

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

2nd February 2018

REPORT AUTHOR: Greg Thomas, Business Continuity & Risk Management Officer

SUBJECT: Update Report on Risk Management (Quarter 2 2017/18)

REPORT FOR: Information

1.0 Summary

1.1 An update has been requested by the Audit Committee on Risk Management and Business Continuity within the Council, following a report to the Committee on 3rd November 2017.

1.2 This report outlines the position statement for Risk Management and Business Continuity within the Council, and progress made since the last committee.

2.0 Background

2.1 The Council is in a process of continuously improving and updating its approach to risk management, to help better understand and manage the risks which it is facing, and to increase the likelihood of achieving 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 three 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 they are dynamic and remain up-to-date. Risk registers are regularly reported to Portfolio Holders, Management Team and Strategic Overview Board.

3.0 Risk Management

3.1 Progress

3.1.1 The Cabinet continues to view the corporate risk register on a quarterly basis via the Strategic Overview Board, and the Leader is updated on the progress of risk management on a monthly basis, as part of her role as Portfolio Holder

for Risk Management. Risk Management is now a recognised component of the decision making process.

- 3.1.2 Since the last reporting period Greg Thomas has been appointed to the role of Business Continuity and Risk Management Officer, whilst Caroline Evans is on secondment.
- 3.1.3 South West Audit Partnership (SWAP) are currently undertaking an internal audit into risk management arrangements in Powys County Council. Recommendations from this audit will be taken on board in order to further develop the approach of Powys County Council to risk management.
- 3.1.4 Following the publication of the final report from SWAP an action plan will be produced to renew risk management in Powys County Council. Subject to the recommendations of the audit, it is anticipated that an integrated toolkit approach to risk management will be adopted (similar to what is used in other local authorities).
- 3.1.5 Alongside this change in strategy, it is hoped that Powys County Council will procure JCAD Core (an electronic risk management system). This will be more efficient, allow for easier escalation of risk, and reduce the possibility of human error. Furthermore reporting will be more efficient, allowing members to and officers to access up to date, live information at the touch of a button.

3.2 **Current Position**

- 3.2.1 The following changes have been made to the Corporate Risk Register in the current reporting period: -
 - i. **CR16 – The impact on the Council as a result of Brexit.**
Following the recommendation of Audit Committee and discussion with the Leader, given the continuing uncertainty of Britain's future relationship with the European Union, the residual risk has been raised to high.
- 3.2.2 The following have been removed from the Corporate Risk Register in the current reporting period: -
 - i. **CR4 – Failure to deliver on the One Powys Plan.**
Due to the One Powys Plan coming to an end of its lifecycle, the risk has been closed on the ICT and Programme Office Service Risk Register and therefore has been removed on the Corporate Risk Register.
 - ii. **SS1 – Non delivery of the Schools Transformation Programme, risk of legal challenge to consultation process which will impact on the 21st Century Capital Programme.**
Given the progress of this project, the risk of legal challenge has diminished, and the risk closed on the Schools Service Risk Register. Therefore it has also been removed on the Corporate Risk Register.
- 3.2.3 The following risks have been added/raised to the Corporate Risk Register in the current reporting period: -

- i. **CR18 – (1) Ability of Adult Social Care to meet the £2.2m savings target for 2017/18 (2) Addressing the Adult Social Care deficit in the FRM for 2018/19.** Given the potential implications to the authority of a budget overspend, this has been raised to the Corporate Risk Register.
- ii. **HTR4 – To provide safe highways assets and structures as far as reasonably practical.** Due to the potential of breaching statutory duties, financial, and reputational risk, Cllr Fitzpatrick has asked for this to be raised to the Corporate Risk Register.
- iii. **CS4 – Develop structure to respond to CSSIW report.** Owing to the impact that the response to the CSSIW report is likely to have on the wider Authority this has been placed on the Children’s Service Risk Register and Corporate Risk Level Risk Register.
- iv. **CS5 – Not having sufficient foster or respite placements.** As a result of the CSSIW report, this has been identified as a key risk to Children’s Services, and therefore the wider authority. As such it has been raised to the Corporate Risk Register.

3.2.4 Full detail of the risks and the mitigation identified to control the risks is included in the attached Heat Map, Risk Summary, and Risk Register.

3.3 Further Work

3.3.1 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.

3.3.2 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.

3.3.3 Risk Management training will be developed following the conclusion of the audit by SWAP and will be delivered to Members, with initial focus on Cabinet and Audit Committee.

4.0 Business Continuity Management (BCM)

4.1 Current Position

4.1.1 The BCM Group has been established having not met since January 2017. The Group is a forum which enables BCM Champions to interact and share knowledge, as well as identifying any inter-dependencies.

4.1.2 The inclement weather event of December 2017 identified a number of business continuity issues, which are now being addressed.

4.1.3 All Service Areas have been asked to review their plans by Friday 30th March 2018.

4.2 Further Work

4.2.1 Discussions are underway with the Schools Service to develop a framework for business continuity for individual schools. This is not a statutory obligation, but is considered best practice by many local authorities.

4.2.2 A quality assurance is to be developed for Service Business Continuity Plans.

4.2.3 The possibility of a public facing webpage will be investigated to ensure that we are meeting all aspects of the Civil Contingencies Act (2004).

4.2.4 The Corporate Business Continuity Plan is to be fully reviewed.

5.0 **Impact Assessments**

5.1 As the budget setting process is coming to its conclusion, the Impact Assessment process will be reviewed, it is likely that the process will be changed to streamline the review process, and to include a new online, cloud based form using Sharepoint.

5.2 Following the 2017/18 budget setting process the IA Project Team reviewed the IA template and made changes according to the latest legislation, as well as user feedback. One of the changes made was to incorporate the Savings Delivery Plan Template, which was introduced at last year's budget. This removed any unnecessary duplication and reduced workload for the services, as well as ensuring that the required information in respect of each saving is received from services.

Statutory Officers

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

7.2 The Solicitor to the Council (Monitoring Officer) has commented as follows:

8.0 **Future Status of the Report**

8.1 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	Within Budget:	Y

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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