

ISLE OF ANGLESEY COUNTY COUNCIL

| | |
|---------------------------|--|
| COMMITTEE: | AUDIT COMMITTEE |
| DATE: | 24 SEPTEMBER 2013 |
| TITLE OF REPORT: | RISK MANAGEMENT & INSURANCE |
| PURPOSE OF REPORT: | FOR INFORMATION |
| REPORT BY: | HEAD OF FUNCTION (RESOURCES) |
| ACTION: | FOR INFORMATION ONLY |

1. INTRODUCTION

- 1.1 The Council's Risk Management Strategy and Risk Management Guidance were endorsed by the Executive on the 15th October 2012.
- 1.2 These documents state that the Audit Committee should:-
- Review the effectiveness of the risk management and internal control framework.
 - Review and challenge the Corporate Risk Register and resultant action plans for the top corporate risks.
- 1.3 These documents also place similar responsibilities on the Executive and Scrutiny Committee, and specific roles and responsibilities on individual officers and groups of officers.
- 1.4 Both the Audit and the Scrutiny Committees have expressed their wish to receive summary and / or exception reports as opposed to the entire risk register.

2. IMPLEMENTATION OF RISK MANAGEMENT FRAMEWORK

- 2.1 Over the last twelve months there have been changes to the way in which the Council operates and to the management structure. These changes have a significant bearing on the reporting processes for risk management.
- 2.2 The Risk Management Strategy and Risk Management Guidance are currently being reviewed and amended to reflect these changes. The reviewed documents will be presented to the Executive for endorsement in due course and thereafter to the Audit Committee.
- 2.3 Reviewing the strategy also provides opportunity to change what is reported to Members in relation to risk. It is proposed that only the top risks and any significant changes to other corporate risks are reported to Members, together with the progress on any actions to mitigate those risks. A sample of the proposed report, showing the situation as at the end of quarter 1, is included as of Appendix A to this report.

- 2.4 The Risk & Insurance Manager continues to support Heads of Service to develop their Service Risk Registers, although progress on the same has been affected by the Heads of Service Review.

3. CORPORATE RISK REGISTER

- 3.1 As the Corporate Risk Register is formally reviewed on a quarterly basis there is no update to that reported to you on the 23rd July 2013.

- 3.2 The Council's top risks, therefore, remain as being:-

- YM8 Failing to plan for a significant reduction in funding from 2015/2016
- YM33 Failing to provide services within the budget provided
- YM31 Risk of not being compliant with Data Protection legislation
- YM36 Failing to plan for the impact of the effects of reforms in the health sector.

4. INSURANCE CLAIMS

- 4.1 The Council's claims experience for the period 1st April 2007 to 31st March 2013 was reported on in July 2013 and it was noted then that there had been a significant increase in the number of public liability claims submitted to the Council, mostly attributable to damage to vehicles due to the condition of the Council's roads.

- 4.2 During the period 1st April 2013 to 30th June 2013 a further 40 public liability claims have been submitted, 34 of which relate to Highways, thus continuing the trend of 2012/2013. It remains premature to comment on the financial effects of the increase in the number of claims.

5. INSURANCE RENEWAL TERMS

- 5.1 The Council tendered its insurance policies during 2012 and entered into a 3 year long term agreement with Zurich Municipal (with the option of extending for an additional 2 years).

- 5.2 Zurich Municipal have indicated that, due to a perceived deterioration in the public liability claims experience, there may be a need to increase the premium rate for that policy. They have not indicated that they intend to increase any other premium rates. Negotiations in respect of the renewal terms are on-going but should be agreed prior to the renewal date of 1st October 2013.

6. RECCOMENDATIONS

- 6.1 The Committee is requested to confirm whether the proposals in respect of reporting on risk are acceptable and note the situation relating to insurance claims and renewal terms.

