliance. Staff appear to be bypassing the gateway process that was established, exposing the City to the same risk as before. Alternative means of identifying non-compliance need to be established and more effective controls introduced.	**Target risk rating**: Low / Medium **Anticipated date of attainment of the target risk rating:** 30th June 2016. **Source(s) of assurance regarding progress with mitigating the risk:** The new process has been widely publicised to all Directorates and is available on People Solutions as well as Voyager. It has been embedded in to the procedures within Payroll and CPS. In addition CPS are in the process of arranging information events for officers to attend in order to gain further advice, guidance and support in order to minimise the Council's exposure to risk. Following a restructure within HR the engagement process is to be reviewed with changes implemented by the end of quarter two 2016.	None.
2015/16.04	59	Risk of enforcement action and fines of up to £500,000 by the Information Commissioner's Office (ICO) for failure to comply with the 40 day timescale for responding to Subject Access Requests (SARs). (Risk) Lead: Strategic Director, Major Projects Owners: Alastair Gibbons, Adrian Phillips & Dawn Hewins Risk reduced	Low / Medium	**Lead Director comment** The ICO wrote to BCC in December 2014 re an issue with timely responses to SARs. An action plan has subsequently been submitted / accepted by the ICO, and monthly reporting to the ICO will continue until April 2016.	**Target risk rating**: Low / Low **Anticipated date of review/attainment of the target risk rating:** April 2016. **Source(s) of assurance regarding progress with mitigating the risk:** Management assurance from HR and Children's Services.	None.

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Prev Ref No.	Description - risk / issue	Current level of risk: L / I	Current actions / Comments	Long term aim for the risk - including actions, timescales and target risk rating	Overview & Scrutiny Review / Work
2015/16.20	41	Failure to deliver the Council's localisation agenda and commitments made in the Council's Improvement Plan and Leaders Policy Statement. (Risk) Lead: Strategic Director, Place Directorate Owner: Lesley Ariss Risk reduced	Low / Medium	**Lead Director comment** The Improvement Panel have assessed progress in relation to the specific prescriptions made on localisation through the independent Lord Kerslake report and commitments made against this in the Council's Improvement Plan in September 2015 and January 2016. The feedback from this has been positive. In particular all direct recommendations have been actioned including the transfer of delegations away from district committees and the delineation of a new role for district committees. Services are now accountable to cabinet portfolios and management, and service redesigns are operating as "business as usual" through delegations to officers within the Place Directorate. The new remit for district committees around neighbourhood challenge and community planning has been embedded effectively. Policy guidance for this was agreed by cabinet in July and development undertaken with members in five sessions over July to October, with delivery of outcomes currently live within 2016/17. Delivery against this is performance managed through the Future Council Local Leadership sub programme board meeting fortnightly.	**Target risk rating**: Low / Medium **Anticipated date of attainment of the target risk rating**: Attained. **Source(s) of assurance regarding progress with mitigating the risk**: Management assurance as detailed in Lead Director comment - Scrutiny Report in January 2013, bi-monthly reports on progress of the secondary work streams. Ongoing review of risk through the Future Council political governance sub programme.	The Corporate Resources O&S Committee is undertaking a piece of work around district and ward arrangements and will be gathering evidence at its February committee meeting. This includes a review of arrangements put in place in May 2015 and options for the future development of devolution.

Corporate Risk Register Update for Audit Committee March 2016

Removed Risks:

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
13	Succeed economically	Failure to progress with delivering against the Birmingham Prospectus.	Risk flagged for deletion by Development & Culture Directorate, this risk should now be picked up at the Directorate level due both to the progress of individual projects and the engagement which is now in place with public and private sector partners.	November 2008
10	Achieving excellence	Property Utilisation of Central Admin Buildings – failure to take full advantage of the opportunities arising from the Working for the Future (WFTF) Business Transformation Programme.	Merged with risk 3 regarding WFTF cross portfolio buildings, at request of Business Transformation Steering Group.	July 2008
7	Achieving excellence	Reduction in non-core budgets e.g. Working Neighbourhoods Fund Comprehensive Spending Review, grant regimes etc.	Risk flagged for deletion by Corporate Director of Resources. Will remain on Directorate Risk Register.	July 2008
19	Achieving excellence	Failure to deliver on the Executive Management Team's (EMT's) key supporting outcomes.	Risk flagged for deletion by Effectively Managed Corporate Business group – EMT's key supporting outcomes were identified in June 07 and are fully embedded within the Directorate Business Plans and monitoring of the Performance Plan. It is a duplication to have this as an issue in the Corporate Risk Register.	January 2008
22	Achieving excellence	Failure to meet the code of connection for Government Connect.	Risk flagged for deletion by the Corporate Director of Resources. Will be managed via ICF Risk Register.	March 2010
8	Succeed economically	Failure to co-ordinate / control all of BCC's Accountable Body roles and responsibilities.	This has improved and will continue to be monitored via the Resources risk register.	July 2010
14a	Succeed economically	Failure to progress the Highways Public Finance Initiative (PFI).	The PFI contract was signed on 7 May 2010.	July 2010
15	Achieving excellence	Failure to achieve the efficiencies agreed in the budget round and plan for the efficiencies necessary for the next two years.	This has been incorporated into risk 28.	July 2010
16	Achieving excellence	Lack of compliance with and appropriateness of, corporate people management policies & procedures and national regulations.	The policies & procedures have been updated on People Solutions with the Excellence in People Management system, and compliance with them is covered in risk 18.	July 2010

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
17	Achieving excellence	Failure to act on the sustainability agenda.	This has been included by Directorates as business as usual now. It will continue to be monitored via the Development risk register.	July 2010
21	Succeed economically	Adverse impact of the economic downturn.	This has been included by Directorates as business as usual now. It will continue to be monitored via Directorate and Department risk registers.	July 2010
3	Succeed economically	Failure to progress the Cross portfolio elements of the Working For The Future (WFTF) programme.	This has been flagged for deletion by the Corporate Director of Resources as progress is being made on this and where there are problems with buildings this is covered in new risk 32 added November 2010.	November 2010
1c	Achieving excellence	Failure to implement the pay and grading review for **all** non-schools staff.	The pay and grading structure for has now been fully implemented and this is no longer a risk.	March 2011
6a	Achieving excellence	Failure to adopt the new working practices implemented through the EPM programme which in turn will impact on benefit delivery.	The new working practices have become business as usual. Benefits delivery is being monitored as part of risk 4.	March 2011
6b	Achieving excellence	Failure to achieve the IT infrastructure which allows all employees to access information electronically.	A full business case is being developed to achieve this. This is no longer a corporate risk and will be monitored through the Corporate Resources Directorate risk register.	March 2011
24	Achieving excellence	Failure to manage pay progression effectively.	The pay progression framework has been applied to Council managed staff and is no longer a risk. The pay progression issue regarding schools staff is covered in risk 1a and will also be monitored through CYP&F Directorate risk register.	March 2011
12	Make a contribution	Failure to engage and inform communities around the Council's approach to improving community cohesion.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and it has been delegated to the Strategic Directorate of Corporate Resources' risk register for continued management.	July 2011
18	Achieving excellence	Failure to implement recommendations made to improve internal control in the External Audit Annual Letter and by Internal Audit to help prevent fraud and error.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and the risk has been delegated to each Directorate to continue to manage.	July 2011
29	Achieving excellence	Failure to achieve progress against local priorities as stated in the Sustainable Community Strategy.	Strategic Director of Corporate Resources considers this is no longer a corporate issue and the risk has been delegated to each Directorate to continue to manage.	July 2011

