

Audit Objective

To ensure the Council has a planned and systematic approach to the identification, evaluation and management risks to control the probability and/or impact of unfortunate events, or to maximise the realisation of opportunities.

Assurance Opinion



There is a generally sound system of governance, risk management and control in place. Some Issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the audited area.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	1
Priority 3	7
Total	8

Risks Reviewed

An adverse event or action occurs which negatively affects the Council's ability to achieve its objectives and to successfully execute its strategies.

Assessment

Medium

Key Findings



Framework – There is a risk management framework in place, which is currently being updated by the Risk Management Officer.

Guidelines are available which state the role and responsibilities of all officers.



Skills and Training – Directors and Heads of Service are aware of their responsibilities regarding risk management; however, it is unclear how far down the hierarchy information is cascaded. Non-compulsory training is available through the eLearning site, however, there appears to be a lack of awareness of this module within the authority.

A more cohesive approach is needed to allow visibility and oversight of risks at all levels. A skilled and informed workforce will enable officers to fulfil their responsibilities more effectively.



Risk Registers – The Council have both Service and Strategic risk registers. Each Service has its own way of identifying risks and mitigations which are used on a case-by-case basis. There is a lack of understanding of how risks should be dealt with leading the Council to over mitigate lower-level risks. A Risk Appetite has recently been created which may help to provide some continuity across the services. It is not clear how affective the mitigations identified are, or why they will influence the risks, more details are needed to explain the views of the services. Some of the reviews of the risks are shown as not completed, however, it was stated this may be an administration issue within JCAD.

Services need to ensure that the administration of the risk registers is undertaken promptly and that there is sufficient detail stored within the system. This information will inform the council's decision-making processes and ensure the relevant officers are aware of changes.



Risk Culture – The development of the risk management process with the Council appears to have stagnated, however, it is noted that risk management has improved within recent years. The implementation of the risk process needs to come from the services, each service should ensure that all officers not only high-level managers are aware of the process and integrate them with their roles.

Services need to take more responsibility for risk management to ensure that risk is used alongside day-to-day practises.

Background and Scope of the Audit

The audit was selected to be part of this year's audit work plan which was developed in conjunction with the Senior Management Team.

- Risk Strategy
- Awareness and Training
- Risk Identifications
- Risk Handling
- Reporting and Governance

This review that will involve questionnaires, examination of documents and analysis of data.



System – There is a mixed approach to utilising the JCAD system across the Council. Some services have a more active approach to updating the system, whilst others store reviews offline within meeting notes and Teams and updating JCAD on an ad hoc basis.

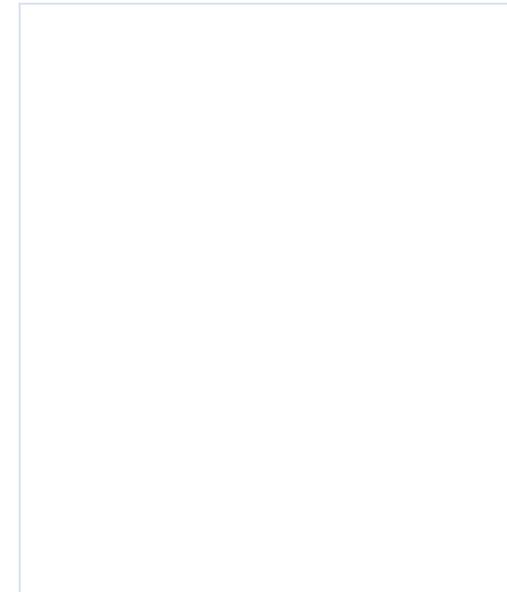
The Council is not fully utilising the risk management system. Target implementation for the mitigations would allow greater visibility for senior management on how effective the controls they have in place are.

All information should be stored in one place to allow all decision makers the ability to see and understand what impact the risks could have on the Council.



Governance – The Senior Leadership Team reviews the strategic register on a quarterly basis. The strategic risk register is seen by the Audit Committee and Cabinet. Portfolio holders and Senior Managers will review the Service risk registers.

