



## **AUDIT COMMITTEE – 17TH OCTOBER 2017**

**SUBJECT: CORPORATE RISK MONITORING**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 To provide an update of the Corporate Risk Register in accordance with the Council's Risk Management Strategy.
- 1.2 The updated Corporate Risk Register (CRR) is presented to Audit Committee so there is opportunity for the Committee to satisfy itself that appropriate arrangements are in place for the council's risk management processes to be regularly and robustly monitored and scrutinised
- 1.3 Members have a critical role to play in evaluating the council's risk management arrangements and in particular understanding how the council identifies, manages and, where possible, mitigates/removes risk.

### **2. SUMMARY**

- 2.1 Under the Council's Risk Management Strategy, Corporate Management Team (CMT) monitors the CRR quarterly and Cabinet receive six monthly progress reports. The six month progress updates are then provided to Audit Committee who have the role of reviewing and challenging the risk register and resultant action plans for the council's key strategic and corporate risks.
- 2.2 The Risk Register has been updated after the review by CMT on the 7<sup>th</sup> September 2017 and the changes made summarised in the table below.

### **3. LINKS TO STRATEGY**

- 3.1 Management of risk is an important element in delivering council priorities and ensuring contribution to the Well-being Goals as set out in the Well-being of Future Generations (Wales) Act 2015 [WBFGA]:
  - A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A more equal Wales
  - A Wales of cohesive communities
  - A Wales of vibrant culture & thriving Welsh language
  - A globally responsible Wales

**4. THE REPORT**

4.1 Audit Committees role (as noted in the Council Risk Management Strategy 2017) is to:

- Review the effectiveness of the risk management and internal control framework.
- Review the Council’s Risk Management Strategy and how it is being implemented.
- Review and challenge the risk register and resultant action plans for the top corporate risks.
- Receive, review and challenge progress in implementing action plans for the Council’s key strategic and corporate risks.
- Satisfy themselves’ that robust processes and procedures exist and are applied for the management of operational risks, including health & safety risks.
- Participate in mandatory or updated training in the area of risk management

4.2 As CMT are the owners and managers of the risk register they will update the register at least quarterly. Cabinet and Audit Committee will receive the most recent update on a six monthly basis. In order to present the most recent information this report focuses on the CMT update of 7<sup>th</sup> September 2017. The register that Cabinet reviewed and endorsed is available on the intranet under Cabinet Papers for the Agenda on the 17<sup>th</sup> July 2017.

4.3 The CRR is compiled generally in the following ways:

1. CMT collectively identify organisational risks that arise from such sources as national/regional agendas, changing legislation, budget settlements, partnership risks, project risks. Whole authority operational risks could also result from regulatory inspections/reviews, political influences, work-force planning, performance management and from risks escalating from Directorate Risk Registers.
2. Directors escalate operational risks that, in their opinion, require a corporate approach to their management.
3. Strategic risks suggested by members.

4.4 The CRR is a ‘living document’ and changes at every review as new risks are introduced, existing risks are closed, or existing risk’s RAG (red/amber/green) status is updated.

4.5 A summary of the main changes in the Register agreed by CMT is provided in the table below.

<b>Risks Removed</b>	<b>Risks Added</b>	<b>Risks Amended</b>
No risks were removed for this update	No new risks were added to this update	<p>CMT18 – School rationalisation. New update on situation in comments section.</p> <p>CMT29 – WHQS - mitigating actions removed as completed. Rating increased from medium to high</p> <p>CMT 12 &amp; 37 – Waste – Update to actual risk narrative.</p> <p>CMT44 – Local Development Plan Risk moved from medium to high.</p>

4.6 The attached register has been updated to reflect changes in the way risk is identified and assessed in light of the ‘duty’ to act sustainably (para 5.2) which emphasises a long term and prevention aspect in the way we view risk, particularly its effects on citizens or their communities. The WBFGA legislation states in its guidance that a public body will need to change the way it manages risk. Under section 3 of ‘where change needs to happen’ of the Welsh Government Guidance, it states that:

*“There will be long term risks that will affect both the delivery of your services but also the communities you are enabling to improve. Use the well-being goals and five ways of working to frame what risks you may be subject to in the short, medium and long term and together with the steps you will take to ensure they are well managed”.*

- 4.7 Looking to the long term does not mean short term risks go away, or, that operational risks for example, are less important, rather it means we have to broaden our scope to include risks to the public, risks to services for those with protected characteristics and recognising strengths of communities as opportunities. The register template (Appendix 1) has been altered to reflect this.

## 5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The Well-being of Future Generations (Wales) Act 2015 [WBFGA] identifies a core set of activities that are common to the corporate governance of public bodies where change needs to happen:

- Corporate Planning
- Financial Planning
- Workforce Planning
- Procurement
- Assets
- **Risk Management**
- Performance Management

- 5.2 The CRR incorporates the five ways of working (ICLIP) identified within the sustainable development principle in the WBFGA. These are:

- **Involving** a diversity of the population in the decisions that affect them.
- Working with others in a **Collaborative** way to find shared sustainable solutions.
- Looking to the **Long-term** so that we do not compromise the ability of future generations to meet their-own needs.
- Taking an **Integrated** approach so that public bodies look at all the well-being goals in deciding on their well-being objectives.
- Understanding the root causes of issues to **prevent** them from occurring.

- 5.3 Risks are assessed in terms of their implications for the wellbeing of future generations.

## 6. EQUALITIES IMPLICATIONS

- 6.1 The Local Government Measure defines fairness and access as one of the criteria that constitutes ‘improvement’ within the Wales programme for Improvement 2009.

- 6.2 Promoting equalities is a fundamental requirement of the Future Generations legislation, with specific resonance for meeting the Well-being Goals of: *A More Equal Wales*, and *A Wales of Cohesive Communities*.

## 7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications associated with this report.

## 8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications associated with this report.

## **9. CONSULTATIONS**

- 9.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

## **10. RECOMMENDATIONS**

- 10.1 That Audit Committee consider and offer any comments on the Corporate Risk Register.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 To be assured that the Council is managing its Risks effectively and in compliance with the Council's Risk Management Strategy.

## **12. STATUTORY POWER**

- 12.1 Local Government Measure 2009, Wales Programme for Improvement 2010, Well-being of Future Generations (Wales) Act 2015.

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	Cllr Barbara Jones	Deputy Leader and Cabinet Member for Finance, Performance and Governance
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	Kathryn Peters	Corporate Policy Manager
	Ian Raymond	Performance Officer
	Richard Harris	Internal Audit Manager
	Anwen Cullinane	Senior Policy Officer- Equalities & Welsh Language
	David Roberts	Principal Group Accountant
	Shaun Watkins	Principal Personnel Officer

### Appendices:

- Appendix 1 Corporate Risk Register updated by CMT 7<sup>th</sup> September 2017