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
27	Succeed economically	Failure to put in place action plans and strategies to fully mitigate the effects of reductions in area based grants.	Merged with risk 28 "Need to meet the massive spending reductions over the three years from 2011/12" at request of Strategic Director of Corporate Resources.	December 2011
11	Enjoy a High Quality of Life	Failure to deliver Achieving Excellence with Communities.	The target risk level has been met. Cabinet Committee Achieving Excellence with Communities receives progress reports. The risk has been delegated to Homes and Neighbourhoods directorate to manage.	March 2012
33	Succeed Economically	Failure to adapt to Climate Change.	The target risk level has been exceeded and long term planning has now been put in place. This risk will continue to be managed by directorates.	March 2012
9	Public Service Excellence	Need for capacity to react promptly to and manage the significant workforce changes occurring.	The level of risk has reduced to the target level.	July 2012
31	Public Service Excellence	HRA Finance Reforms.	This is no longer a risk - the funding has been agreed and is included in the 2012/13 budgets.	July 2012
34	Enjoy a High Quality of Life	Independent Care Sector Fees.	The target level of risk has been attained. The risk will continue to be monitored by the Adults & Communities Directorate.	July 2012
38	Public Service Excellence	Failure to maintain infrastructure assets including responsibilities regarding protected listed buildings.	Merged with risk 32 and changed to: Shortage of capital and failure to take appropriate long term decisions to manage the property asset portfolio (by disposals and reinvestment of capital in the residual estate); including responsibilities regarding protected listed buildings, leading to escalating costs.	November 2012
39	Public Service Excellence	Shortfall in resources compared to projections from 2013/14 onwards as a result of the new system of local retention of business rates.	Merged with risk 28 and changed to: Need to plan appropriately for the on-going reduction in government grants resulting in a shortfall in resources compared to projections from 2013/14, particularly the significant potential reduction in resources from 2014/15, and avoid legal challenge.	November 2012
53	Public Service Excellence	Inadequate or ineffective corporate control of non-core IT spend.	Merged with risk 52 to become: Insufficient in-house IT expertise within Directorates & Inadequate or ineffective corporate control of non-core IT spend.	July 2013

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
5	Stay Safe	Safer recruitment.	Had been at target level of risk for over 12 months, will be managed locally in future.	July 2013
36	Public Service Excellence	Council Tax Rebate scheme.	The Council Tax Rebate scheme has been adopted by Full Council and was implemented with effect from 1/4/2013.	July 2013
49	Succeed Economically	Delivery of Business Charter for Social Responsibilities.	Cabinet reports and policies for Social Value: The Charter and Living Wage were approved by Cabinet in April 2013.	July 2013
43	Enjoy a High Quality of Life	Implications to BCC regarding decision making due to the provisions within the Localism Act and need to respond to community approaches under the Act.	This issue has been assessed as having met the target level of risk (Low likelihood and Medium impact) since May 2013. Corporate Resources and Development & Culture Directorates to continue to monitor locally.	November 2013
4	Public Service Excellence	Need to achieve the full benefits from the whole business transformation programme - including financial and non-financial benefits.	The risk has been fully mitigated and is assessed as being a low likelihood and low impact. The financial challenge going forward is covered within Risk 28 "On-going reduction in government grants resulting in a shortfall in resources compared to projections from 2013/14".	March 2014
1d	Public Service Excellence	Failure to successfully settle pay & grading and allowances equal pay claims.	The issues will be addressed within risks 1a - 1c & 44.	July 2014
26	Be Healthy	Failure to utilise resources well in jointly working with the NHS to reduce delayed discharges as measured by National Performance Indicator ASCOF2C.	No Birmingham hospitals are now fining the Council for delayed transfers of care activity, and Members are supportive of the progress made and sustained.	July 2014
48	Be Healthy	Delivery of new Public Health responsibilities.	All of the actions relating to the transition of Public Health have been actioned.	July 2014
20	A Prosperous City	Demonstration of benefits arising from Customer First.	All of the actions for 2014/15 are being put in place, ie: Launch of the new Housing Repairs functionality which was delayed from last year, re-design of the website, promotion of self service, improvements to online forms, etc.	November 2014

Corporate Risk Register Update for Audit Committee March 2016

Ref No.	Strategic Outcome / Corp Object	Risk description	Reason for removal	Date removed
25	A Prosperous City	Production of timely & accurate IFRS Final Accounts.	The accounts were submitted on 30th June 2014.	November 2014
51	A Prosperous City	Service Birmingham support provided to the SAP HR and payroll system.	There has been significant progress against an agreed improvement plan and the service is now significantly more stable.	November 2014
2015/16.08	A Fair City	Insufficient resources (finance & people) to agree / deliver the change programme.	Cabinet approved a report on 20th April 2015 that set out the Children's Social Care and Early Help Improvement Plan for 2016-2018, including the appropriate financial envelope for the plan.	July 2015
2015/16.25	A Prosperous City	Supply chain failure by reason of supplier withdrawal, liquidation or contract non-compliance.	Following identification of this risk, processes and procedures were developed and rolled out to key contract managers across the organisation with supply chain risk assessments being completed by suppliers. The supply chain risk assessment process is now captured as an annual activity within the supplier annual reviews and the Council's contract management toolkit.	July 2015
2015/16.26	A Prosperous City	PSN resubmission.	The Council has successfully retained PSN submission till April 2016.	July 2015
2015/16.27	A Prosperous City	Financial implications of failing to meet obligations regarding climate change and sustainability - carbon tax cost.	We have made four submissions out of four without issue (and passed an Environment Agency Audit in 2011), giving a 100% success record. The 2014/15 return is progressing normally.	July 2015
2015/16.28	A Prosperous City	Potential for disruption to council services due to the need to transition to a new Banking Services provider with effect from 1/4/2015.	The banking transfer has been successfully concluded.	July 2015

Birmingham City Council

Risk Management Policy Statement 2016

Reviewed January 2016

This document forms part of a set of policies and procedures for all levels of staff to use to manage risk. The others are:

- The Risk Management Strategy which describes the council's objectives, how these will be met, a definition of risk and the roles and responsibilities of both Members and staff regarding risk management.
- The Risk Management Methodology which describes the practical steps to be taken in managing risk.
- A detailed Risk Management Toolkit, which provides further guidance along with background information, reference material and links to other useful information.

