

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

9th November 2015

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

SUBJECT: Update Report on Risk Management

REPORT FOR: Information and Decision

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 16th July 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** A process of engaging with Heads of Service and their Management Teams was initiated, to review and update service risks, and to ensure that control measures are identified. The risks are reviewed and updated quarterly to ensure that the risk registers are dynamic and remain up-to-date.

3.0 Progress

- 3.1** A 'Risk Score' has been added to the Risk Register, which helps to further clarify the level of risk posed to the Council both pre and post-mitigation. Additional to the risk rating of Low, Medium, High or Very High against both inherent and residual risk, the scoring offers further clarification of the measurement of the risk and is based on a figure between 1 and 16.
- 3.2** 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.

- 3.3** The risks have been incorporated into Service Business Plans, and are now monitored quarterly within SMT meetings. The updated risks are then 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. Services are currently in the process of reviewing their risks for the second quarter.
- 3.4** The risk register will also form part of the budget papers. A Single Integrated Impact Assessment (SIIA) tool has been developed which incorporates a risk assessment as well as impact on equalities, Welsh language, Wellbeing and Future Generations Act, Safeguarding and Corporate Parenting within one toolkit. The SIIAs are currently being completed by services for all of the budget savings identified in the MTFS 2016-19.
- 3.5** The Cabinet continues to view the corporate risk register on a quarterly basis.
- 3.6** A Policy, Strategy & Methodology document has been produced, which underpins and supports the process of embedding risk management throughout the Council. On approval from Cabinet, this document will supersede the existing Risk Management Strategy which was last reviewed in November 2011.
- 4.0** **Further Work**
- 4.1** Within services a judgement is made whether to escalate the risk to the Corporate Risk Register. The judgement is based on the level of risk posed to the Council, or if the risk has the ability to impact across more than one service area. Following discussion with WAO, it was recommended that this judgement is endorsed by Management Team. Management Team will view the corporate risk register on a quarterly basis and will discuss any further risks that should be added. This will provide quality assurance that appropriate service risks are being escalated to the corporate risk register.
- 4.2** Engagement with SMTs will continue, to embed the risk management process throughout the Council. Initial 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 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.
- 4.5** An analysis of the results of completed SIIAs will be undertaken and this will accompany the budget papers, along with the SIIAs, to ensure Cabinet are able to make informed decisions.
- 4.6** Upon completion of the impact assessment of budget, the project group will meet again to discuss issues and any gaps identified throughout the SIIA process. The new toolkit will also enable new policies and change objectives to be impact assessed prior to a decision being made to implement them.

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 At the last meeting it was requested that a BCM Champion be invited to a future meeting to provide a viewpoint from the service areas. The BCM Champion from Chief Executive & Member Services kindly volunteered to attend.

5.2 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.

5.3 The current approach to BCM has been viewed as a method of best practice by Dyfed Powys Police and Ceredigion County Council. PCC was invited to present to the Business Continuity & Emergency Planning Group within Ceredigion County Council, on the approach to implement BCM throughout PCC. Feedback received was positive; the Head of Service was particularly impressed and has asked for the approach to be trialled within one service area. They are also using the high level business impact analysis with immediate effect, to prioritise their services in terms of time criticality.

6.0 **Statutory Officers**

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

“The progress being made is important to ensure the Council has appropriate and fit for purpose risk management to mitigate existing and future risks. The alignment with corporate planning and the medium term financial strategy forms a key part of our risk assessment process to meet the need to change service models and deal with the emerging risk.”

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 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.	To ensure the adequate management of risk, and safeguard the Council.

That the Audit Committee approves the Risk Management Policy, Strategy & Methodology document	To support the process of embedding risk management throughout the Council.
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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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