ISLE OF ANGLESEY COUNTY COUNCIL	
COMMITTEE:	AUDIT COMMITTEE
DATE:	27 APRIL 2015
TITLE OF REPORT:	RISK MANAGEMENT
PURPOSE OF REPORT:	FOR INFORMATION
REPORT BY:	RISK & INSURANCE MANAGER
ACTION:	FOR INFORMATION

1. BACKGROUND

1.1 A review of the Council's risk management arrangements was undertaken in September and October 2014. The findings of the review, together with progress to date, were reported to the Audit Committee in December 2014.

1.2 It was acknowledged that there had been longstanding weaknesses in terms of managing risks successfully throughout the Council, which is a long-standing issue for this Committee and is fundamental to the effective conduct of the Council's business in so much as every decision needs to be referenced to risk. It was suggested that the profile of risk management within the Council is not sufficiently elevated.

1.3 The Audit Committee requested that the Risk and Insurance Manager/Deputy Chief Executive report back in April, 2015 on the status and implementation of the revised corporate risk register/matrix and associated risk guidance documentation.

2. RISK MANAGEMENT PROCESSESS

2.1 A new Risk Management Policy has been developed and consulted upon. The policy will be presented to the Executive for approval at the earliest possible opportunity. A copy of the draft policy is enclosed for your perusal.

2.2 New Risk Assessment Criteria have also been developed and consulted upon. The Risk Assessment Criteria provides a consistent method to measure the likelihood and impact of risks. The combination of likelihood and impact gives a risk exposure and it is this that is the basis for escalating risks. The Risk Assessment Criteria will be presented to the Executive for approval at the earliest possible opportunity but a copy is enclosed for your perusal.

2.3 The risk registers' format has been amended and adopted for use for the Corporate Risk Register, Service Risk Registers and Project Risk Registers. Where practicable, it is expected that Partnership Risk Registers follow the same format. A copy of the new Risk Register format is enclosed for your perusal.

2.4 Risk Management training was delivered to SLT, Heads of Services and their direct reports, and some project managers during November 2014 and was presented on the basis of the draft Risk Management Policy, draft Risk Assessment Criteria and new risk register format.

3. **RISK REPORTING**

    3.1 The monitoring of risk is a continuous process and an integrated part of line management responsibility at all levels. In addition, Corporate and Service risks will be formally reviewed as part of the existing Corporate Planning and Performance Management Framework arrangements.

    3.2 The Executive will receive regular reports on the effectiveness and progress of risk mitigation actions and will undertake, in conjunction with SLT, a formal review of the Corporate Risk Register at least annually.

    3.3 It is proposed that the Audit Committee will receive an annual report on the risk management process, and two reports a year on the Corporate Risk Register.

4. **RISK REGISTERS**

    4.1 Each Service has submitted a revised Service Risk Register as part of their Service Delivery Plan. It is appreciated that many of these service risk registers need further refinement and that services will require additional support to do this.

    4.2 A facilitated workshop was held with SLT and the Executive, the outcome of which provided the basis of the revised Corporate Risk Register. Each risk has since been allocated a risk owner, and the existing control measures and any additional mitigating action plans agreed. This Corporate Risk Register has been consulted upon and will be presented to the Executive for approval at the earliest possible opportunity.

5. **RECOMMENDATIONS**

    5.1 The Committee is requested to note the progress made to date and confirm that the proposed reporting arrangements to the Committee are satisfactory.

JULIE JONES   **20 APRIL 2015**
RISK & INSURANCE MANAGER

Risk Management Policy

Context

The Isle of Anglesey County Council is a diverse organisation committed to providing quality, sustainable and value for money services to the community. By providing strong community leadership and working in partnership, the Council is committed to realising the vision of our community strategy and Corporate Plan.

Risk is defined as *"an event that, should it occur, would impact our ability to successfully achieve our objectives"*. The Council recognises that there are risks involved in all our activities and that we have a duty to manage these risks in a balanced, structured and cost effective way. The process for identifying, assessing, managing and monitoring risk is therefore considered an integral part of the management process. As a result, we will be in a stronger position to enhance our service delivery capabilities, achieve our objectives and value for money.

Vision

The vision for risk management is that it provides a framework to manage risk within agreed limits in order that the desired outcomes are achieved at a corporate, service and project level.

