

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

17th July 2013

REPORT AUTHOR: County Councillor Dai Davies
Portfolio Holder for Finance

SUBJECT: Risk Management

REPORT FOR: Information & Decision

1. Background

Audit Committee is responsible for reviewing the effectiveness of internal control. The Financial Regulations state that it is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the authority.

2. Risk Management

During the recent business planning process, services were required to identify the key risks facing the service. This information has recently been collated and is undergoing a process of challenge and moderation. The raw unmoderated data is presented in appendix A.

3. Way Forward

The following steps are planned before the next Audit Committee

- Ensure mitigating or proposed actions are completed by risk owners
- Moderation and challenge of risks by independent panel
- Identifying and tracking previous risks that remain current
- Closure of previous risks that are no longer relevant
- Engage with services to engender ownership
- Report key risks and matters of concern to Audit Committee

4. Powys Change Plan

Risk management is a tool that can assist the Council in achieving the ten key outcomes of the Powys Change Plan through better decision making and service delivery with increased certainty and fewer surprises.

Recommendation:	Reason for Recommendation:
Audit Committee monitor the implementation of risk management and escalate any concerns with progress to the Executive.	To ensure the adequate management of risk.

Relevant Policy (ies):	Risk Management Strategy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	N/A
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Person(s) To Implement Decision:	TBC
Date By When Decision To Be Implemented:	ASAP

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Background Papers used to prepare Report:

Service Business Plans 13/14

APPENDIX A

Service Area	Head of Service	Risks	Proposed Action	Rating
Adult Services & Commissioning	Geoff Sherlock	Adult Social Care projected Overspend is as a result of a significantly higher level of demographic pressure than was expected at budget setting	Current year budget pressures are being reviewed to identify the budget pressure up to March 2013 and to identify areas where savings can be achieved to mitigate some of the pressures. * Plans for the introduction of an across the board reablement service are underway.	High
Adult Services & Commissioning	Geoff Sherlock	Reputational – The audit reports make a significant number of recommendations, which this service improvement plan aims to address. Not achieving these would have reputational risks for Adults Senior Management Team and the Authorities political structure	The service area is working to the Powys Change Plan and Service Improvement Plan only to manage the activity required. Links with Corporate Communications have been established and an integrated communications plan will set out and deliver messages the service vision, programme of work, timelines and achievements to staff, Members, stakeholders and partners. Further links will be established throughout the programme of work.	Low
Business & Performance Unit	Tony Price	<p>Management capacity at critical periods.</p> <p>Delivering internal transformation requires significant managerial resource. It is recognised that there are key points when managers will be focussed on achieving additional operational and corporate objectives and which present significant risk:-</p> <p>April to September 2013/14 – Implementation of Job Evaluation Scheme and managerial participation in corporate wide appeal process.</p> <p>2013/16 – Facilitating and participation in</p>		Medium (4)

		cross cutting collaborations.		
Business & Performance Unit	Tony Price	ICT system procurement, implementation not within timescales and/ or budget	Formal project management for risks management techniques based in Prince2 methodology (where trained) including the use of formal risk logs, exception reporting, and project organisation and structure.	Medium (6)
Business & Performance Unit	Tony Price	Inability to meet existing and any additional service/regulators/external expectations of what BPU provide (other than those provided within available resources.)	Ensure awareness of actions within all service areas business plans relating to BPU, and to review these requirements on a regular basis	Low (2)
Business & Performance Unit	Tony Price	Further information security breaches	Ensure we comply with corporate training requirements	Medium (6)
Business & Performance Unit	Tony Price	Ability to deliver required transformational changes due to the time in which it takes to obtain agreement or buy-in from services and members for change.	Engagement with services and members earlier, at concept stage	Medium (6)
Business & Performance Unit	Tony Price	Lack of full or timely engagement with the BPU in transformative projects renders us reactive and slows pace of change.	Proactive comms/customer service reviews (cross ref with Capacity in management team).	Medium (4)
Children Services	Amanda Lewis	Increased LAC population and its direct impact on budget deficit	As a SMT we continue to actively monitor the activity around our looked after children, and also the associated budgets. In order to mitigate what is a volatile area of activity within the services we continue to invest in our Early Intervention program via the Powys Change Plan but also within the majority of activity within our Service Improvement Plan.	High
Children Services	Amanda Lewis	Loss of data or personal information – Data Protection Act	Action Plan owned by Information Governance Group	High
Children Services	Amanda Lewis	Retaining the grant funding around posts within the Early Intervention Program and the 16 Plus, YOS provision.	We continue to work towards achieve all funding streams available to the service.	High
Children Services	Amanda	Safeguarding and managing high risk	Continued delivery of high quality	High

