CYNGOR SIR *POWYS* COUNTY COUNCIL

AUDIT COMMITTEE
7th July 2018

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

SUBJECT: **Update Report on Risk Management (Quarter 4 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 27th April 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 Cabinet Management Team.

3.0 Risk Management

3.1 *Progress*

3.1.1 The Cabinet continues to view the corporate risk register on a quarterly basis via Cabinet Management Team, 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   As a result of this audit a new risk management toolkit has been written, and JCAD Core (an electronic risk management system) has been procured, this was presented to Audit Committee on 27th April 2018, and has since been agreed by Management Team and Cabinet.

3.1.4   This new toolkit and software will be delivered by 1st August 2018, with Caroline Evans taking responsibility for its roll out and implementation.

3.2   *Current Position*

3.2.1   The following have been removed from the Corporate Risk Register in the current reporting period: -
   i.   **PPPP2 – Legal challenge to Powys County Council's intentions to handback responsibility of privately owned closed landfill sites to the landowners.**
         Powys County Council won the appeal at the High Court, and the aggrieved party was refused permission to appeal this decision.
   ii.   **PPPP3 – Failure by County Council to adopt the Local Development Plan (LDP).**
         Full Council voted to adopt the LDP on 20th April 2018.

3.2.2   The following 2 risks have been added/raised to the Corporate Risk Register in the current reporting period: -
   i.   **ASC28 – Legal case is being undertaken at the High Court with regards to payment for 'sleep-in' care work.**
         The pay that carers receive when asleep has not been consistent (not receiving minimum/living wage). Depending upon the case law set out, this could lead to legal challenge, and a significant financial impact for Powys County Council.
   ii.   **HS9 – Heart of Wales Property Services (HoWPS).**
         HoWPS are underperforming their agreed contract, leading to a failure of statutory functions, failure to perform repairs and maintenance, and an additional cost to Powys County Council.

3.2.3   The remaining 29 risks remain unchanged for this period. However some Portfolio Holders and Risk Owners have been amended due to organisational changes.

3.2.4 Full details of the risks, consequences, and identified mitigation is included on the attached Risk Register (changes shown in red text), summary sheet, and heat map.

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 Cabinet Management Team.

3.3.2 The 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, and 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 framework is to be developed for Service Business Continuity Plans.

4.2.3 A public facing webpage offering support and advice to businesses and the third sector with regards to their business continuity has been developed and launched, ensuring that we are meeting all the requirements of the Civil Contingencies Act (2004).

4.2.4 Following the completion all Service Business Continuity Plan, the Corporate Business Continuity Plan is to be fully reviewed.

4.2.5 Work is underway to better align the Business Continuity and Emergency Planning functions of the Council under the requirements of the Civil Contingencies Act (2004), and to ensure the most efficient use of resources.

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.

5.2 Moving forward this work will be led by members of the Policy and Performance Team.

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**

Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	

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