

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

4th November 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 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 and to Cabinet.

3.0 Progress

- 3.1** 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.
- 3.2** The Corporate risk register has been aligned to the Council's Vision Statement. Each of the risks has been categorised against the corporate priorities which underpin the Vision Statement. This will enable reporting of risks to the achievement of the Council's corporate priorities. It is also the first step towards more integrated reporting.

- 3.3 Following the pilot of the Impact Assessment (IA) on the 2016/17 budget process, Cabinet has approved mandatory use of the IA for all policies, change objectives and budget saving proposals going forward. The IA has been developed to facilitate better decision making, based on evidence, which considers the wider implications for the service, the Council and communities of Powys.
- 3.4 Training has been designed and developed for officers who are identified to complete the IAs, and also Heads of Service who are involved in the sign-off process. The training provides users with an understanding of the IA process, and outlines the importance that a full and honest assessment is made, and to ensure that due regard has been fully undertaken when completing them. To date, twelve Impact Assessment training sessions have been delivered to officers. IA training is currently being developed for Cabinet and Scrutiny Committees (including Finance Scrutiny Panel).
- 3.5 The process of gathering IAs for the 2017-18 budget saving proposals has commenced. The IAs will be signed off by Cabinet, and will also be presented to Council as part of the budget papers.
- 3.6 Work is ongoing to prepare for the Council's impending Corporate Assessment (CA). A self-assessment was previously undertaken, which was based on WAO's CA question hierarchy. The assessment, which was undertaken by Thematic Leads who were identified to lead the approach, was shared with WAO.
- 3.7 Following receipt of the completed self-assessment, WAO has indicated key lines of enquiry for the CA. This work will be undertaken in addition to the three thematic reviews which will also be undertaken (1. Financial Resilience, 2. Governance, 3. Transformational Change).
- 3.8 Earlier this year a review was undertaken of the Council's Risk Management system, as previously identified in the 2015-16 Audit Plan. The review included discussions with Senior Management as well as a desktop review of documentation including Risk Registers, Policies and other documentation. Whilst the report acknowledges the journey which the Council has made in implementing a Risk Management system over the last two years, a number of areas for improvement have been identified. An action plan has been developed in response to the improvements identified, and progress of delivery of the action plan will be monitored through the Internal Audit Working Group.

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 Co-ordination of the budget saving proposals will continue. IAs will be completed by the services for each of the 2017/18 budget savings, and these will be included within the 2017-20 budget pack and reported to Cabinet and Council for sign-off.

4.4 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 Work Group.

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 is currently undertaking an audit of BCM arrangements within the Council, and this is now nearing completion. The audit is a crosscutting exercise that has been concentrating on the arrangements in place to ensure systems are satisfactorily in place in the event that service delivery is threatened. The audit is also covering compliance by individual services. The results of the audit will be shared and discussed by the BCM Group, and any necessary responding actions will be addressed.

6.0 Statutory Officers

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

“The report brings committee up to date with progress being made delivering risk management across the council. The requirement for effective risk management has a direct link with longer term financial sustainability.”

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 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 / N
Within Budget:	Y / N

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