CORPORATE RISK REGISTER

| Risk Reference | Risk Identified | Current Risk Score | Risk Score Trend | Action | Responsible Officer | Target Date | Comments |
|----------------|---|--------------------|------------------|---|-------------------------------|--------------|---|
| YM8 | Failing to plan for a significant reduction in funding from 2015/2016 | 25 | ↔ | Development of a Medium Term Financial Plan which is updated quarterly | Clare Williams | October 2013 | |
| | | | | Identify demographic pressures | Clare Williams | October 2013 | |
| | | | | Monitor grant reduction and develop grant exit strategies | Clare Williams | October 2013 | |
| | | | | Review the budget setting process | Clare Williams | October 2013 | |
| | | | | Develop and implement an Efficiency Strategy | | | |
| YM33 | Failing to provide services within the budget provided | 20 | ↔ | Review the budget setting process | Clare Williams | October 2013 | |
| | | | | Embed the new financial systems (ledger etc) | Richard LI Jones | | |
| | | | | Establish a new financial reporting process | Clare Williams | June 2013 | |
| | | | | Establish a new financial monitoring process | Clare Williams | Sept 2013 | |
| | | | | Review the services being provided | | | |
| YM31 | Risk of not being compliant with Data Protection legislation | 20 | ↔ | Implement and embed the role of the SIRO | Huw Pritchard | | Monitoring Officer appointed as SIRO |
| | | | | Deliver the Information Governance Project (taking account of the findings of the ICO Audit) | Huw Pritchard | | Final report will be received by Council on 16 Sep. 2013. An action plan for delivery is currently being prepared. The IGPB will meet on 18 Sep 2013 to agree Mandate. |
| YM36 | Failing to plan for the impact of the effects of reforms in the health sector | 16 | ↔ | Set up Project Board to develop and implement a transformation and modernisation plan for the service | Anwen Davies | Sept 2016 | Programme Board underpinning the transformation of older people's services has been established and 5 key priorities identified – <ul style="list-style-type: none"> . Accommodation needs . Re-ablement . Dementia . Brokerage . Schedule of rates |
| | | | | Work in partnership with Health in specified areas to ensure that impacts are limited | Anwen Davies | Sept 2016 | An outline agreement has been reached with the Health Board around joint governance of our services in the locality. This will now be progressed and adopted by the Local Authority and Health Board |
| | | | | Undertake a study to establish the potential long term population needs and the cost of service provision | Anwen Davies / Clare Williams | March 2014 | A needs assessment in respect of older people's services on the Island to the future has been commissioned and scheduled for completion by November, 2013. |
| YM2 | Failing to sustain the improvements made in terms of Governance | 15 | ↔ | Provide all Members with in-depth induction and briefings | Carys Edwards | July 2013 | Initial training complete, with second phase to be completed by end of 2013. |
| | | | | Implement the Transformation Plan and fully embed the roles of the Transformation Boards | Danielle Edwards | | Boards established and meeting regularly with Senior Members and Officers sitting on each board. |
| | | | | Preparation and production of Annual Governance Statement | Einir Thomas | | Completed – see item 6 on Audit Committee Agenda 24/09/2013 |
| | | | | Embedding the Corporate Planning and Performance Management arrangements | Gethin Morgan | | Calendar agreed and adopted. Corporate Scorecard for Q1 presented. |
| | | | | Embedding the self-assessment framework | Gethin Morgan | | First self-assessment undertaken and adopted. Mitigating actions being actioned. |
| | | | | Implement the findings of the internal communications report | Gwen Sion | March 2014 | Improving Internal Communications Project completed with additional tasks allocated to various support services. Internal Communications Framework being developed (target date March 2014). |

CORPORATE RISK REGISTER

| | | | | | | | |
|------|--|----|---|---|-----------------|-------------|--|
| YM7 | Risk of not managing information efficiently or effectively | 15 | ↔ | Develop and implement an ICT Strategy | Barry Eaton | | |
| | | | | Identify all current systems and establish how they integrate with each other | Barry Eaton | Sept 2013 | |
| | | | | Review any gaps and what additional systems are required to fill these | Clare Williams | March 2014 | |
| | | | | Deliver the Information Governance Project (taking account of the findings of the ICO Audit) | Huw Pritchard | | Final report will be received by Council on 16 Sep. 2013. An action plan for delivery is currently being prepared. The IGPB will meet on 18 Sep 2013 to agree Mandate. |
| YM23 | Failing to implement the contents of the post Estyn inspection plan and improve performance against key indicators | 15 | ↔ | Progress against each of the action points noted in the PIAP monitored on a regular basis and reported to the Education and Leisure Committee. | Dr Gwynne Jones | August 2014 | |
| | | | | Interim report on surplus places in both primary and secondary sectors produced, highlighting revised figures for surplus places and possible rooms in specific schools that could be used to house area based staff. | Dr Gwynne Jones | Completed | |
| | | | | Complete consultation in specific areas | Dr Gwynne Jones | Completed | |
| | | | | Outline strategic plan for school modernisation agreed by SLT | Dr Gwynne Jones | Completed | |