

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

27th April 2018

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

SUBJECT: **Update Report on Risk Management (Quarter 3 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 23rd January 2018.
- 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** In October 2017 SWAP undertook an audit of the risk management arrangements in Powys County Council, this audit concluded that current risk management arrangements in Powys County Council place the organisation at high risk of not being able to achieve its objectives and to successfully execute its strategies. The audit was only able to offer partial assurance in relation to the areas reviewed and the controls in place. It was found that key risks are not well managed, and that system requires the introduction or improvement of internal controls to ensure the achievement of objectives.
- 3.1.3** The current Risk Management and Business Continuity Officer had already drawn up an action plan to improve the risk management process, this has been agreed with the Acting Director, Resources and included many of the recommendations of the report produced by SWAP.
- 3.1.4** This action plan includes a new risk management toolkit and the use of an electronic risk management system. The implementation of these are discussed in a separate report to be delivered to Audit Committee this afternoon (27th April 2018).

3.2 Current Position

- 3.2.1** The following have been removed from the Corporate Risk Register in the current reporting period: -
- i. **CR3 – Inadequate Corporate Governance arrangements for shared services and partnerships.**
A new model has been developed and a new Section 33 agreement signed between Powys County Council and Powys Teaching Health Board until 31/3/2021, therefore this is no longer considered to be a risk.
 - ii. **CR5 – Lack of a clear definition and structure to support the organisation's commissioning and commercial vision.**
Following a conversation with the Interim Professional Lead Commercial Services, this historical risk (dating from 2012) has been removed. The Commercial Services team has been implemented and is embedded throughout the organisation, giving a clear and defined structure to support the organisations commissioning and commercial vision.
- 3.2.2** The following 6 risks have been added/raised to the Corporate Risk Register in the current reporting period: -
- i. **CR19 – Non-compliance of the principals of the General Data Protection Regulation (GDPR) at introduction.** Added due to the potential for fines of up to €20,000,000 or 4% of annual turnover and reputational damage should we not be compliant with the regulation upon its introduction.
 - ii. **CS11 – Failure to meet the statutory deadlines imposed on the Council as a relevant authority under the National Training**

Framework under Violence Against Women Domestic Abuse and Sexual Violence Wales Act (2015). Added due to the low number of staff who have completed this training, and because of the potential legal/reputational damage that this lapse could cause the Council.

- iii. **ASC18 – Inability to recruit to the level and scale of staff required within ASC.** Added due to the potential impact that having a lack of staff can have on the Council, both financially and in terms of service delivery.
- iv. **ASC19 – Projected demographics of Powys suggest a significant increase in older people requiring care, and a significant decrease in the working age population. Therefore ensuring an adequate caring and professional workforce is a risk.** Added due to the potential impact that an aging population, and decreasing working age population will have on the Council, its finances, workforce, and the prosperity of the Council.
- v. **ASC22 – Current Bupa contract for Powys Care Homes expires June 2019. Powys needs to agree and implement new management of Care Homes post 2019.** Added because, should a new management contract not be implemented, homes may be taken under Council ownership or possibly close, placing vulnerable people at risk.
- vi. **1. Ability to meet the 600k Children's Service savings target for 2018/2018. 2. Addressing the deficit in the Children's Service FRM (£1.1million) for 2018/19.** Given the potential implications to the authority of a budget overspend, this has been added to the Service Risk Register and raised to the Corporate Risk Register.

3.2.3 Full details 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 A new Risk Management Toolkit has been developed, should this be agreed by Executive Management Team, Audit Committee, and Cabinet, this will be implemented across the organisation by August 2018.

3.3.4 An electronic risk management system, JCAD has been procured, and is currently being built. This will be implemented across the organisation by August 2018.

3.3.5 Risk Management training will be developed 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 All Service Business Continuity Plans (excluding ICT) have now been completed. These will feed into the review of the Corporate Business Continuity Plan. Which will be undertaken this quarter.

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 A public facing webpage is being developed, ensuring that we are meeting all the requirements 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 currently being reviewed, and 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 (should ICT allow).

6.0 Future Status of the Report

6.1 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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