

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

4th February 2016

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 9th November 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 implementing risk management in service and directorate management teams has been initiated, to review and update service and corporate 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 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 identifying control measures to mitigate the risk and then assess the level of 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 Improvement 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 third quarter.

- 3.3** 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. SIIAs have been completed for all 2016/17 savings, and will be discussed by Cabinet later this month. Risks from the SIIAs will be incorporated into the service risk registers.
- 3.4** Directorate Management Teams now view the corporate risk register on a quarterly basis. Discussion of the risks in these meetings provides a quality assurance process that the correct risks are being escalated to the corporate risk register, as was recommended by WAO. It also allows further discussion and exploration of potential mitigating controls.
- 3.5** Previously, many of the risks within the corporate risk register were assigned to multiple owners. Single ownership has now been assigned to each risk which will provide greater accountability and enable further mitigating controls to be identified where required. All risk owners on the corporate risk register are members of Management Team. Management Team will now view and discuss the corporate risk register on quarterly basis, which will further contribute to the quality assurance process which was recommended by WAO.
- 3.6** The Cabinet continues to view the corporate risk register on a quarterly basis, and the Leader is updated on the progress of risk management on a monthly basis. The Leader has assigned himself as Portfolio Holder for Risk Management.
- 3.7** The Policy, Strategy & Methodology document, which underpins and supports the process of embedding risk management throughout the Council, was approved by Cabinet on 26th January. This document replaces the previous Risk Management Strategy and has been implemented with immediate effect.
- 3.8** At the last committee, concern was expressed at the number of High risks within the risk register, with no risks in the Low category. It was considered whether the spread of risks should be across all categories, and not concentrated in the High sector. As a result of this challenge a benchmarking exercise has been undertaken of other similar Welsh authorities, and this work has identified a similar spread of risks across the Heat Map within other authorities.
- 3.9** A reserves policy has been developed using a risk based approach. The policy has been produced to enable the Council to better manage the ongoing financial pressures, and to plan for future spending commitments. Given the increasing financial challenge it is appropriate that a more strategic approach is taken to managing our finances.
- 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 Cabinet Management.
- 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 An analysis of the results of all SIAs will accompany the budget papers, along with the SIAs, to ensure Members are able to make informed decisions.
- 4.4 Upon completion of the impact assessment of budget, the project group will meet again to discuss issues and any gaps identified throughout the SIA process. The toolkit will also enable new policies and change objectives to be impact assessed prior to a decision being made to implement them.
- 4.5 A working group has been set up to help prepare the Council in readiness for the Corporate Assessment which will be undertaken this year. Risk management will be a key element within the corporate assessment.

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 The Service Improvement Plan (SIP) template has been updated to incorporate an evaluation of BCM. Undertaking self-evaluation is seen as an approach to improvement. This approach should help to further embed BCM throughout the Council, and ensure that Business Continuity Plans are regularly reviewed and updated.

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 progress being made and in particular the advances to bring risk management to the centre of corporate processes such as budget setting and the corporate assessment. The 2016/17 budget process has seen greater awareness of the impact of risk when considering decisions about resource allocation and the mitigation of required savings.”

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

“Monitoring Officer comments to follow.”

7.0 Future Status of the Report

- 7.1 Not applicable

Recommendation:	Reason for Recommendation:
That the Audit Committee notes the	To ensure the adequate management

<p>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 the corporate assessment to meet Risk Management requirements.</p>	<p>of risk, and safeguard the Council.</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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