	Lewis	families with risk of harm, injury or death for child or children.	interventions and commitment to the work of the LSCB	
Children Services	Amanda Lewis	Impact of Job Evaluation on Children Services but also the implications for support staff within the BPU	Continue to support all staff affected through the appeals procedure	High
Children Services	Amanda Lewis	The ability to identify a building for the Integrated Children with Disabilities Team to ensure the delivery of a co-located hub	Development of a “virtual team”	High
Finance	Geoff Petty	Valuation of Pension Fund, pension contribution impact on revenue budgets, timely reliable data from PCC payroll, JE implications included.	To monitor the effect on councils financial resources	High
Finance	Geoff Petty	Failure to effectively Implement Welfare reform, with possible impact on other internal and external services (homelessness, social care, council tax collection, customer services, rationalising staffing structures administering the service, rent payments and income).	Preparation of the service will be on going incorporating the detail of the reforms and the service requirements to effectively implement the reforms.	Medium
Finance	Geoff Petty	Consequences of job evaluation and Hay e.g. staff morale, absence, resignations, loss of goodwill, brain-drain, capability/capacity	Mitigate by regular discussion with staff providing up to date information and moving towards the new structures offering differing job opportunities.	Medium
Finance	Geoff Petty	Inadequate financial planning and control in Education, Adults Social Care, Local & Environmental Services & Regeneration.	To monitor expenditure and costs, and to work with services to encourage a higher level of financial awareness in expertise amongst managers.	High
Finance	Geoff Petty	Ineffective management of personal data.	Ensure all staff have adequate training on Data Protection and then ensure all staff have yearly remedial training on Data Protection.	Medium
Housing Services	Ian Fraser	Changes to housing benefit (Welfare Reform)		High
Housing Services	Ian Fraser	Job evaluation		Medium
Housing Services	Ian Fraser	Management of Asbestos related issues		Medium
Housing Services	Ian Fraser	Changes to homelessness legislation		Medium

Housing Services	Ian Fraser	Implementation of new Housing IT system		High
Housing Services	Ian Fraser	Uncertainty over funding private sector		High
Human Resources	Karen Williams	Health and Safety - Risk of prosecution and duty of care to the public and staff		
Human Resources	Karen Williams	Failure to comply with HMRC pay return requirements		
Human Resources	Karen Williams	Failure to implement Job Evaluation – Ongoing equal pay liability		
Communications	Anya Richards	Powys County Council's reputation		Medium
Communications	Anya Richards	Capacity to effectively manage organisation's reputation		High
Communications	Anya Richards	Adverse publicity/loss of reputation		Medium
Customer Services	Julie Nicholas-Humphreys	Drop in Motivation/Moral due to Job Evaluation		High
Customer Services	Julie Nicholas-Humphreys	Lack of local IT access reducing channel shift		Medium
Customer Services	Julie Nicholas-Humphreys	Engagement and funding from LHB		High
ICT	Andrew Durant / Lisa Houghton / Michael Jones	Job Evaluation impact		High
ICT	Andrew Durant / Lisa Houghton / Michael Jones	ICT are having difficulty in Skilled recruiting resources to effectively deliver the ICT changes required to support the business		High
ICT	Andrew Durant / Lisa Houghton / Michael	Failure to co-ordinate ICT resource		Medium

	Jones			
ICT	Andrew Durant / Lisa Houghton / Michael Jones	ICT business continuity		Medium
Programme Office	Peter Jones	Current Corporate Risk: Failure to respond to regulators' and internal audit recommendations.	Objective PO-06: Implement a tracker to monitor the council's progress against key recommendations received from regulators.	High (9)
Programme Office	Peter Jones	Service Risk: Difficult to recruit positions (cover for maternity) leading to a possible fall in capacity, capability and continuity.	Recruit fixed term 12 month cover (Business Improvement Officer) and keep programme sponsors informed.	Medium (4)
Legal Services	Janet Kealey	Failure to respond correctly to land charge enquiries resulting in compensation claims		Medium
Legal Services	Janet Kealey	Failure to deliver an effective legal service		Medium
Legal Services	Janet Kealey	Failure of governance will result in council acting ultra vires		Medium
Legal Services	Janet Kealey	Negative impact of pay and grading structure from JE		Medium
Leisure & Recreation	Chris Jones	Impact of recession/financial climate on take up of Leisure Activities and reduction on income	To improve the promotion and marketing of the service to maximise takeup including cluster operation and review of opening times of facilities, developing effective web and mobile technologies to assist customer access and information and enable improved booking and payment options. Improvement objective 6,7 & 8	High (9)
Leisure & Recreation	Chris Jones	Loss of external funding for some key areas of service provision e.g. Families First	Review of service delivery and development of alternative models to reduce cost whilst improving services. Objectives 3, 4, 5 & 7	Medium (6)
Leisure & Recreation	Chris Jones	Failure to adhere to statutory testing and environmental management, due to lack of capital/revenue maintenance funding	Investment of £1.3 million secured for leisure to deal with urgent Statutory Testing and Safety issues in short term. Medium term, In line with Cabinet report implement the Alternative Management and Delivery model for Leisure and use savings to invest in improving building infrastructure and	High (9)

