



## **CABINET – 19TH JULY 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 Corporate Risk Register update seeks the views and approval of Cabinet prior to its presentation to Audit Committee on the 13<sup>th</sup> September 2017.
- 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. Risk Management is crucial to the effective delivery of council services.

### **2. SUMMARY**

- 2.1 Under the Council's Risk Management Strategy, Corporate Management Team (CMT) monitor the Council's Corporate Risks and Audit Committee have the role of reviewing and challenging the risk register and resultant action plans for the council's key strategic and corporate risks. The role of Cabinet has been formalised and moving forward Cabinet will receive six monthly progress reports on the Corporate Risk Register. The Risk Register has been revised after the review by CMT on the 22<sup>nd</sup> June 2017 and the changes made summarised in the table below.

Attached at Appendix 1 is the updated version of the Council's Corporate Risk Register.

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

- 3.1 Management of risk is a crucial 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 Part of Cabinet’s role (as noted in the Council Risk Management Strategy 2017) is to:

- Approve the “risk appetite” of the Council i.e. the definition of high (red) risk, medium (amber) risk and low (green) risk as recommended by the Corporate Management Team.
- Approve the risk “appetite” in light of the new way to view risk through the lens of the sustainable development principles, the short/medium/long term, and the 7 Well-being Goals - Well-being of Future Generations (Wales) Act 2015.
- Hold the Corporate Management Team accountable for the effective management of risk.
- Monitor the arrangements for managing the Council’s Corporate/Whole Authority Risks, through six-monthly progress reports.
- Receive and review the risk register and resultant action plans for the top corporate risks.
- Make an appropriate allocation of resources to address identified risks and risk management framework.
- Ensure that appropriate and effective communication reporting lines are in place in the context of risk management.

4.2 The Corporate Risk Register is compiled generally in the following ways:

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

4.3 The Corporate Risk Register (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) assessment is updated. See Appendix 1.

4.4 As noted above the Risk Management Strategy has recently been updated and approved and moving forward Cabinet will now receive six monthly progress reports on the Corporate Risk Register. 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>
CMT38 – IT security CMT40 – The Well-being of Future Generations (Wales) Act 2015 CMT43 – Welsh language Standards (this was added in Q4 of 16/17 and then removed in Q1 of 17/18)	CMT45 – New Risk CMT46 – New Risk CMT47 – New Risk	CMT01 - Actual Risk, Mitigating Actions & Comment. CMT16 - Comment. CMT17 - Mitigating Action & Comment. CMT18 - Comment. CMT29 - Mitigating Actions & Comment. CMT12/37- Actual Risk. CMT39 - Mitigating Action. CMT41 - Comments & Risk category. CMT42 - Additional text & Risk category CMT44 - Comment.

4.5 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".

- 4.6 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 Corporate Risk Register 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 Cabinet provides their views on the Corporate Risk Register and having done so endorse the update prior to presentation to the Audit Committee.

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

11.1 To be assured that the Council is managing its Risks effectively and within 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.

Author:	Ian Raymond	Performance Officer
Consultees:	Chris Burns	Interim Chief Executive
	Nicole Scammell	Acting Director of Corporate Services
	Christina Harry	Corporate Director of Communities
	Dave Street	Corporate Director of Social Services
	Robert Hartshorn	Head of Public Protection
	Kathryn Peters	Corporate Policy Manager
	Ros Roberts	Corporate Performance Manager
	Lisa Lane	Corporate Solicitor
	Richard Harris	Internal Audit Manager
	Anwen Rees	Senior Policy Officer- Equalities & Welsh Language
	David Roberts	Principal Group Accountant
Shaun Watkins	Principal Personnel Officer	
	Cllr Barbara Jones	Deputy Leader and Cabinet Member for Finance, Performance and Governance

### Appendices:

Appendix 1 Corporate Risk Register (June 2017)