

**CYNGOR SIR POWYS COUNTY COUNCIL**

**AUDIT COMMITTEE**

**15<sup>th</sup> April 2016**

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

**SUBJECT:** Update Report on Risk Management

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**REPORT FOR:** Information

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**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 4<sup>th</sup> February 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 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** Service Improvement Plans (SIPs) have been developed by services for 2016-19, and these are currently in the process of being finalised. A process of challenge has been undertaken to ensure that the service risk registers are up-to-date, and that the risks have been included within the new SIPs. This process will ensure that services are aware of and consider all of their risks when

**3.2** The risk register has been included as part of the budget process. A Single Integrated Impact Assessment (SIIA) tool was 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 were completed for all 2016/17 savings, and were discussed by Cabinet as part of the budget sign-off process. The SIIAs were made available to all Members as part

of the budget sign-off process. Risks from the SIAs are currently being transposed to the service risk registers.

- 3.3** The SIA project team has met to discuss feedback following completion of the toolkit for the 2016/17 savings, and to make improvements to the document as well as the process. Further training will be provided to officers and Members to ensure the quality of the information within the documents is improved. One of the changes made following feedback is the re-naming of the toolkit to the Impact Assessment (IA) toolkit.
- 3.4** An initial meeting to discuss budget planning for 2017/18 has been held and further meetings will continue to be held periodically. The process of gathering IAs for 2017/18 savings will begin immediately, and these will undergo a process of quality checking to ensure that services have fully completed the toolkit.
- 3.5** WAO recently undertook an assessment of the Council's financial resilience. As a result of the assessment, WAO has nominated the Council as a good practice example highlighting that "the Council has moved to a balanced three year financial strategy based on a more strategic approach to financial planning that better understands the links between revenue, capital and reserves and better enables longer term planning and transformation."  
In addition they state that "Building upon advice and guidance provided by the Equality and Human Rights Commission, Powys CC has adopted a revised, combined assessment approach for impact assessment of its budgets (SIA). As well as providing general guidance in completing these assessments, the Council has provided training to support services in developing them."
- 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, as part of his role as Portfolio Holder for Risk Management.
- 3.7** Risk Management training has been developed and delivered to the Cabinet and the Audit Committee. As well as setting out the journey the Council has taken so far on the process of risk management, the training is intended to provide a basic understanding of the tools which the council utilises to manage its risks. These include the Heat Map, Risk Register, Risk Assessment Matrix and Risk Score.
- 3.8** A working group has been established to help prepare the Council in readiness for the corporate assessment process based on the three themed assessments which WAO will undertake throughout the year. One piece of work which the group has undertaken is identifying thematic leads to undertake a self-assessment process which will enable the Council to identify its areas of weakness, as well as its strengths.

#### **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 Following refinement of the IA toolkit, the process of co-ordinating IAs for the 2017/18 budget will begin. The process of collecting the IAs much earlier should allow them to be completed to a better quality standard.
- 4.5 Once completed, the results of the self-assessment process will be analysed to identify weaknesses and where further work is required. An action plan will developed to respond to any areas of weakness identified.

**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 was previously 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:” Risk Management continues to be a key part of the councils approach to managing future service pressures as well as ensuring the council operates with appropriate governance.”
- 6.2 The Solicitor to the Council (Monitoring Officer) has made the following comment:

**7.0 Future Status of the Report**

- 7.1 Not applicable

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>That the Audit Committee notes the progress being made and endorses the role that the Business Continuity &amp; Risk Management Officer will also play in corporate processes such as budget setting and the corporate assessment process to meet Risk Management requirements.</b>	<b>To ensure the adequate management of risk, and safeguard the Council.</b>

<b>Relevant Policy (ies):</b>			
<b>Within Policy:</b>	<b>Y / N</b>	<b>Within Budget:</b>	<b>Y / N</b>

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

<b>Contact Officer Name:</b>	<b>Tel:</b>	<b>Fax:</b>	<b>Email:</b>
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