The Senior Leadership Team reviews the risk registers ensuring that the information within them is correct. However, further improvement is needed at a lower level to improve quality control, as there was evidence of repeated mistakes. There needs to be effective challenge of the risk registers before they are placed on the system and passed to the Senior Leadership Team.



Skills and Awareness	Action												
<p>The Framework is currently being updated by the Risk Management Officer, and currently contains details of how risk should be dealt with by the Services. It was identified through a questionnaire that managers below the senior leadership team had not read the framework. Out of the 11 responses received 7 were aware of what the framework was, however only 1 had read the document.</p> <p>The questionnaire highlighted that 8 out of 11 officers felt that they had the skills to undertake their role within risk management. However, it is questioned whether these officers fully understand their role as they may not have read the framework and therefore be working based on the opinion or instructions of others.</p> <p>There was a mixed response to training and guidance from the questionnaire, highlighting that most of current training is limited to high level officers. It was stated by the Risk Management officer that there is a training module on eLearning that is available to officers. This displays a lack of awareness.</p> <p>The questionnaire showed that the managers felt that they were not fully supported to fulfil their risk management responsibilities. The role of the Risk Management Officer is 0.4 of the officer’s post. It is unclear whether enough to support the process. Further support needs to come from the services to ensure officers are aware of their responsibilities.</p> <p>It is important that officers are made aware of the important points within the framework so that council can have a cohesive approach to risk management.</p>	<p><2.1 Action to improve awareness, training, guidance and support for risk management processes to all levels of the Council ></p> <p><i>See response in table below.</i></p> <table border="1" data-bbox="1249 890 2105 1034"> <tr> <td data-bbox="1249 890 1368 935">Priority</td> <td data-bbox="1368 890 1733 935">3</td> <td data-bbox="1733 890 2004 935">SWAP Reference</td> <td data-bbox="2004 890 2105 935"></td> </tr> <tr> <td data-bbox="1249 935 1733 979">Responsible Officer</td> <td colspan="3" data-bbox="1733 935 2105 979"></td> </tr> <tr> <td data-bbox="1249 979 1733 1034">Timescale</td> <td colspan="3" data-bbox="1733 979 2105 1034"></td> </tr> </table>	Priority	3	SWAP Reference		Responsible Officer				Timescale			
Priority	3	SWAP Reference											
Responsible Officer													
Timescale													
Risk Register	Action												
<p>The Council has a risk register for each service as well as a Strategic risk register.</p> <p>There are instances within the risk registers where the risks identified do not align with the definition stated within the framework; “Effect of uncertainty on objectives”. The risks listed were companies, systems or events. This highlights a lack of understanding and the need for more training within some services. This displays a lack of moderation and control of the entries into the risk registers.</p> <p>A review of the dates the risks were identified displayed that apart from a few services the majority had only one or two new risks identified in 2022. All of the other risks were recurring from previous years. The questionnaire highlights that risks were identified “as and when they arrive”. The data suggests that rather than creating new emerging risks, risks are being amended to include new issues.</p>	<p><3.1 Action to ensure to raise awareness of whether risks should be treated/ tolerated/ terminated and to improve the clarity on how effective the current mitigations are></p> <p><i>See response in table below.</i></p> <table border="1" data-bbox="1249 1380 2105 1474"> <tr> <td data-bbox="1249 1380 1368 1425">Priority</td> <td data-bbox="1368 1380 1733 1425">3</td> <td data-bbox="1733 1380 2004 1425">SWAP Reference</td> <td data-bbox="2004 1380 2105 1425"></td> </tr> <tr> <td data-bbox="1249 1425 1733 1474">Responsible Officer</td> <td colspan="3" data-bbox="1733 1425 2105 1474"></td> </tr> </table>	Priority	3	SWAP Reference		Responsible Officer							
Priority	3	SWAP Reference											
Responsible Officer													

A review of the risk register highlighted that the Council may not fully understand the three T's (tolerate/ treat/ terminate) which are used to decide what is done with the risks. The review indicated that their low-level risks (1,2) with multiple mitigations. Which indicates that the council may be over mitigating risks in some areas. The Council is currently creating a risk appetite statement, which would give the Services a clearer picture of what risks need to be mitigated (treated) and which could be tolerated.

