

ISLE OF ANGLESEY COUNTY COUNCIL

COMMITTEE:	AUDIT COMMITTEE
DATE:	5 FEBRUARY 2013
TITLE OF REPORT:	RISK MANAGEMENT
PURPOSE OF REPORT:	FOR INFORMATION
REPORT BY:	HEAD OF FUNCTION (RESOURCES)
ACTION:	FOR INFORMATION / CONSIDER THE CORPORATE RISK REGISTER

1. INTRODUCTION

1.1 The Council's Risk Management Strategy requires the Audit Committee to review the Risk Management framework and review and challenge the Corporate Risk Register and resultant action plans for the top corporate risks.

1.2 The initial Corporate Risk Register was presented to the Audit Committee in September 2012.

2. PROGRESS ON IMPLEMENTATION OF RISK MANAGEMENT FRAMEWORK

2.1 The Risk Management Strategy and Risk Management Guidance were endorsed by the Executive on 15th October 2012.

2.2 Risk Management training was delivered to Members of the Audit Committee, Scrutiny Committee and the Executive on 6th November 2012.

2.3 Membership of the Risk Management Group was confirmed in November 2012 and the Group held an initial meeting on 18th December 2012.

2.4 SLT met on 23rd January 2013 to review the Corporate Risk Register. It should be noted that this meeting was initially scheduled for the 18th January 2013 but was postponed due to the snow.

2.5 The Risk & Insurance Manager continues to support Heads of Service to develop their Service Risk Registers.

3. CORPORATE RISK REGISTER

3.1 The revised Corporate Risk Register is attached to this report at Appendix A.

- 3.2 The risk definitions (the Vulnerability), Triggers and Consequences have all been reviewed by SLT as have the Risk Levels. Unfortunately, due to the limited time available during the meeting of the 23rd January 2013, the Control Measures have not been reviewed. SLT have been requested to review and update the Control Measures by the end of February 2013.
- 3.3 The SLT review has identified the following as the Council top five risks:-
- YM33 Failing to provide services within the budget provided
 - YM36 Failing to plan for the impact of the health sector reforms
 - YM2 Failing to sustain the improvements made in terms of Governance
 - YM7 Not managing information effectively or efficiently
 - YM38 Failure to plan affordable and suitable housing to meet the needs of the population
- 3.4 The Corporate Risk Register will always be a living and developing document and, as such, both the SLT and the Risk Management Group will continue to review and update the document as required.

4. RECOMMENDATIONS

- 4.1 The Committee is requested to consider the Corporate Risk Register.

CORPORATE RISK REGISTER

Risk Reference	Risk Owner / Lead Officer	Date Identified or Amended	Risk Identified			Risk Level			Additional Control Measures / Treatment Required			Residual Risk Level			Review Date / Frequency
			Vulnerability / Hazard	Trigger	Consequences / What or who will be effected and how / Outcome / Effect on objectives	Likelihood	Severity	Score	Action	Responsible Officer	Target Date	Likelihood	Severity	Score	
YM2	Chief Executive	10/2011	Failing to sustain the improvements made in terms of Governance	<ul style="list-style-type: none"> Elections and Introduction of new multi – member wards etc Political instability 	<ul style="list-style-type: none"> Objectives not met Reputational damage Further intervention Uncertainty Low morale 	3	5	15							
YM1	Chief Executive	10/2011	Failing to work collaboratively with others to benefit the Council, or continuing to work collaboratively where there are no benefits for the Council in doing so	<ul style="list-style-type: none"> Budgetary Pressures WG Agenda Poor relationships Lack of trust in the Council Lack of planning Lack of consultation Political barriers 	<ul style="list-style-type: none"> Reputational damage Less efficient services Objectives not met Lack of improvement in key areas External intervention (not collaborating) Loss of local decision making (when collaborating) Loss of funding (not collaborating) 	4	3	12							
YMB	HoF (Resource)	10/2011	Failing to plan for reduced funding	<ul style="list-style-type: none"> Reduced settlement from WG Reduced income Ineligible to apply for certain funding streams Inflationary & interest rate effects Affordable priorities – savings not achieved 	<ul style="list-style-type: none"> Objectives not met Reduction in services provided Lower quality services provided Reputational damage Lack of improvement in key areas External intervention 	3	4	12							
YM33	HoF (Resource)	01/2013	Failing to provide services within the provided budget	<ul style="list-style-type: none"> Declining budgets Increased demand for service Lack of timely financial management / budgetary control information 	<ul style="list-style-type: none"> Reduction in services provided in future years Reputational damage Lack of improvement in key areas 	5	4	20							
YM9	Deputy Chief Executive	10/2011	Lack of Capacity and / or capability to undertake the Council's workload	<ul style="list-style-type: none"> Increased or additional duties Small Authority Lack of joined up systems Weak workforce planning arrangements External requirements Large Projects (e.g. Wylfa, Energy Island) 	<ul style="list-style-type: none"> Objectives not met Delays Reduction in services provided Lower quality services provided Reputational damage Low staff morale Increased accident and sickness levels Difficulties retaining staff Increased dependency on temporary and agency staff Uncertainty 	3	4	12							
YM32	DCE / HoF (Resource)	10/2011	Failing to complete the Job Evaluation review	<ul style="list-style-type: none"> Statutory requirement to undertake Salary and Grading Review Time taken to date to undertake Salary and Grading Review (>10 years) 	<ul style="list-style-type: none"> Low staff morale Uncompetitive pay levels Increased risk of perpetuating pay inequality 	3	2	6							
YM34	Deputy Chief Executive	01/2013	Failing to reach agreement in relation to equal pay claims	<ul style="list-style-type: none"> Delays in completing JE 	<ul style="list-style-type: none"> Reputational damage Increased financial costs 	3	4	12							
YM3	Deputy Chief Executive	10/2011	Weak Business Planning, Risk Management and Performance Management arrangements	<ul style="list-style-type: none"> Lack of capacity Not fully embedded Disjointed functions Lack of appreciation for the need and requirement to plan Impact of large projects (e.g. Wylfa, Energy Island) Performance targets not seen as important within the Council 	<ul style="list-style-type: none"> Uncertainty Inappropriate decision making Ineffective use of resources Criticism from regulators Lack of accountability, compliance and assurance Failure to achieve key targets Financial impact 	3	4	12							