These documents are all available on InLine at Risk Management documents and, with the exception of the Toolkit, are also posted on the Birmingham.gov website.

Our Risk Management Policy, Strategy and Methodology support the City Council's vision and priorities which are set out in the Council Business Plan and Budget 2016+. The Council has a vision for Birmingham. This is to help create a fairer, more prosperous and more democratic city.

The Council has a well established approach to managing risk. It has recognised that risk is an integral part of innovation in order to deliver the key outcomes of the Council. By managing risk proactively we can take full advantage of opportunities and better use the limited resources available.

In particular a clear understanding of the risks and opportunities arising from the changing nature of service delivery is important; partnership working with businesses, academia, the public sector and the community is increasing and more services are being 'commissioned' rather than directly provided by the Council. New types of service providers are being used, or may be used in the future, such as Trusts, Social Enterprises and Co-operatives as well as 3rd Sector organisations, to drive service improvements. There is a greater emphasis on personal choice and the safety and opportunity for all children, the provision of a great future for young people and ensuring thriving local communities. However, these changes in service delivery provide new risks and opportunities to be managed.

Council objectives relate to the whole city and indeed region. As a result they can be influenced by an enormous variety of risks and opportunities. It would be impossible to identify all of these risks and opportunities. It is therefore important to focus on high risks and getting early warning of when they become more imminent, or start to take effect, and to enable us to be in the best position possible to make the most of opportunities.

Advice has been provided to directorates through the Risk Management Strategy and Risk Management Methodology documents, and the publication of the Risk Management Toolkit. There is a regular process of risk assessment at a corporate level. This process identifies and scores key risk factors, and results in the Corporate Risk Register - a public document. This outlines the controls and plans in place to respond to the risks and opportunities identified. Transparency and accountability are key to the process.

As part of the corporate governance agenda the Council includes an Annual Governance Statement (AGS) within the Statement of Accounts. The AGS incorporates a statement on internal control, including risk management. Directors and Heads of Service are also required to produce a governance statement in relation to their Directorate / service to support the AGS.

Birmingham City Council

Risk Management Strategy
2016

Revised January 2016

This document forms part of a set of policies and procedures for all levels of staff to use to manage risk. The others are:

- A short Risk Management Policy Statement.
- The Risk Management Methodology which describes the practical steps to be taken in managing risk.
- A detailed Risk Management Toolkit, which provides further guidance along with background information, reference material and links to other useful information.

These documents are all available on InLine at Risk Management documents and, with the exception of the Toolkit, are also posted on the Birmingham.gov website.

---

1. Introduction

1.1 The need for a risk management strategy

In the current economic climate with severe pressures on funding for services and the need for greater efficiencies whilst improving services for the most vulnerable means that sound corporate governance and good decision making are paramount. Risk management is an integral part of corporate governance and can be used as a tool which can assist the council in meeting its key outcomes.

Mandatory codes of governance exist in the private sector and other parts of the public sector. The CIPFA/SOLACE document, "Corporate Governance in Local Government – A Keystone for Community Governance", which comprises a framework and guidance notes, was adopted as good practice by Cabinet in July 2002. The framework comprised of five themes, with risk management being one of them.

In July 2014 "Good Governance in the Public Sector" was issued, this describes seven core principles, one of which is "managing risks and performance through robust internal control and strong public financial management". A further update on corporate governance is contained within the revised "Delivering Good Governance in Local Government: Framework which becomes effective from 1st April 2016.

Section 9 of the Council's Financial Regulations places responsibility with all Directors for risk management (this includes identifying, evaluating, recording and managing the risks existing within their service area) and maintaining sound systems of internal control within their area of service delivery. Section 10 of Financial Regulations requires the Directors to make an annual assurance statement on risk management and internal control. These assurance statements from the Directors will form the basis of the Annual Governance Statement which is included in the Council's annual accounts.

1.2 The Council's risk management strategy's objectives are to:

- Integrate risk management into the culture of the Council.
- Manage risk in accordance with good practice.
- Anticipate and respond to changing social, economic, political, environmental, legislative and technological requirements.
- Prevent injury, damage and losses and reduce the cost of risk.
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.

1.3 These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management - making clear that everyone should take ownership for risk management.
- Incorporating risk management considerations into all levels of business planning.
- Providing opportunities for shared learning on risk management across the Council and with Partner organisations.
- Offering a framework for allocating resources to identified priority risk areas.
- Reinforcing the importance of effective risk management as part of the everyday work of employees by offering training.
- Monitoring of arrangements, at all levels, on an on-going basis by management.

Using Control Risk Self-Assessment, to provide direct management assurance that managers and staff at all levels are actively evaluating and improving the control framework, to support risk management processes is a way for managers to demonstrate their awareness of risk and that they are embedding controls and actions to manage risk and to take advantage of opportunities within their day to day role.

The Council has a three to five year business planning framework so forward looking risk management, particularly with regard to looking at the risks arising in the medium and long term to the delivery of the Council's key priorities is necessary. Risk management needs to be embedded in our commissioning and partnership arrangements as we are placing increasing reliance on a variety of new and different service delivery models and commissioning services rather than the Council delivering services directly.

Our approach to risk management, which underpins the strategy and provides a vision of what we are aiming for, is summarised below:

Risk management is not simply a compliance issue, but rather a way of viewing our operations with a significant impact on long-term viability. It is critical to success and is a focal point for senior management and Members. It helps us to demonstrate openness, integrity and accountability in all of our dealings.

The emphasis is on sound decision making - being risk aware rather than risk averse; and on taking advantage of opportunities.