It is unclear how effective the mitigations identified would have on the risks. Some mitigations were as simple as watching, monitoring or having regular meetings, which resulted in the risks reducing by 4 points. Services should make notes to explain how each action will cause this effect, to allow decision makers better visibility and understanding of the Council's controls. More information would also allow the Council to demonstrate that the controls were working.

Some of the reviews on the system were up to date, whereas others had missed the review deadlines. There was also a mixed approach to how many details were updated into the system for each review. The questionnaire identified that some reviews were stored offline locally. It is important that all information is stored in one place, to ensure that everyone who needs to see the reviews has a clear picture of the current status.

The audit team recently undertook an audit on the partnerships and project risks within the service, which highlighted a few issues with the partnership risk registers.

Risk Culture

Audit have been undertaking a risk maturity assessment since 2016, during these assessments there have been some improvement in the integration of risk management processes within the Council (see appendix 2). The current process seems to focus on around the high-level managers.

There is a silo approach to risk management within each of the services. Although the general process is the same each area treats it with a different level of importance and have a different way of undertaking their responsibilities. More ownership is needed to fully embed the risk management processes. The more 'eyes' looking out for potential risks will help the council, as the view of risks will differ from person to person.

A more cohesive risk management approach would allow more control over the process, and a greater visibility of the risks.

Timescale

<3.2 Action to ensure reviews are done in a timely manner and updated into the JCAD system>

See response in table below.

Priority	3	SWAP Reference	
Responsible Officer			
Timescale			

Action

<4.1 Action to improve the implementation and integration of risk management to all levels of the Council>

See response in table below.

Priority	2	SWAP Reference	
Responsible Officer			
Timescale			

System	Action																								
<p>There is a mixed approach to storing information within the JCAD system. It was highlighted within the questionnaire that some reviews would be stored locally rather than being updated within the JCAD system. All information should be stored in one place to allow all decision makers to see and understand what impact the risks could have on the Council.</p> <p>The system has target implementation for the mitigations which the council have chosen not to use; however, this would allow greater visibility for senior management on how effective the controls they have in place, and that the services have actually used the mitigations they have identified.</p>	<p><5.1 Action to ensure that the JCAD system is up to date and stores all relevant information> See response in table below.</p> <table border="1" data-bbox="1249 347 2107 453"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td></td> </tr> <tr> <td>Responsible Officer</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Timescale</td> <td></td> <td></td> <td></td> </tr> </table> <p><5.2 Action to look into using target implementation dates > See response in table below.</p> <table border="1" data-bbox="1249 587 2107 730"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td></td> </tr> <tr> <td>Responsible Officer</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Timescale</td> <td></td> <td></td> <td></td> </tr> </table>	Priority	3	SWAP Reference		Responsible Officer				Timescale				Priority	3	SWAP Reference		Responsible Officer				Timescale			
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Timescale																									
Governance	Action																								
<p>It is decided through discussions by EMT which risks are important enough to go onto the strategic risk register. These tend to be the high-level risks.</p> <p>The strategic register is reviewed quarterly by the Governance and Audit Committee. The audit committee would not see any significant risks (a risk which has a fundamental impact on providing essential services or delivering corporate priorities) if it is not on the strategic register. However, it was stated by the Risk Management Officer that members of the Committee can request copies of any risk registers that they wish to see.</p> <p>Portfolio holders and Senior Managers will review the service risk registers, which are recorded within meeting minutes.</p> <p>Inconsistencies within the JCAD system, highlight that there is an issue with quality control within the risk registers. Information should be reviewed before it entered the system to ensure that it is correct.</p>	<p><6.1 Action to ensure appropriate challenge and quality control of service risk registers> See response in table below.</p> <table border="1" data-bbox="1249 1209 2107 1307"> <tr> <td>Priority</td> <td>3</td> <td>SWAP Reference</td> <td></td> </tr> <tr> <td>Responsible Officer</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Timescale</td> <td></td> <td></td> <td></td> </tr> </table>	Priority	3	SWAP Reference		Responsible Officer				Timescale															
Priority	3	SWAP Reference																							
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Response from Client

