

**CYNGOR SIR POWYS COUNTY COUNCIL**

**AUDIT COMMITTEE**

**29<sup>th</sup> January 2015**

**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 17<sup>th</sup> October 2014.

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

**2.0 Background**

**2.1** At previous committees it has been reported that the overall Risk Management system was not effective as duties have not previously been fulfilled since the Risk & Resilience Manager left the Council in January 2013.

**2.2** The Internal Audit Manager previously examined and consolidated the Risk Register, and this was presented to the Audit Committee. Further risks were identified as part of the Service Improvement Planning process for 2014-17, and these were included in the register.

**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 us to visit Service Management Teams to explore further risks that aren't included within the register, and to also help 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 risk identified.

**3.0 Progress**

**3.1** Since the last committee a permanent appointment has been made to the post of Business Continuity & Risk Management Officer. As well as business continuity and risk management duties, the post holder is also responsible for risk related project work within the Resources Directorate and has been involved in the budget process.

- 3.2** Three pilot workshops have been held with services to discuss their current risks, and to identify any gaps. These workshops were held in SMTs and engagement has been extremely positive with Services identifying that they need to take ownership of their risks. Further attendance at these SMTs will be required to further embed the process of SMTs identifying and owning their risks, and how they control these. This is in line with the approach being adopted that requires directorates to 'own' their risks and the required mitigation.
- 3.3** The Risk Register will be updated after follow up meetings with SMTs, and Services have taken on the process of monitoring service specific risks, escalating only the 'Corporate' risks to the Audit Committee. These follow up meetings are being scheduled for the next month.
- 3.4** Once this process has begun then the Corporate Risk Register should gradually reduce to a more manageable number of risks. Service specific risks won't be ignored, and SMTs will be empowered to monitor these individually, with both coaching and challenge provided by the Business Continuity & Risk Management Officer.
- 3.5** At the last Committee an issue was raised around the Children's Services risk (CS8) which was scored as 'catastrophic'. The Head of Children's Services responded to the Chair and Vice-Chair of the Committee as requested, and after reviewing the position reduced the level of risk from catastrophic to high. The risk wording has also now been amended as part of the process of engaging with SMTs, as the Early Intervention and Prevention work has now become statutory under the Social Services and Well-being (Wales) Act 2014. The risk rating currently remains high.

#### **4.0 Further Work**

- 4.1** The risk register is currently too large and this is a reflection of the learning process that the organisation is going through. Initially directorates are being cautious and therefore too many risks are being brought forward. This will reduce as the organisation becomes more aware of the appropriate categorisation of risks. It is realised that the number of risks reported to this Committee must reduce to a manageable level. In order to achieve this, service specific risks will be managed at SMT level, and all other risks will be escalated to the Audit Committee. This will ensure that the Committee has oversight of all corporate risks which may impact across other service areas, which may adversely affect the Council's reputation, or which have a level of risk that requires further intervention.
- 4.2** 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** 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.
- 4.3** The Financial Scrutiny work currently underway has highlighted the need to use risk registers as part of the budget process. This has started with the Business Continuity & Risk Management Officer being part of the Resources Directorate team

co-ordinating the budget process. Further progress will be made in the next budget round.

## 5.0 **Business Continuity Management (BCM)**

5.1 Engagement with Business Continuity Champions continues and the BCM Group met earlier this month. Previously Champions had completed Service Business Continuity Plans (BCPs) for their 'red' time critical activities. They have now all been asked to update their BCPs to include their 'amber' time critical activities also.

## 5.0 **Statutory Officers**

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

The Business Continuity & Risk Management Officer post is starting to have a real impact on the work of the council and will play an increasingly important part supplying assurance as well as challenge to directorates.

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

"I welcome the comments of the S151 Officer have nothing to add to the report."

## 6.0 **Future Status of the Report**

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 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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