1.4 The benefits of having a risk management strategy

- Risk Management will alert the Audit Committee and the Corporate Leadership Team to the main service and financial issues. This will allow early and proportionate management handling.
- It contributes to better decision making, and the process of achieving objectives. When embedded within existing planning, decision taking and option appraisal processes, risk management provides a basis for ensuring implications are thought through, the impact of other decisions, initiatives and projects are considered, and conflicts are balanced. This will influence success and improve service delivery.
- It provides assurance to Members and management on the adequacy of arrangements for the conduct of business and the use of resources. It demonstrates openness and accountability to various inspectorate bodies and stakeholders more widely. This links into the completion of assurance statements where Directors must annually certify as to the effectiveness of the governance arrangements within their service area. Risk management can inform this process as it can be used to demonstrate that senior officers are actively identifying key risks, reviewing the appropriateness and effectiveness of key controls against these risks, and are able to highlight areas of significant control weakness.
- It leads to greater risk awareness and better management of risk, which should mean fewer incidents and other control failures.

These are not all intangible benefits. By identifying risks earlier, by making sure processes are not over engineered and are fit for purpose, and achieving a behavioural shift, risk management will produce a cultural change that will pay for itself many times over.
It is vital that we continue to develop the use of risk management in our dealings with third parties such as through partnerships, contracts, major procurements, and other service

delivery models such as Social Enterprises, Cooperatives, Trusts and Wholly Owned Companies. While these areas contain significant risks for the Council, they also have the potential to provide significant benefits if well managed. The use of risk management to mitigate risks while also exploring opportunities is key to ensuring that these working arrangements contribute positively to service delivery.

The long term aim is for risk management to be carried out at all levels of the organisation with each level feeding up to the next level to ensure that operational risks are not missed, and that strategic risks can be fed down to operational areas, as appropriate, to contribute to their mitigation.

Diagrams showing our approach to risk management are attached at Appendices 1 and 2.

2. The strategy

The strategy sets out:

- a definition of risk and what is meant by risk management
- roles and responsibilities of Members, Officers and reporting lines
- action that needs to be taken

The strategy will be subject to annual review to ensure that it remains up-to-date and continues to reflect the Council's approach to risk management.

2.1 Definitions

Risk can be defined as:

An event / series of events happening or action(s) taken that will prevent the Council from achieving its planned objectives, in part or in full. A risk can also be the failure to take advantage of opportunities to optimise the Council achieving its planned objectives.

A simple view of what risk management is trying to do is:

Risk management is about making the most of opportunities (making the right decisions) and about achieving objectives once those decisions are made. This is achieved through transferring risks, controlling risks and living with risks. Risk management is not just about insurance - not least because over 80% of risks faced by organisations are not insurable. Certainly risk transfer is part of risk management, but so is risk retention and control.
Source: Solace/Zurich Municipal

The roles and responsibilities of individuals and groups to implement the strategy are as follows:

- **Cabinet Members** - work with the Corporate Management Team, Assistant Directors and Heads of Service regarding the management of corporate risks / opportunities. Cabinet Members are also involved with risk management within service provision in the directorates as per their portfolio.

- **Members** - involved via Regulatory Committees, the Overview and Scrutiny process and through District Committees. Also involved in other roles such as their membership of project boards and / or accountable bodies.

- **Audit Committee** - The purpose of the Audit Committee is to support the Council's Corporate Governance responsibilities and to provide independent assurance to the Council in relation to internal control, risk management and governance.

- **Corporate Leadership Team** - Scans for new risks to the Council and the City of Birmingham. Gives a view of the medium to long term risks to the city, including assumptions in respect of government policy, financing, business change and partnership working.

- **Effectively Managed Corporate Business (EMCB) CMT** - ensures that the people, policies and resources of the Council are utilised efficiently and effectively so that the priorities / corporate objectives of the Council are delivered. The group has the delegated authority to take decisions within its areas of responsibility, which include Corporate Governance and Risk Management. EMCB CMT has the draft Corporate Risk Register update reported to it the month before it goes to the Audit Committee. EMCB CMT challenge the update information provided by directors, nominate new risks / opportunities for inclusion in the Corporate Risk Register and recommend re-wording or deletion of risks as appropriate.

- **Chief Executive** - leads on the wider corporate governance agenda of which risk management is a part. Receives assurance statements on internal control from the Strategic Directors. The Chief Executive is one of the signatories to the Annual Governance Statement (AGS) in the Council's annual accounts.

- **Assistant Chief Executive, Strategic Directors, Directors, Assistant Directors and Heads of Service** - integral to the risk management process, providing leadership for the process. Responsible for feeding key risks into the Corporate Risk Register via their directorate register or EMCB CMT. The risks to be identified include those arising from corporate initiatives, business change, major projects, cross cutting issues, the external environment – including legislative changes, partnership working and from assessing the wider implications of their directorate's service provision. There is a particular duty for the Assistant Chief Executive, Strategic Directors, Directors, Assistant Directors and Heads of Service to reduce the impact of high risks that are likely to occur. They also need to make arrangements for embedding risk management throughout their directorate, which will assist them in providing assurance to the Chief Executive each year.

- **Directorate and Service Management Teams** - carry out service risk assessment as part of business planning and internal / external reviews e.g. External Audit inspections and reviews, Equalities and Human Rights Commission inspections, Commission for Social Care Inspection, Ofsted, the results of Equality Analysis, Health & Safety Inspectorate etc., and taking account of corporate key risks. Have responsibility to put in place actions to take advantage of opportunities / reduce risks. Monitor and review the effectiveness of the actions.

- **Risk Representatives** - nominated by each directorate to assist in embedding risk management. The objectives of risk representatives include implementing a practical and workable approach to risk management within their directorate, embedding risk management into the day to day running of their directorate, the production and maintenance of an up-to-date directorate risk register and co-ordinating responses to corporate risks. They are also a point of contact to provide risk registers and risk management information from the Directorate to Birmingham Audit and receive information from Birmingham Audit with regard to risk management within their directorate.

- **Birmingham Audit** - Assistant Director, Audit and Risk Management facilitates and advises on the corporate risk management process. Develops, in conjunction with colleagues, practical approaches for implementing risk management. Birmingham Audit's internal audit teams may review and report on the directorate and corporate risk management processes and wider corporate governance agenda. Issues guidance and information.

- **All staff** - have a responsibility for identifying opportunities as well as hazards / risks in performing their day to day duties and taking appropriate action to take advantage of opportunities or limit the likelihood and impact of risks. This includes making their manager aware of opportunities or hazards / risks identified.

For this Strategy to be effective there must be commitment to implement it throughout the Council. The Members, Chief Executive, Assistant Chief Executive, Strategic Directors, Directors, Assistant Directors and Heads of Service will be able to demonstrate their commitment to risk management by identifying, profiling and prioritising corporate and cross-cutting risks.