Action	SWAP Action Reference	Responsible officer	Timescale
Improve awareness of management of risk through a communication campaign to all employees.	2.1, 4.1	Bets Ingram	March 2024
Create and deliver risk management training to all employees (targeted at senior managers but available to all and bookable via Trent) covering every aspect of the Risk Management Framework. 4 sessions per year.	2.1, 3.1, 3.2, 3.3, 4.1, 6.1	Bets Ingram (HofS/EMT)	March 2024
Risk Management officer to continue to deliver 1-hour JCAD introduction/refresher sessions bookable via Trent	2.1, 3.2, 3.3, 4.1	Bets Ingram	May 2023 - ongoing
Propose using the 'target implementation' element of JCAD for the mitigations and target risk rating (to support better management and governance of risks) to SLT.	3.2, 5.2,	Bets Ingram	March 2024
Recommunicate and emphasis the good practice of minimum quarterly risk register reviews by services in their Senior Leadership Team meetings.	2.1, 3.1, 3.2, 3.3, 4.1 5.1, 6.1	Bets Ingram	March 2024
Finalise review of risk management framework and communicate to all covering everyone's role in managing risk including Officers, Members, Cabinet, Scrutiny, Governance & Audit committee, and Programme boards. Including programme and projects approach.	2.1 3.1, 3.2, 3.3, 4.1, 5.1, 6.1 Link to SWAP Programme and Partnerships Audit.	Bets Ingram (input from relevant officers)	March 2024
Senior Leadership team to lead on expectation that the JCAD system is kept up to date and stores all relevant information	5.1	Senior Leadership Team Executive Management Team	April - ongoing
Risk management officer to continue attending services SLTs to offer guidance and support	2.1, 3.1, 3.2, 3.3,4.1, 6.1	Bets Ingram	On-going

Investigate merit in creating a new E-Learning video as well as online training	2.1, 4.1	Bets Ingram	August 2024
Promote risk management video (training when available) to all employees (bookable via Trent) but in particular to attendees of the managers induction training	2.1, 3.1, 3.2, 3.3, 4.1	Catrin Goodwin Senior Leadership Team Executive Management Team	On-going
Create and deliver risk tailored risk management training to programme board members and consider partnership boards	2.1, 3.1, 3.2, 3.3. 4.1, 6.1	Bets Ingram Sarah Page	October 2024

Appendix 2

Risk Maturity Models

The Risk Maturity Model outlines key indicators and activities that comprise a sustainable, repeatable and mature risk management program. The tables below display the assessment ratings given during the previous and current audits.

Criteria (Level)	Assessment Rating for 2018				
	Awareness & understanding	Implementation planned	Implementation	Embedding & improving	Excellent Capability
	(1)	(2)	(3)	(4) Target	(5)
Leadership					
Risk Strategy					
People					
Partnership					
Process					
Risk Handling					
Outcomes					

Criteria (Level)	Assessment Rating for 2020				
	Awareness & understanding	Implementation planned	Implementation	Embedding & improving	Excellent Capability
	(1)	(2)	(3)	(4) Target	(5)
Leadership					
Risk Strategy					
People					
Partnership					
Process					
Risk Handling					
Outcomes					

Criteria (Level)	Assessment Rating for 2023				
	Awareness & understanding	Implementation planned	Implementation	Imbedding & improving	Excellent Capability
	(1)	(2)	(3)	(4) Target	(5)
Leadership					
Risk Strategy					
People					
Partnership					
Process					

Risk Handling					
Outcomes					

Guidance

1. Leadership - Do Senior Management and Members support and promote risk Management

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & improving	Level 5: Excellent Capability Established
Top management are aware of need to manage uncertainty & risk and have made resources available to improve	Senior Managers & Members take the lead to ensure that approaches for addressing risk are being developed and implemented	Senior Managers act as role models to apply risk management consistently and thoroughly across the organisation	Senior management are proactive in driving and maintaining the embedding and integration of risk management; in setting criteria and arrangements for risk management and in providing top-down commitment to well managed risk taking to support and encourage innovation and the seizing of opportunities.	Senior Managers re-enforce and sustain risk capability, organisational & business resilience and commitment to excellence. Leaders regarded as exemplars.

