



AUDIT COMMITTEE - 16TH OCTOBER 2018

SUBJECT: CORPORATE RISK REGISTER MONITORING (Q2 – 2018/19)

REPORT BY: INTERIM HEAD OF BUSINESS IMPROVEMENT SERVICES

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 (Appendix 1) is presented to Audit Committee to provide an 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, the Corporate Management Team (CMT) own, manage, monitor and review the Council's Corporate Risks on a quarterly basis, with six monthly progress reports submitted to Cabinet. Updates are provided to Audit Committee, who have the role of reviewing and challenging the Risk Register and where relevant, resultant action plans for the Council's key strategic and corporate risks.
- 2.2 In order to present the most recent information, this report focuses on the CMT update of 20th September 2018, which will be reported to Cabinet on 30th January 2019. A summary of changes made to the Risk Register is noted in the table in 4.4.

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 Part of the Audit Committee’s role (as noted in the Council’s 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 The Corporate Risk Register is compiled generally in the following ways: -

- 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.
- 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.
- Directors escalate operational risks that, in their opinion, require a corporate approach to their management.
- Strategic risks suggested by Elected Members.

4.3 The Corporate Risk Register is a ‘living document’ and may change when periodically reviewed and assessed in the following ways; new risks introduced, existing risks closed, risk levels change (RAG - red/amber/green), mitigating actions and progress comments updated. See Appendix 1.

4.4 A summary of the main changes in the Risk Register in the last six months is provided in the table below:

Risks Removed	Risks Added	Risks Amended
	CMT42 – Exit from the EU (Brexit)	<p>CMT01 – Additional resources required and comments from latest risk review.</p> <p>CMT16 – Actual risk, mitigation actions and risk owner.</p> <p>CMT29 – Mitigation actions, comments from latest risk review and risk owner.</p> <p>CMT12 & CMT 37 – Actual risk and mitigation actions.</p> <p>CMT45 – Comments from latest risk review.</p> <p>CMT47 – Comments from latest risk review.</p>

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 (paragraph 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 Well-being of Future Generations Act (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. 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 (Appendix 1) reflects 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 well being 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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Appendices:

Appendix 1 Corporate Risk Register (Sept 2018)