This involvement from the top will set the tone for a cascade down the organisation. This top-down cascade will then meet the day to day operational control of risk by all involved in service delivery from the bottom-up. See the diagrams in Appendices 1 and 2 which demonstrate how risks are identified and managed within the Council.

2.2. Action that needs to be taken

- **Members** to be aware of the key risks within their portfolio services, and within any projects and or partnership working they represent the Councils interests on. Requesting sight of risk registers as appropriate, and challenging the robustness of risk assessments in Committee Reports.

- **Effectively Managed Corporate Business CMT** to receive the updated Corporate Risk Register, and review the effectiveness of actions put in place by Directors, Assistant Directors and Heads of Service to manage corporate risks, three times per annum. Nominate new risks, amendments and deletions to the Corporate Risk Register as appropriate.

- **Assistant Chief Executive / Strategic Directors / Assistant Directors / Heads of Service** to:

  - Embed risk management throughout their directorate. This includes the process of reporting or nominating risks and opportunities arising from directorate business activities and those identified by divisions and services, up to the directorate risk register.
  - Ensure that risk management has been explicitly considered in framing Business / Service Plans.
  - Review and up-date their directorate risk registers at least quarterly. Directorate registers are to include the corporate risks.
  - Feed new key risks identified and opportunities, such as from projects, partnership working and business change to the Effectively Managed Corporate Business CMT and to update their risks within the Corporate Risk Register at least three times each year.
  - Delete risks which are now longer relevant or are adequately controlled.
  - Report to Corporate Leadership Team regarding progress on their management of corporate risks.
  - Provide an annual assurance statement on risk management and internal control within their service area by 31st March each year by obtaining management assurance and utilising control risk self assessment information from their evaluation of the effectiveness of controls in place and the degree to which they have been consistently applied.

- **Senior Managers** to monitor the effectiveness of risk management actions in place. Providing assurance that systems and controls are consistently applied and are operating effectively to mitigate risk and assist in the achievement of service outcomes using control risk self assessment. Report on progress to the Director, Assistant Director, Head of Service or Directorate Management Team, as relevant, at least quarterly.
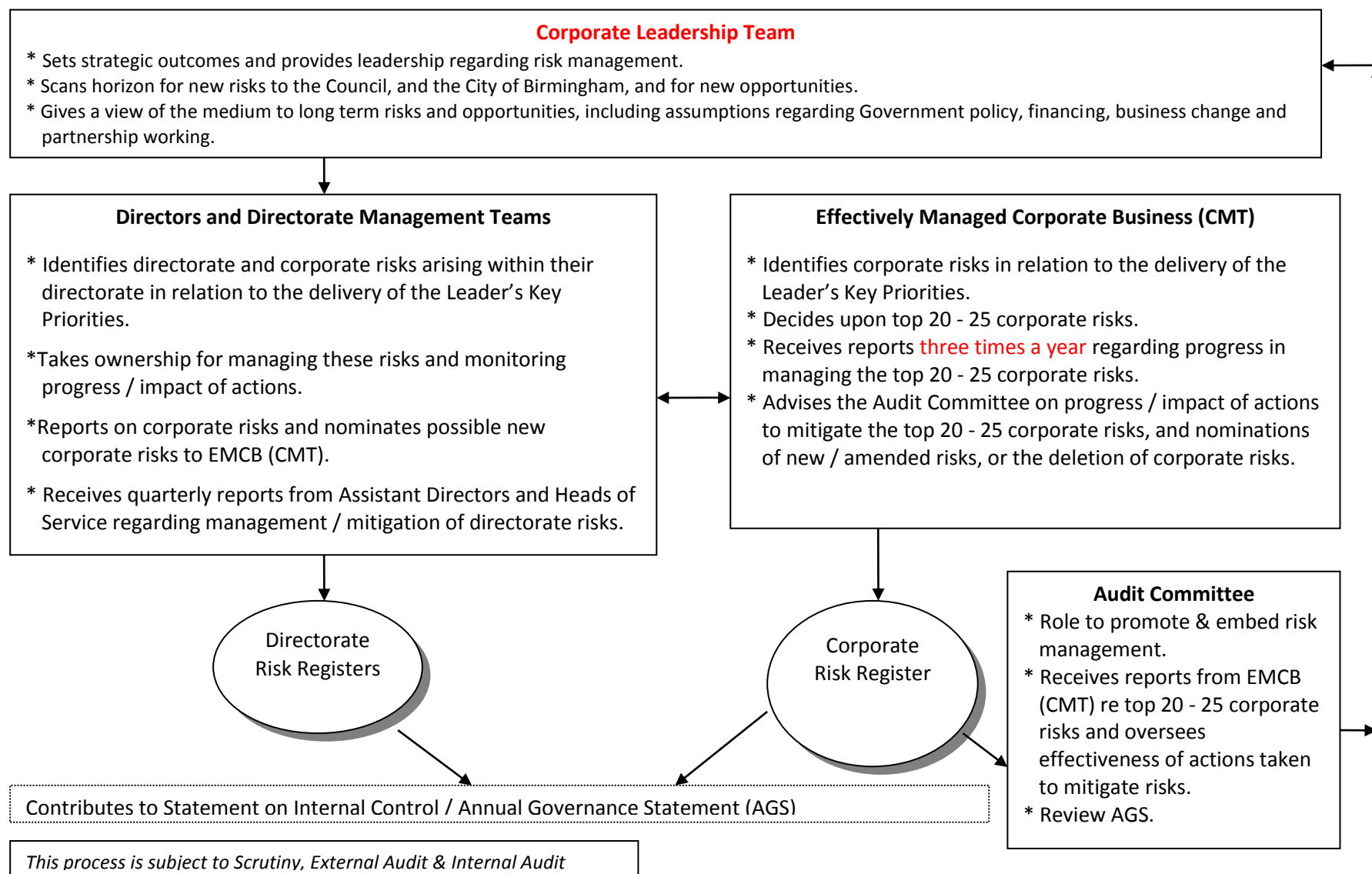
3.   Embedding risk management