2. Risk and Strategy Policies - Is there a clear risk strategy and risk policies

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & improving	Level 5: Excellent Capability Established
The need for a risk strategy and related policies has been identified and accepted	A risk management strategy & policies have been drawn up and communicated and are being acted upon	Risk strategy & policies are communicated effectively and made to work through a framework of processes	An effective risk strategy and policies are an inherent feature of department policies and processes	Risk management aspects of strategy and policymaking help to drive the risk agenda and are reviewed and improved. Role model status

3. **People** – Are people equipped and supported to manage risk well?

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & Improving	Level 5: Excellent Capability Established
Key people are aware of the need to assess and manage risks and they understand risk concepts and principles	Suitable guidance is available, and a training programme has been implemented to develop risk capability	A core group of people have the skills & knowledge to manage risk effectively	People are encouraged and supported to be innovative and are generally empowered to take well-managed risks. Most people have relevant skills & knowledge to manage risks effectively and Regular training etc is available for people to enhance their risk skills and fill any 'gaps'	All staff are empowered to be responsible for risk management and see it as an inherent part of the Departments business. They have a good record of innovation and well managed risk taking

4. **Partnerships** – Are there effective arrangements for managing risks with partners?

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & improving	Level 5: Excellent Capability Established
Key people are aware of areas of potential risk with partnerships and understand the need to agree approaches to manage these risks	Approaches for addressing risk with partners are being developed and implemented	Risk with partners is managed consistently for key areas and across organisational boundaries	Sound risk management arrangements have been established. The most suitable: partnership arrangement (PFI, 'arm's length' etc); partners; suppliers etc are selected in full knowledge of the risks, risk management capability & compatibility	Excellent arrangements in place to identify and manage risks with all partners and to monitor and improve performance. Organisation regarded as a role model

5. **Processes** – Do the organisations processes incorporate effective risk management?

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & improving	Level 5: Excellent Capability Established
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Some stand-alone risk processes have been identified	Recommended risk management processes are being developed	Risk management processes implemented in key areas. Risk capability self-assessment tools used in some areas	Risk management is an integral part of the organisation’s core processes (policy, planning, delivery etc) and data are collected to monitor and improve risk management performance	Management of risk & uncertainty is an integrated part of all business processes. Best practice approaches are used and developed. Selected as a benchmark site by other organisations
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6. Risk Handling – Are risks handled well?

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & improving	Level 5: Excellent Capability Established
No clear evidence that risk management is being effective	Limited evidence that risk management is being effective in at least most relevant areas	Clear evidence that risk management is being effective in all relevant areas	Clear evidence that risks are being handled very effectively in all areas	Very clear evidence of excellent risk handling in all areas and that improvement is being pursued

7. Outcomes – Does risk management contribute to achieving outcomes?

Level 1: Awareness & Understanding	Level 2: Implementation Planned & in Progress	Level 3: Implemented in all Key Areas	Level 4: Embedded & Improving	Level 5: Excellent Capability Established
No clear evidence of improved outcomes	Limited evidence of improved outcome performance consistent with improved risk management	Clear evidence of significant improvements in outcome performance demonstrated by measures including, where relevant, stakeholders’ perceptions	Clear evidence of very significantly improved delivery of outcomes and showing positive and sustained improvement	Excellent evidence of markedly improved delivery of outcomes which compares favourably with other organisations employing best practice

Appendix 3

Questionnaire Results

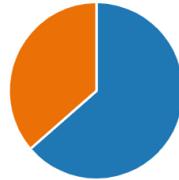
A questionnaire was sent to randomly to 40 managers below the Heads of Service, 11 responses were received. Below are some of the responses taken from the questionnaire.

