

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE
3rd February 2017

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 7th July 2016.

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 is facing, 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 A process of implementing risk management in service and directorate management teams has been implemented over the last two years, to review and update service and corporate risks, and to ensure that control measures are identified. The risk registers are now reviewed and updated quarterly to ensure that the risk registers are dynamic and remain up-to-date. Risk registers are regularly reported to Portfolio Holders, Management Team and Strategic Overview Board.

3.0 Progress

3.1 The Cabinet continues to view the corporate risk register on a quarterly basis via the Strategic Overview Board, and the Leader is updated on the progress of risk management on a monthly basis, as part of his role as Portfolio Holder for Risk Management.

3.2 The Council has been subject to two out of three Themed Reviews, in addition to a risk-based assessment by Wales Audit Office (WAO), as part of the Corporate Assessment process. Initial feedback from WAO as part of the Corporate Assessment process states that *“Councils that have a good track record of delivering the majority of planned in-year savings should have well developed savings and delivery plans in place which are underpinned by robust monitoring*

processes. These councils do not have to continually bridge the gap year on year, by identifying alternative savings, using unplanned one-off funding from earmarked reserves, general reserves, contingency funds or fortuitous unplanned income received during the year.”

In response to this feedback, a ‘Savings Delivery Plan’ template has been developed. Services have been asked to complete the template for each of their 2017/18 savings identified.

A formal action plan is currently being developed in response to the draft report received from WAO. This will be finalised and shared with Management Team, before being made available to the Audit Committee.

3.3 Impact Assessment training which was rolled out to officers across the Council during the second half of 2016 has been well received. Further training sessions have been scheduled to be delivered on a quarterly basis ongoing. Officers are now able to book onto the training via Trent. A record of their attendance at the training will also be recorded on Trent.

3.4 Impact Assessments have been co-ordinated for all 2017/18 savings identified as part of the budget setting process. Each of the Impact Assessments have been reviewed by the Cabinet Sub Group, and have been made available electronically to the Finance Scrutiny Panel for further review.

3.5 As part of the audit of Risk Management undertaken last year, one of the weaknesses identified stated that: *“The absence of evidence to substantiate the exposure and probability of a risk could lead to inappropriate scoring and actions to mitigate a risk that has been evaluated incorrectly.”*

Following this feedback, a Risk Assessment template has been developed. The new template will be shared with services, and they will be requested to complete the template for all new risks identified. This will further strengthen the moderation process currently undertaken to evaluate the validity of risks and substantiate their inclusion in the risk register.

4.0 Further Work

4.1 Engagement with SMTs and DMTs will continue, to further embed the risk management process throughout the Council. Services will review their risks ongoing on a quarterly basis, and will report this information at the Quarterly Performance Review meetings, as well as to Strategic Overview Board.

4.2 The Business Continuity & Risk Management Officer will continue to 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.

4.3 Actions identified in the Risk Management action plan will be delivered, and progress against delivery of the action plan will be reported through the Internal Audit Working Group.

4.4 The feasibility of an automated Risk Management System for the Council is currently being explored. An automated system will provide an efficient method of managing risk, with many benefits including a reduction of employee time spent updating risk registers and creating reports, removal of duplication, minimising the risk of human error and enhanced reporting methods. Such a system would also contribute to the process of embedding risk management throughout the

organisation as it will provide current and up-to-date information to a wider audience at the touch of a button. It will also enable officers (risk owners) to update their risk registers at any point in time, in isolation. This will ensure that the latest information is available to Members, and included within the appropriate reports. It will also allow Members and officers to access up-to-date information at the touch of a button, without having to request this information from officers. An automated system will assign owners to each of the risks, and will send email reminders to ensure that risks are updated within the allocated time period. Also, timescales can be allocated against implementation of identified mitigating controls. Again, the system will generate email reminders to update progress on implementation of these controls.

- 4.5 The Council is yet to receive the third and final thematic review as part of the Corporate Assessment process. We are currently awaiting further details and the project brief from WAO setting out the scope of the review of “*Transformational Change*”.

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.

- 5.2 The BCM Group continues to meet on a quarterly basis. The Group is a forum which enables BCM Champions to interact and share knowledge, as well as identifying any inter-dependencies.

- 5.3 Internal audit recently undertook an audit of BCM arrangements within the Council. The audit was a crosscutting exercise that concentrated on the arrangements in place to ensure systems are satisfactorily in place in the event that service delivery is threatened. The audit also covered compliance by individual services. A draft report has been issued and the results of the audit have been shared with members of the BCM Group. An action plan is currently being developed to respond to issues identified within the audit. Upon completion of the action plan, a formal report will be issued and this will be shared with the Audit Committee.

6.0 **Statutory Officers**

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

“The Strategic Director Resources (S151 Officer) welcomes the continuing improvement to the Council’s Risk Management arrangements.”

- 6.2 The Solicitor to the Council (Monitoring Officer) has commented as follows:

“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 by the Business Continuity & Risk Management Officer in increasing awareness of Risk Management and BCM throughout the organisation.	To ensure the adequate management of risk, and safeguard the Council.

Relevant Policy (ies):	
Within Policy:	Y
Within Budget:	Y

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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