Risk management is an important part of the business planning process. This will enable strategic, operational and cross cutting risks / opportunities, as well as the accumulation of risks / opportunities from a number of areas to be properly considered. The Council continues to embed the process and raise awareness of the importance of good risk management
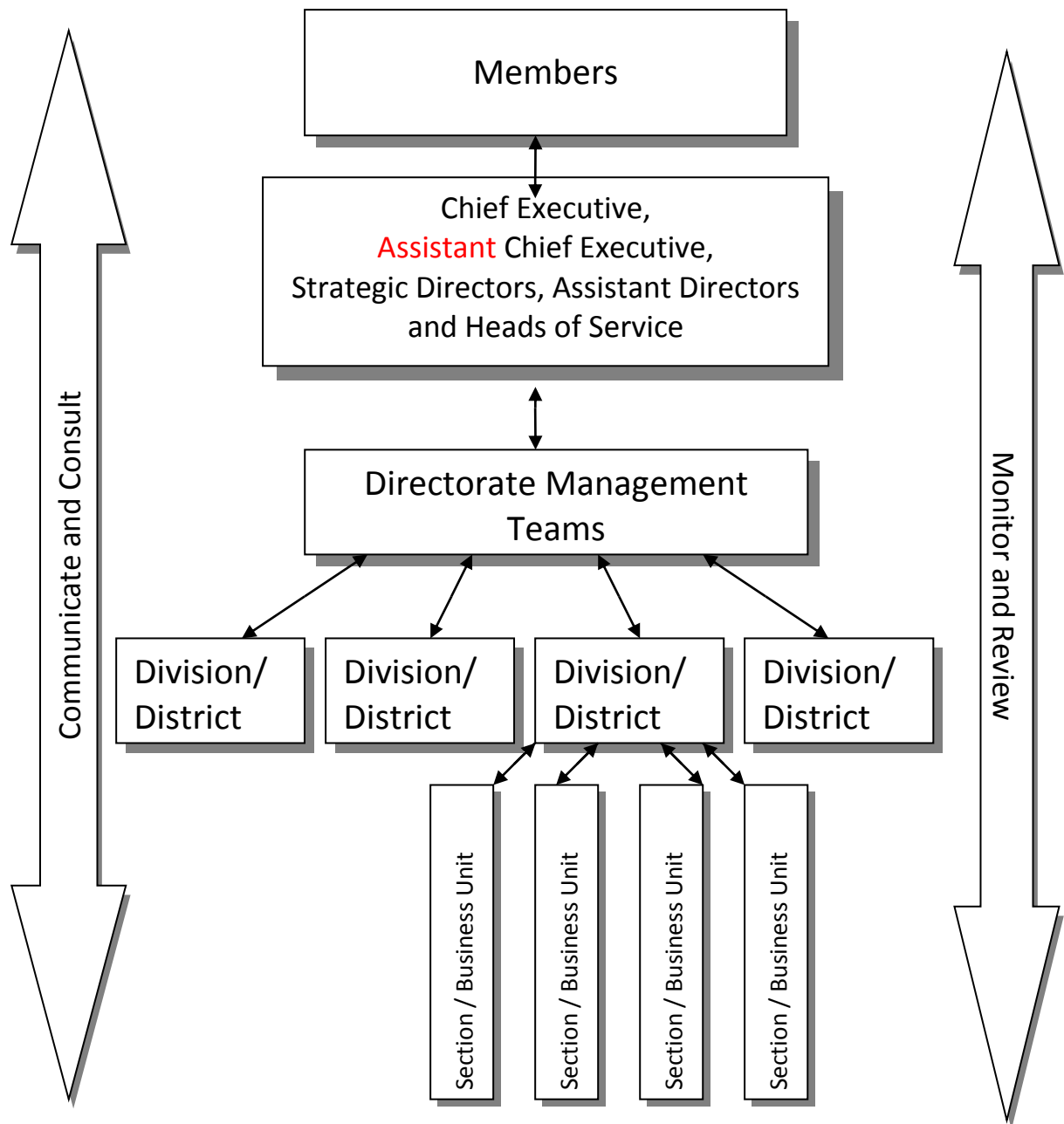
This strategy and the information contained within the appendices along with the Risk Management Policy Statement and the Risk Management Methodology provide a framework to be used by all levels of staff and Members in the implementation of risk management as an integral part of good management. The Risk Management Toolkit which provides additional information is also available to assist managers.

The milestones to be met in embedding risk management are:

Milestones	Annual target date(s)
Directorate key risks reviewed and new significant risks or opportunities fed into the Corporate Risk Register for reporting to the Audit Committee three times a year. Directorate key risks to be informed by Divisional, Service, business change and project risk registers.	Reports to Audit Committee each July, November and March
Directorates, Divisions, Services, business change and Project Leads to: ▪ clearly identify existing controls regarding the risks identified, and the degree to which they are consistently applied. Evidence of the application of controls to be maintained and cross referenced onto the Action Plans. ▪ evaluate existing controls for the degree of mitigation the controls provide and if further control is desirable. ▪ calculate the cost of improving controls to provide greater mitigation to establish if further control would be cost effective.	April 30th July 31st October 31st January 31st
Assistant Chief Executive and Strategic Directors give assurance to Chief Executive regarding internal control, including the management of key risks, within their area of service delivery.	March 31st
Assistant Chief Executive and Strategic Directors to ensure that risk / opportunity identification is intrinsically linked to service plan objectives.	During annual Business / Service planning process
Assistant Chief Executive and Strategic Directors to include performance on managing risks within performance monitoring of Business / Service Plans and in senior officer's performance contracts / plans and Personal Development Reviews.	Each year
The Annual Governance Statement signed and published in the Council's Annual Accounts.	Signed annually every June

Hierarchy of risk identification and risk management

Corporate Leadership Team

* Sets strategic outcomes and provides leadership regarding risk management.
* Scans horizon for new risks to the Council, and the City of Birmingham, and for new opportunities.
* Gives a view of the medium to long term risks and opportunities, including assumptions regarding Government policy, financing, business change and partnership working.

Directors and Directorate Management Teams

* Identifies directorate and corporate risks arising within their directorate in relation to the delivery of the Leader's Key Priorities.

*Takes ownership for managing these risks and monitoring progress / impact of actions.

*Reports on corporate risks and nominates possible new corporate risks to EMCB (CMT).

* Receives quarterly reports from Assistant Directors and Heads of Service regarding management / mitigation of directorate risks.

Effectively Managed Corporate Business (CMT)

* Identifies corporate risks in relation to the delivery of the Leader's Key Priorities.
* Decides upon top 20 - 25 corporate risks.
* Receives reports three times a year regarding progress in managing the top 20 - 25 corporate risks.
* Advises the Audit Committee on progress / impact of actions to mitigate the top 20 - 25 corporate risks, and nominations of new / amended risks, or the deletion of corporate risks.

Directorate
Risk Registers

Corporate
Risk Register

Audit Committee
* Role to promote & embed risk management.
* Receives reports from EMCB (CMT) re top 20 - 25 corporate risks and oversees effectiveness of actions taken to mitigate risks.
* Review AGS.