3. Do you know what the Risk Management Framework is?

[More Details](#)

[Insights](#)

● Yes	7
● No	4



4. Have you read the Risk Management Framework?

[More Details](#)

● Yes	1
● No	10



6. Have you had any training on risk management?

[More Details](#)

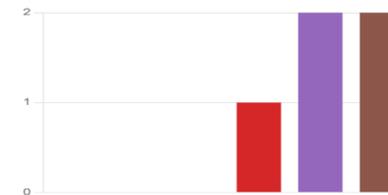
● Yes	5
● No	6



8. When did you have this training?

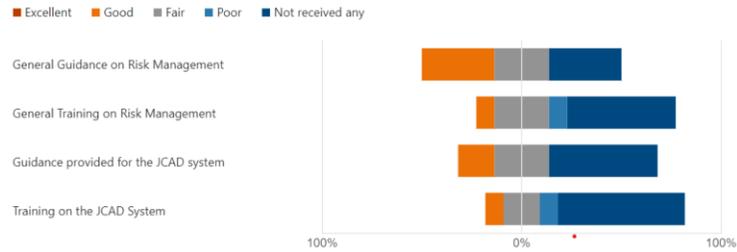
[More Details](#)

● Within the last 4 Months	0
● Within the last 8 Months	0
● Within the last 12 Months	0
● Within the last 2 years	1
● Before the last two years	2
● I do not know	2



9. Please rate the guidance/ training you have received for the following from Powys County Council:

[More Details](#)



10. Do you feel that you have the skills to fulfil your role in relation to risk management?

[More Details](#)

[Insights](#)

Yes	8
No	3



11. Please rate how supported you feel regarding risk management?

[More Details](#)

[Insights](#)

11 Responses

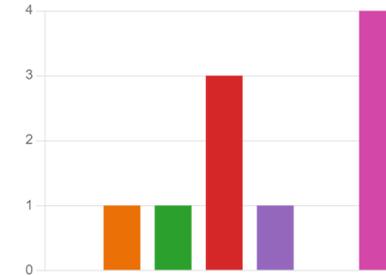


13. How often do you review your service risk registers?

[More Details](#)

[Insights](#)

Daily	0
Weekly	1
Monthly	1
Quarterly	3
Twice a year	1
Annually	0
I do not review them	4



25. How often do you or a member of your team update the information on the JCAD system?

[More Details](#)

Daily	0
Weekly	0
Monthly	2
Quarterly	1
Yearly	1
Never	2

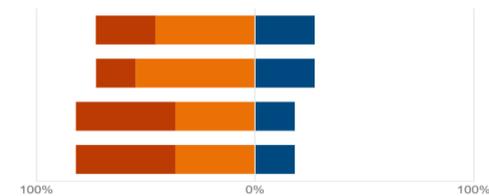


29. How often do you review the following, when looking for new and emerging risks?

[More Details](#)

Very Often Sometimes Rarely Never

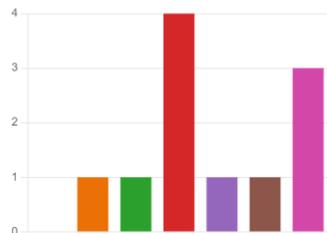
Global Risks	10%	10%	10%	70%
Government Risks	5%	15%	10%	70%
Local Government Risks	10%	10%	10%	70%
Legislative risks/ Changes	10%	10%	10%	70%



34. How often do you review the mitigations of your risks?

[More Details](#) [Insights](#)

Daily	0
Weekly	1
Monthly	1
Quarterly	4
Yearly	1
Never	1
I do not know	3



38. Does your service have a risk champion?

[More Details](#) [Insights](#)

Yes	1
No	0
I don't know	10



44. Are risks considered when making major decisions within your service?

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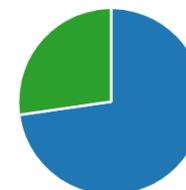
Yes	9
No	0
I don't know	2



45. Are service risks included within your Service Improvement Plans?

[More Details](#) [Insights](#)

Yes	8
No	0
I don't know	3



46. Do you liaise with insurance officers where high level key risks are concerned?

[More Details](#) [Insights](#)

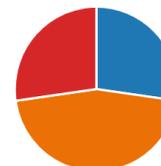
Yes	6
No	2
I don't know	3



47. When an audit identifies a weakness, how often do you consider this as an area that needs to be added to the risk register?

[More Details](#) [Insights](#)

Every audit	3
Only when there are high priorit...	5
Never	0
I haven't had an audit	3



48. Overall, in your view how do you rate the control of risk management within the Authority?

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9 Responses