			condition. Conclude the options appraisal for cultural services and agree alternative delivery model/s. Release some assets to reduce revenue spend, and invest in alternative provision and devolve some asset management to local communities	
Property/ Public Protection	Steve Holdaway	Failure to ensure Health & Safety of public and workforce	Introduction of robust site supervision and monitoring processes internally and externally with contractors.	High
Property/ Public Protection	Steve Holdaway	Negative impact from new pay model as a result of job evaluation.	Re-examine service delivery models to mitigate impact.	Medium
Property/ Public Protection	Steve Holdaway	Prosecution for breaches of information governance.	Improved awareness training and monitoring of compliance	Medium
Property/ Public Protection	Steve Holdaway	Liabilities arising from closed landfill site portfolio	Restructuring of functions so that closed landfill are managed within the Public Protection Service (particularly) contaminated land division to improve capacity and capability to resolve pollution issues	High
Property/ Public Protection	Steve Holdaway	Responding to new legislation	Track emerging legislation and respond to consultation and Bills raising implication with Portfolio Holders and Cabinet as required	High
Property/ Public Protection	Steve Holdaway	Failure to deliver property services (efficiently and effectively) and deliver investment programmes	Implementation of programme/project management principles to deliver project on time and to budget	Medium
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Reductions in Public Transport Funding	Explore opportunities to increase community sector transport provision, using funding available through Regional Transport Consortium	High
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Failure to ensure Health & Safety of public and workforce	Introduction of robust site supervision and monitoring processes internally and externally with contractors.	High
Local & Environmental Services / Local	Richard Hobbs	Failure to meet statutory recycling targets and incurring financial penalties	Procurement of new refuse and recycling vehicle fleet in 2013/14	High

Environment Operation				
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Infrastructure failure – Potential failure to provide safe highways and structures in a cost effective manner	Capital investment (utilising reserves and prudential borrowing) in highway network	Medium
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Negative impact from new pay model as a result of JE	Re-examine service delivery models to mitigate impact	Medium
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Prosecution for breaches of information governance	Improved awareness training and monitoring of compliance	Low
Local & Environmental Services / Local Environment Operation	Richard Hobbs	Responding to new legislation	Track emerging legislation and respond to consultation and Bills raising implication with Portfolio Holders and Cabinet as required	High
Regeneration & Development	Paul Griffiths (Acting)	Public perception of development management service, particularly bearing in mind the delivery of large-scale renewable energy provision, which could impact on the overall reputation of the Council.	To undertake a review of aspects of the service to ensure public confidence in process and decision making	Medium
Regeneration & Development	Paul Griffiths (Acting)	Decreasing planning application and building control fee income.	Reduce the service infrastructure costs. Identify new opportunities for income growth.	Medium
Regeneration & Development	Paul Griffiths (Acting)	Failure to gain support of partners and members to agree and implement all projects of the Powys regeneration strategy.	Realign the Regeneration Programme to areas of expenditure / investment already committed to in the Medium Term Financial Plan and Capital Programme and work with partners to re-establish relationships.	Medium
Regeneration & Development	Paul Griffiths (Acting)	Failure to manage partnership relations - expectations, performance, capacity	Provide regular, clear communication	Low
Schools Service	Stephen	Failure to demonstrate rapid and impact	Mitigating Action: Recovery plan supported	Medium

	Rogers	based response to the Estyn October 2012 Monitoring Inspection recommendations.	by a Hub approach with Ceredigion to bring about necessary improvements in a timely manner. Recovery Board and Peer Review/Challenge from Regional Consortium	
Schools Service	Stephen Rogers	The capacity of the Authority's Schools Service to deliver the School Improvement/ Inclusion Agenda and Modernisation Programme.	Mitigating Action: Review of resources required to implement the transformation programme.	Medium
Schools Service	Stephen Rogers	Reduced funding available to the Council jeopardises the capacity of the service to deliver its improvement agenda	Mitigating Action: Service restructuring delivers efficiencies while improving service quality, and this process is supported by the additional capacity provided by partnership working with Ceredigion.	Medium