Contributes to Statement on Internal Control / Annual Governance Statement (AGS)

This process is subject to Scrutiny, External Audit & Internal Audit

Members

Chief Executive,
Assistant Chief Executive,
Strategic Directors, Assistant Directors
and Heads of Service

Directorate Management
Teams

Communicate and Consult

Monitor and Review

Division/ District

Division/ District

Division/ District

Division/ District

Section / Business Unit

Section / Business Unit

Section / Business Unit

Section / Business Unit

Birmingham City Council

Risk Management Methodology 2016

Reviewed January 2016

This document forms part of a set of policies and procedures for all levels of staff to use to manage risk. The others are:

- A short Risk Management Policy Statement.
- The Risk Management Strategy which describes the council's objectives, how these will be met, a definition of risk and the roles and responsibilities of both Members and staff regarding risk management.
- A detailed Risk Management Toolkit, which provides further guidance along with background information, reference material and links to other useful information.

These documents are all available on InLine, and with the exception of the Toolkit, are also posted on the Birmingham.gov website.

Introduction

This document describes the risk management methodology to be used within Birmingham City Council. There are five elements to be carried out:

- Risk / opportunity identification
- Risk / opportunity analysis
- Risk / opportunity prioritisation
- Management of risks / opportunities
- Monitoring of progress

1.   Risk / opportunity identification

This involves identifying potential opportunities and risks relating to the delivery of the Council's corporate objectives. These may arise because of the general environment in which we are operating or in relation to specific decisions being made or options being considered. All types and categories of risk should be considered at this stage.

Risk identification should be carried out using service objectives drawn from the Leader's Key Priorities (or the objectives of the project / partnership) considered against the following list of possible types of risk. This stage should be repeated regularly to ensure that new risks arising are identified and brought into the risk profile as appropriate.

Types / Categories of risk:

There are several ways of categorising risk; these are used as prompts to help people think broadly when identifying risks. More detail and examples can be found in the Risk Management Toolkit for Managers on the Policies, Standards, Procedures and Guidelines database on InLine.

Overarching risks (can be strategic risks and operational risks): Reputational, Partnership / Contractual, Legislative / Regulatory or Financial.

Strategic risk areas: Economic, Technological, Political, Social, Competitive and Environmental.

Operational risk areas: Customer / Citizen, Physical or Managerial / Professional.

2. Risk / opportunity analysis

This is the process of reviewing the risks identified so that similar risks can be grouped and classified according to the likelihood of them occurring and the impact they would have.

Measures of likelihood

Description	Example Detail Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.
Medium	Possible, might occur at some time. 20% - 50% chance.
Low	Unlikely, but could occur at some time. Less than 20% chance.

Measures of impact

Description	Example Detail Description
High	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate / improve performance missed / wasted. Huge impact on costs and / or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Major impact on costs and objectives. Substantial opportunity to innovate / improve performance missed/wasted. Serious impact on output and / or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Waste of time and resources. Good opportunity to innovate / improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Minor loss, delay, inconvenience or interruption. Opportunity to innovate / make minor improvements to performance missed / wasted. Short to medium term effect.

The descriptions are applied as follows:

- Firstly the likelihood and impact of the risks identified will need to be considered as if no controls exist - this will give the inherent risk.
- Secondly the likelihood and impact of the risks will then need to be considered based on an evaluation of the effectiveness of existing controls to give the residual risk now.
- Then there will need to be consideration of what the target risk is. This is the level of risk that you are aiming to manage the risk down to, over time.

3. Risk / opportunity prioritisation

Once the inherent risks have been classified they need to be mapped onto the matrix as shown in this example. The colours are a "traffic light" system that denotes the risk appetite of the Council. The mapping will need to be repeated to record the residual risk too as this will show how controls in place have influenced the level of risks. E.g. the inherent risk could place a risk within the red zone as a severe risk, but because controls in place are evaluated as being effective and consistently applied the residual risk could fall within the yellow (material risk) or green (tolerable risk) zone. The mapping can then be repeated to record the target risk to provide a view of how much further it is aimed to reduce the level of risk to.

LIKELIHOOD		Low	Medium	Significant	High
	High	Yellow	Red	Red	Red
	Significant	Yellow	Yellow	Red	Red
	Medium	Green	Yellow	Yellow	Yellow
	Low	Green	Green	Yellow	Yellow
		Low	Medium	Significant	High

IMPACT →

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low cost control improvements sought if possible

4. Management of risks / opportunities

This aspect of the process involves:

- setting the risk appetite, which requires a decision to be made on the degree to which risks are tolerable. This can vary from risk aversion through to risk taking, and will depend upon the nature of the service. The result of this is to set the level at which risks can be tolerated and therefore accepted. The Council's risk appetite is shown on the risk matrix by the identification of which risks are severe (red zone), material (yellow zone) and tolerable (green zone).

- assessing whether to accept / tolerate, control / treat, modify, transfer or eliminate / terminate the risk, or how to respond to the opportunity, based on the availability of resources;

- documenting the reasons for the decision taken;

- implementing the decision;

- assigning ownership to manage the risks / opportunity to specific officers; and

- the completion of an action plan - this is required for all risks identified as inherently severe and at management's discretion for the others, detailing existing controls, an assessment of their effectiveness and recording where the evidence that the controls are operating can be found. The action plan also has space to record what further controls are needed, along with who is responsible for these and to record the target risk when appropriate.

Controls are the tools that managers use to manage their services. They are the methods used by managers to assure themselves that they are achieving their business aims and service objectives, and that the service is being provided in the most efficient and effective way. The cost and robustness of existing or additional controls is a key consideration at this point and needs to be balanced against the potential consequences (reputational, financial or otherwise) if the event occurred. The cost of implementing and operating a control should not normally exceed the maximum potential benefit.

Using Control Risk Self Assessment, to provide direct management assurance that managers and staff at all levels are actively evaluating and improving the control framework, to support risk management processes is a way for managers to demonstrate their awareness of risk and that they are embedding controls and actions to manage risk and to take advantage of opportunities within their day to day role. A guide with regard to Control Risk Self-Assessment (CRSA) is posted on InLine. Risk management will also help to inform the Directorate, and Business Unit Assurance Statements that are completed each year.

Approaches to managing risks:

Accepting / tolerating risks means that you intend to manage the risk within your existing management routines. Risks should only be accepted where officers believe that the residual risk is tolerable to the service area, i.e. where they fall within the green zone of the matrix.

Controlling / treating risk means that you identify additional action(s) to be taken that will reduce the likelihood and / or impact if the event occurred. Controls can be:

- preventative, such as physically restricting access to hazardous chemicals, insisting on two signatories, ensuring segregation of duties exist within a system, implementing authorisation limits, or restricting levels of access on IT systems. These controls will help reduce risk levels from the outset. Equality Analysis is also an example of a preventative control as they help to highlight the potential risk of discrimination.

