

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

16th July 2015

REPORT AUTHOR: **Caroline Evans, Business Continuity & Risk Management Officer**

SUBJECT: **Update Report on Risk Management**

REPORT FOR: **Information**

1.0 Summary

1.1 An update has been requested by the Audit Committee on Risk Management within the Council, following a report to the previous Committee on 22nd April 2015.

1.2 This report outlines the position statement for Risk Management within the Council, and progress made since the last committee.

2.0 Background

2.1 We are in a process of continuously improving and updating our approach to risk management to help us to better understand and manage the risks the Council faces and to increase the likelihood of achieving our objectives. Risk management is a core management discipline that supports organisational delivery. The risks that the organisation faces are changing all the time, so the art of good risk management is to combine planning for what we know might happen with preparation for unknown situations, and to safeguard the organisation and in turn make it more resilient.

2.2 The risk register currently captures a large number of risks and this is a reflection of the learning process that the organisation is going through. Initially Services are being very cautious and therefore a significant number of risks are being brought forward to the corporate risk register. As the organisation's approach to risk management and identification matures this will probably be reflected in a reducing number of risks.

2.3 A process of engaging with Heads of Service took place to validate and review the risks, to ensure that control measures are identified, and that the information that we currently hold is correct.

2.4 Engagement was positive and Heads of Service expressed an interest for face to face meetings with Service Management Teams to explore further risks that may not yet be included within the register, and to also help to identify further controls.

2.5 To simplify the reporting process, a Heat Map method was adopted to provide an overview of all of the Council's risks at a glance on one page, with the level of inherent risk identified (the level of risk before any mitigating controls are applied).

2.6 Three pilot workshops were held with services to discuss their current risks, and to identify any gaps. These workshops were held in SMTs and engagement was extremely positive with Services identifying that they need to take ownership of their risks.

3.0 Progress

3.1 The process of undertaking risk workshops within SMTs has continued. Officers have been assisted to identify their risks and to assess the level of risk this poses to the service, along with control measures to mitigate the risk and the residual level of risk post-mitigation. Services have been advised to categorise those risks into either service or corporate risks.

3.2 The risks have been incorporated into Service Business Plans, and Heads of Service are going to monitor these risks quarterly within SMT meetings going forward, and this will be reported through the Quarterly Performance Review Meetings. New risks can also be identified at the earliest opportunity. This will ensure that service risk registers are dynamic and that services' 'own' their risks and the required mitigation.

3.3 Whilst the workshops with services continue to review and update the information held, the service risks have been removed from the corporate risk register to allow the register to become more focused on corporate risks which require intervention at a more senior level by highlighting the corporate and significant risks to the Council which cannot be managed by individual services. This has enabled the Heat Map to be incorporated into one document which indicates the inherent risk rating, with an arrow showing the direction of travel to the residual risk rating after mitigation.

3.4 The corporate risks are also in the process of being updated with Heads of Service as well as Management Team, and they will continue to be updated on a regular basis to ensure that the risk register is a dynamic tool which will help the Council to manage its risks, as well as providing up-to-date information to inform our decision making.

3.5 The risk register will also form part of the budget papers. A single integrated impact assessment is currently being developed to incorporate a risk assessment into the process. An assessment will be undertaken of each proposed budget saving.

3.6 The Cabinet are also now looking at the corporate risk register on a quarterly basis. Portfolio Holders will be working with Heads of Service and Directors to ensure that appropriate mitigating controls are identified and implemented.

3.7 Programme Managers have also adopted the methodology and are using the heat map, risk register and risk assessment matrix to measure, monitor and report on risks to delivery of the Programmes and Projects within the One Powys Plan. These risks are reported through the Project and Programme Boards.

4.0 Further Work

4.1 Engagement with SMTs will continue to roll out, to embed the risk management process throughout the Council, with the aim to achieving a more streamlined Corporate Risk Register.

- 4.2 Workshops are still to be completed with Customer Services, Programmes & Governance and Legal.
- 4.3 Services will review their risks ongoing on a quarterly basis, and will report this information at the Quarterly Performance Review meetings, as well as Cabinet Management.
- 4.4 The Business Continuity & Risk Management Officer will meet with the Leader on a monthly basis to ensure that the corporate risk register remains up-to-date with the appropriate mitigating controls identified.
- 4.5 A revised Equality Impact Assessment form will be produced that includes a risk assessment. The assessment will be completed for each of the budget saving proposals.
- 4.6 In the longer term we will update the Risk Management Strategy and the Risk Management Toolkit to further assist services to identify and manage their risks.
- 4.7 The Business Continuity & Risk Management Officer continues to be involved in work being undertaken to transfer delivery of our services to Town and Community Councils, as part of the One Powys Plan.

5.0 Business Continuity Management (BCM)

5.1 Attendance at the Dyfed Powys Local Resilience Forum (DPLRF) continues. This work has helped to form good working relationships and a peer support network with colleagues within the DPLRF which will allow the sharing of information and approaches taken in other areas of work including Risk Management.

6.0 Statutory Officers

6.1 The Strategic Director, Resources (S151 Officer) has made the following comment:

‘The Strategic Director Resources (S151 Officer) notes the contents of the report and the continuing improvements being made in the authority’s risk management arrangements.’

6.2 The Solicitor to the Council (Monitoring Officer) has made the following comment:

‘I have nothing to add to the report’.

7.0 Future Status of the Report

7.1 Not applicable

Recommendation:	Reason for Recommendation:
That the Audit Committee notes the progress being made and endorses	To ensure the adequate management of risk, and safeguard the Council.

<p>the role that the Business Continuity & Risk Management Officer will also play in corporate processes such as budget setting and Community Delivery to meet Risk Management requirements.</p>	
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Relevant Policy (ies):	
Within Policy:	Y / N
Within Budget:	Y / N

Relevant Local Member(s):	Not Applicable
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Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	

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