

## Bath & North East Somerset Council

MEETING:	Corporate Audit Committee	
MEETING DATE:	11 <sup>th</sup> February 2026	AGENDA ITEM NUMBER
TITLE:	Risk Management – Update Report – Financial Management System	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Presentation will be made at the meeting		

### 1 THE ISSUE

- 1.1 The Council's Corporate Audit Committee has responsibility within its terms of reference for overseeing the risk management framework of the Council.
- 1.2 At the meeting a presentation will be made on the proposed replacement of the Council's key financial management system giving background and context for the programme and current status.

### 2 RECOMMENDATION

- 2.1 The Corporate Audit Committee is asked to:

Note the report and receive a further update in six months on progress with regards to the implementation process of the Council's financial management system.

### 3 THE REPORT

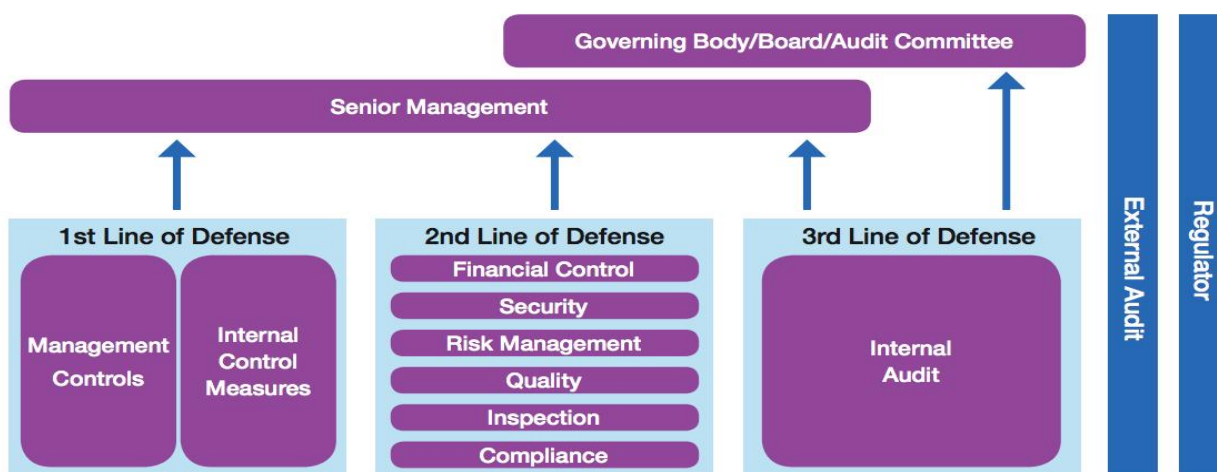
- 3.1 The Corporate Audit Committee has responsibility for overseeing the risk management framework within the Council. This does not mean accountability or responsibility for the risks which clearly sit with the respective Service area but the Committee does have a role in providing assurance that a system is in place and working.
- 3.2 As part of its ongoing review of key risks throughout the Council it was agreed the Committee would include reviews of specific themes as well as corporate risks and this meeting details an update on the proposed replacement of the Council's Financial Management System which clearly has a significant impact on financial controls and the External Audit process.
- 3.3 A detailed presentation will be given at the meeting and the remainder of the report reminds the committee on our overall risk management framework.

## **Context – Risk Management Framework**

- 3.4 Our strategy to manage risk recognises that both taking and accepting more risk is part of modern service delivery. However in accepting more risk we will do this in both a transparent and informed way to achieve the best results for citizens and customers.
- 3.5 Therefore we want to promote an approach that focusses on the effective identification and management of risks to ensure the council is focussed on minimising adverse impacts and maximising benefits within the delivery of its objectives throughout all of its services.
- 3.6 Active risk management is an integral component of our local code of corporate governance which is designed to help us achieve our aspirations, priorities and outcomes to deliver the Council's Vision. This strategy therefore expects that we focus on taking the right actions to address risks and opportunities both in a transparent way and based on evidence.



- 3.7 The framework is therefore designed to support Officers and Members in delivering on the Council's plans and operational objectives.
- 3.8 Risk Management forms the second line in the 'Three Lines of Defence Model' protecting our organisation.
- 3.9 We do this in a sensible and proportionate way to actively manage risks down the risk matrix in terms of their potential impact on the organisation.



		LIKELIHOOD				
IMPACT		Rare	Unlikely	Possible	Likely	Almost Certain
	Catastrophic					
	Major					
	Moderate					
	Minor					
	Negligible					

### Corporate Risk Register (CRR) (Appendix 1)

3.10 All risk registers are dynamic documents, currently the CRR contains 28 risks which are owned by the Corporate Management Team and 7 risks in watching brief mode. Corporate Management Team review the register formally on a quarterly basis. The CRR identifies themes, service area/ director/ officer leads and describes the risks and commentary around actions, status and mitigation. This allows regular review of the changing landscape in local government and ability to provide co-ordinated responses to major threats.

3.11 The inherent, residual and risk change are also captured along with an assessment of risk appetite and risk tolerance and structured around the following themes.

Regional Partnership Working	Resource & Budget Management
Climate Change	Transformation

Housing	Cyber Risk Management
Infrastructure	Financial Planning
Climate Emergency	Capital Programme
Transport	Safety Valve – DSG Management
Safeguarding	Health and Safety
Childrens Services Transformation	Health & Social Care Joint Working
Social Care – Various	Emergency Management
Public Health & Pandemic Planning	Social Care - Deprivation of Liberty
Corporate Governance	Avon Pension Fund

3.12 The watching brief element of the register includes outlines risks for –

- a) Commercial Income
- b) Homelessness
- c) Customer Standards & Customer Contact
- d) Capital Programme Financial Risks
- e) CRSTS Delivery
- f) Cost of Living/Inflationary Pressures
- g) Emergency Management

## **4 STATUTORY CONSIDERATIONS**

4.1 The council has statutory duties to plan and prepare for emergencies under the provisions of the Civil Contingencies Act 2004.

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 This is an information and update report so there are no direct implications arising from this report.

## **6 RISK MANAGEMENT**

- 6.1 No decision or recommendation is being made and this report details the council's approach to risk management. As a result, there are therefore no new significant risks to consider in relation to this report.

## **7 EQUALITIES**

- 7.1 An equalities impact assessment has been considered using corporate guidelines and no significant issues have been identified.

## **8 CLIMATE CHANGE**

- 8.1 There are no direct climate change implications related to this report. In terms of risk management, risks associated with the Council's roles in respect of climate change are captured at different levels, including in the CRR and other risk registers.

## **9 OTHER OPTIONS CONSIDERED**

- 9.1 This is an update report to aid assurance, no decisions or recommendations are being proposed so no other options are being considered.

## **10 CONSULTATION**

- 10.1 The report is an information and update report and has been consulted with the Council's S151 Officer.

<b>Contact person</b>	Jeff Wring – Director – Financial Services, Assurance & Pensions
<b>Background papers</b>	
<b>Please contact the report author if you need to access this report in an alternative format</b>	