- detective, such as quality checks, alarms, exception reports, accident reports, financial reports such as budget monitoring reports, and reviewing insurance claims. These will show when something has gone wrong - perhaps a trigger event that can then alert you that the risk event is becoming more likely to occur.

- directive, such as procedure manuals, guidance notes, instructions, training. These advise on how to carry out processes safely but if they are not adhered to they will not prevent risk events occurring.

It may be however that the risk identified is outside your immediate control. In this case the action you need to take is to ensure that you have a contingency plan in place in case the risk does occur, so that you can deal effectively with the consequences.

Modifying risks means that you change the activity or the way in which it is carried out because adding control mechanisms would not help to reduce likelihood and / or impact.

Transferring risk means using an insurer or other third party to cover the cost or losses should a risk materialise. However, care needs to be taken to accurately specify the risks to be covered. Making arrangements with others such as joint working, partnerships or contracting out to provide services could also be used to transfer risks. However, other risks can arise from these arrangements and the responsibility of providing the service could remain with the Council. When transferring risks to other parties, ensure that risk registers spell out where liability and accountability lie between parties.

Eliminating / terminating risk means ceasing to carry out the activity because modifying it or controlling it would not reduce the risk to an acceptable level.

5. Monitoring progress and reviewing the risk registers

This is a key stage of the risk management process. It is necessary to monitor the action plans developed at stage 4 above and to regularly report on the progress being made in managing risks, or taking advantage of opportunities, so that the achievement of the Leader's key priorities and service objectives is maximised and losses are minimised.

In addition there needs to be an assessment of the effectiveness of risk management actions put in place to reduce the likelihood / impact of adverse risk events occurring. This needs to include consideration of the most cost-effective way to mitigate the risk and if the action taken will effectively reduce the risk to an acceptable level within a reasonable time span based on the severity of the risk. Progress needs to be reviewed and reported on regularly and alternative action will need to be taken if the initial action has proved ineffective.

Obtaining management assurance that controls are in place and are continuing to work effectively to mitigate risk is a key part of the review process. Evidence of the type of management assurance being relied upon needs to be recorded such the dates and cross references to regular reports made to senior managers or an overseeing board from the responsible officer detailing how effective the risk mitigation is proving to be in reducing the risk, another way of providing management assurance is to use Control Risk Self-Assessment. Assurance could also come from an independent assessor body such as Ofsted, External Audit, Internal Audit or from a Scrutiny review.

Reviewing risk registers to ensure they remain up-to-date and relevant should also be done.

- Previously identified risks will change over time; some may become less of a hazard, for example once all the affected staff have been trained. Others may become more likely if a key milestone is approaching, such as the end of a funding stream.
- It may become necessary to escalate a risk up a level if the situation has changed or the initial assessment has proven to be inaccurate. Conversely it may be possible to delegate a risk.
- New risks identified or opportunities arising will need to be added.
- It may be appropriate to delete risks. However, when risks are deleted from a register there should be a record of the reasons for this decision and what has happened to the risk e.g. it has been removed at a Directorate level but has been passed to a Business Unit to manage.

Monitoring progress and reviewing the risk registers should take place on at least a quarterly basis, and more frequently if there are many changes or the project is progressing rapidly. This can be done in a variety of ways, such as scheduling it as a periodic agenda item at a management meeting, arranging a separate meeting to discuss the register, or using a facilitator to run a review session.

Documenting the review of the risk register and action plans is also necessary, but need not be onerous. The fact that the review has been carried out should be minuted along with a brief report of any changes made and this should be fed up to the next level of management for information. This also provides the mechanism for escalating risks or highlighting changes that more senior management needs to be aware of.

Although the exact process used will differ between management teams, the following is an example of how officers may wish to approach the review:

- Go through the risks and opportunities listed in the register to consider whether each is:

a. Still valid.
b. If the situation has changed in the interim period regarding the mitigating actions / controls you already have in place or if it stays the same.
c. Record descriptions of any further mitigating actions that are being carried out.
d. Move any actions from the "further agreed control measures" column if they have been implemented and update this column as necessary.
e. Use the likelihood and impact definitions to determine the amended residual risk if appropriate.
f. Escalate the risk, if in the light of the review it is more serious than was first thought and requires more senior management action.
g. Delegate the risk e.g. to service level, if in the light of the review it is relevant to that particular service and can be managed at a local level.
h. Decide if any risk(s) should be deleted, and if so to minute the reason for this decision and what has happened to the risk(s).

- Identify if any new risks or opportunities have arisen, for example:

a. From an adverse event occurring either within Birmingham or another organisation.
b. By something new happening within the service, project, business unit, etc. e.g. a new partner organisation to work with, a new project starting, a new or different way of delivering services, new funding streams or grants becoming available.
c. As a result of ongoing management review, e.g. budget changes, unexpected demand for a service etc.
d. From changes in legislation.

- Use the likelihood and impact definitions to determine the inherent and residual risk associated to any new risks or opportunities, and capture the mitigating actions / controls currently in place.

6. Formats to be used

The forms to be used to record a summary of the risks identified and the action plan giving more detailed information regarding how they are being managed follow:

Directorate / Division / Project: …………………………………………   *Date produced: ……………………………..*

	Risk / opportunity information			Counter Measures		
No.	Description of Risk / Opportunity and Risk / Opportunity owner	Inherent Risk (Likelihood/ Impact)	Description of current controls / mitigation in place and date when controls were last reviewed and reported upon	Residual Risk (Likelihood/ Impact)	Further controls proposed, and date for implementation
	Risk / Opportunity owner:		Date:		Date:
	Risk / Opportunity owner:		Date:		Date:
	Risk / Opportunity owner:		Date:		Date:
	Risk / Opportunity owner:		Date:		Date:

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained/improved
Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low cost control improvements sought if possible

Objective influenced by the risk / opportunity		**Inherent Risk** Likelihood/Impact		
Risk / opportunity description		**Residual Risk** Likelihood/Impact		
		Residual risk accepted?	**Yes**	**No**
Consequences (e.g. effects on service provision, people, money, reputation etc)		If residual risk not accepted what approach has been agreed?	Transfer risk	Eliminate risk
			Control risk	Modify risk
Risk/opportunity Owner and Reference No.		**Target risk** Likelihood/Impact		

Description of current actions being taken to mitigate the risk, including the responsible officer and date when the controls were last reviewed to assess their effectiveness.	**Further agreed control measures to be applied, including responsible officer and deadline for completion.**