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YM13	Deputy Chief Executive	10/2011	Inadequate and ineffective internal communications	<ul style="list-style-type: none"> Poor communications Lack of appreciation of the need to consult 	<ul style="list-style-type: none"> Reputational damage Time and cost of dealing with complaints Inappropriate decision making Duplication Less efficient service provision 	3	2	6							
YM22	Director of Sustainable Development	10/2011	Failure to manage Buildings and Land effectively	<ul style="list-style-type: none"> Budgetary constraints Legislative requirements Historical lack of investment Continually evolving needs of the Council Economic downturn 	<ul style="list-style-type: none"> Loss of / reduced income Increased repair and maintenance costs Need for emergency repairs Staff working in inappropriate conditions (e.g. temporary buildings, lack of space) Excess space capacity in pockets Breach of health and safety legislation Empty buildings a drain on resources 	3	4	12							
YM7	Head of Function - Resources	10/2011	Risk of not managing information efficiently or effectively	<ul style="list-style-type: none"> Major IT systems which are not fit for purpose Lack of investment in IT systems Budgetary constraints Legislative requirements Continually evolving needs of the Council 	<ul style="list-style-type: none"> Inability to comply with legal / statutory / contractual requirements Correct and up to date data not available impacting decision making Duplication Less efficient services Loss of / reduced income 	5	3	15							
YM31	HoF Legal and Administration / HoF Resources	08/2012	Risk of not being Data compliant	<ul style="list-style-type: none"> Insecure systems Human error Inadequate storage / disposal arrangements Lack of corporate leadership 	<ul style="list-style-type: none"> Damage to reputation Financial Penalties 	4	3	12							
YM20	Director of Sustainable Development	10/2011	Not having adequate or robust Business Continuity Management arrangements in place	<ul style="list-style-type: none"> BCM not effective Lack of appreciation of the statutory requirements and consequences Lack of capacity 	<ul style="list-style-type: none"> Unable to respond appropriately Service disruption Council not fulfilling it's role under the Civil Contingencies Act Damage to reputation Recovery prolonged 	2	4	8							
YM28	Director of Sustainable Development	10/2011	Failure to meet energy efficiency targets	<ul style="list-style-type: none"> Increasing market prices Failure to secure / renew favourable contract terms More stringent targets Lack of stakeholder involvement Lack of funding available 	<ul style="list-style-type: none"> Increased costs Impact on funding available 	3	3	9							

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YM15	Head of Function (Resources)	10/2011	Failure to plan for the effects of Welfare Benefits Reforms	<ul style="list-style-type: none"> Changes to the Welfare Benefits system nationally Social Fund reform Lack of detail provided from Central and Welsh Governments 	<ul style="list-style-type: none"> Exacerbation of financial inclusion Increase in anti-social behaviour and criminal activities including fraud Substantial increase in Council Tax and rent arrears – potential £1m shortfall in Council Tax Loss of income for Housing Services, affecting viability of 30 year business plan Increase in homelessness and individual debt Reduced income as ability to pay for certain services diminishes Increased costs Increased demand for service, including additional support and advice services Additional time to assess applications 	2	4	8							
YM23	Director of Lifelong Learning	08/2012	Failing to implement the contents of the post Estyn inspection plan and improve performance against key indicators	<ul style="list-style-type: none"> Estyn inspection found performance and prospects for improvement unsatisfactory Minister of Education and Skills' expectation Expectation on Council to deliver improvements 	<ul style="list-style-type: none"> Further external intervention Dire consequences for Education services on Anglesey 	2	4	8							
YM24	Director of Lifelong Learning	08/2012	Not dealing with surplus places in the Council's primary and secondary schools	<ul style="list-style-type: none"> Demand and supply imbalance WG and external regulators expectations Need for more efficient use of resources Lack of funding to maintain school buildings Leadership capacity 	<ul style="list-style-type: none"> Longer term financial consequences Increased cost of service delivery External regulators' perception of Council 	2	5	10							
YM25	Director of Lifelong Learning	08/2012	Failing to respond to the Estyn report in relation to Ysgol Uwchradd Caergybi, in particular the budget deficit	<ul style="list-style-type: none"> Estyn expectations Authority expectations of the school 	<ul style="list-style-type: none"> School could be placed in special measures, which would influence Estyn's perception of the Authority Damage both school and Council's reputation Reduction in the number of pupils choosing the school. 	4	3	12							
YM27	Director of Lifelong Learning	08/2012	A regional school improvement service not being established	<ul style="list-style-type: none"> Collaboration agenda – WG expectations Efficiency savings 	<ul style="list-style-type: none"> Uncertainty and impact on support capacity at a time when this is a priority Reduction in quality of service and response time 	2	3	6							
YM5	Director of Community	10/2011	Failing to meet the needs of the adult population, particularly those eligible for support	<ul style="list-style-type: none"> Demographic changes Increased prevalence of dementia Change in funding from Health Service and WG Changes to Welfare Benefits Recent Judgment in relation to fee setting for Independent Residential / Nursing homes 	<ul style="list-style-type: none"> Increased demand for services in the future Reduced income Increasing costs, especially in relation to available budgets Reduced quality of service External intervention Reputation damage Customers' needs and expectations not met 	3	3	9							

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YM16	Director of Community	10/2011	Failing to meet the needs of the Children of Anglesey, particularly those eligible for support and protection	<ul style="list-style-type: none"> Inadequate assessments and monitoring Lack of documentation Lack of appropriate guidance and training Poor communication High turnover of staff Lack of capacity Increasing demand for services 	<ul style="list-style-type: none"> Interventions to safeguard and promote children's welfare is compromised Achievement of good outcomes for children is compromised Key objectives and targets not met External intervention Customers' needs and expectations not met Decisions taken in isolation of stakeholders views / interests Less efficient service Increase in complaints, claims and liability Increased pressure on budgets Low staff morale and high sickness levels Lack of alternative provision, including out of County 	3	4	12							
YM38	Director of Community	11/2011	Failure to plan affordable and suitable housing to meet the needs of the population.	<ul style="list-style-type: none"> Lack of input / progress Lack of capacity 	<ul style="list-style-type: none"> Targets not met Loss of grant money from WG for the Authority (Outcome Agreement) Increase in demand for other services (homeless, social services etc) 	3	5	15							
YM37	Director of Community	08/2012	Failure to plan for access to leisure services to meet the needs of the population.	<ul style="list-style-type: none"> Lack of corporate decision making Lack of suitable facilities and service provision Historical lack of investment 	<ul style="list-style-type: none"> Further deterioration in the facilities (buildings) and services available Lack of provision for community care activities Increase in demand for other services (anti-social behaviour etc) 	2	3	6							
YM29	Director of Sustainable Development	10/2011	Failure to meet Waste Management targets	<ul style="list-style-type: none"> More stringent targets Lack of stakeholder involvement 	<ul style="list-style-type: none"> Impact on funding available Financial penalties 	3	4	12							
YM35	Director of Sustainable Development	10/2011	Not having adequate or robust Emergency Planning arrangements in place	<ul style="list-style-type: none"> Lack of appreciation of the statutory requirements and consequences Lack of capacity 	<ul style="list-style-type: none"> Unable to respond appropriately Council not fulfilling it's role under the Civil Contingencies Act Damage to reputation 	4	2	8							
YM36	Director of Community	01/2013	Failing to plan for the impact of the effects reforms in the health sector	<ul style="list-style-type: none"> Lack of information from WG and Health Trust Lack of capacity 	<ul style="list-style-type: none"> Additional burdens in terms of service provision Additional costs Unbudgeted costs 	4	4	16							