Failing to identify, assess and manage risks may result in considerable unbudgeted expenditure, damage to the Council's reputation and community confidence.

It is recognised that some risk must be accepted in order that objectives can be achieved. The Council's policy is therefore to ensure a culture of knowledgeable risk taking where it is explicit which risks the Council has chosen to accept, and those we have chosen not accept.

Objectives

The objectives of the Council's risk management policy are to:

1. Develop a consistent approach to risk management across the Council.
2. Embed risk management as an integral part of the management process within the Council, and ensure clear links with Service Plans.
3. Ensure a proactive risk aware culture across all parts of the Council, where risk is taken (and not taken) knowledgeably in all major decisions and actions.
4. Maintain and improve customer confidence in our ability to deliver on our commitments.
5. Reduce the possibility of unplanned activity or financial costs, and the impact of such surprises on the Council's reputation and ability to deliver our objectives.
6. Manage risk in accordance with best practice, statutory obligations and the Wales Programme for Improvement.
7. Work with our partners and providers to develop a common approach to achieving these risk management objectives.

Principles

The following key principles set out how the Council will achieve our risk management objectives:

1. Risk management is a continuous process and not an event. The process for managing risk ensures that key risks are identified, evaluated, continuously monitored, and mitigated where necessary to an acceptable level.
2. The identification, assessment, management and reporting of risk information is timely, accurate, relevant and gives adequate coverage of the key risks in order to support management decision making.
3. The process for managing risk is an integral part of management and the successful completion of any activity, project or process.
4. Risk management is all encompassing but not burdensome or bureaucratic, nor adds unreasonably to the cost of running the Council.

Roles and Responsibilities

The key roles and responsibilities are:

- *Chief Executive & SLT*
  The Chief Executive is responsible for effective management of risk across the Council, supported by the Senior Leadership Team and those officers charged with statutory responsibility for particular services. The Chief Executive and SLT are responsible for ensuring that the Corporate Risk Register is accurate and that risks are being well managed.
- *Heads of Service & Pennaethiaid*
  Each Head of Service is responsible for implementing the Risk Management Policy and ensuring that service risks are well managed within their area of responsibility, and collectively the Pennaethiaid are responsible for supporting the Chief Executive and SLT to manage Corporate Risks.
- *Elected Members*
  Responsible for good governance in the delivery of services to the community and overseeing that Council Officers have effective risk management arrangements in place.
- *Executive Committee*
  Responsible for approving the Council's Risk Management Policy, Risk Appetite and for overseeing the Corporate Risk Register.
- *Audit Committee*
  Responsible for reviewing the appropriateness of the risk management and assurance processes.
- *Corporate Scrutiny Committee*
  Scrutinise major critical risks.
- *All Employees*
  All employees have a duty to manage risk.

Risk Management Procedures

Further guidance to support how this policy is implemented is provided in the Council's Risk Management Guidance.

Cyf Risg / Risk Ref	Risg / Risk	Risg Cynhenid / Inherent Risk
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0
0		0

Risg Gweddilliol / Residual Risk

Cyfeirnod Risg / Risk ID	Risg / Risk	Effaith (Canlyniadau) / Impact (Consequences)	Perchennog y Risg / Risk Owner	Risg Cynhenid / Inherent Risk			Rheolaethau Presennol / Existing Controls	Risg Gweddilliol / Residual Risk			Gweithred Ychwanegol Sydd Eu Hangen / Additional Action Required			Amledd Adolygu / Review Frequency
				Tebygolrwydd / Likelihood	Effaith / Impact	Sgôr / Score		Tebygolrwydd / Likelihood	Effaith / Impact	Sgôr / Score	Gweithred / Action	Swyddog Cyfrifol / Responsible Officer	Dyddiad Targed / Target Date	

TEBYGOLRWYDD / LIKELIHOOD								
Digwyddiad bron yn sicr o ddigwydd yn y rhan fwyaf o amgylchiadau / Event is almost certain to occur in most circumstances	>70%	Bron Yn Sicr / Almost Certain	A	🟨	🟧	🟧	🟥	🟥
Digwyddiad debygol o ddigwydd yn y rhan fwyaf o amgylchiadau / Event likely to occur in most circumstances	30-70%	Tebygol / Likely	B	🟨	🟨	🟧	🟥	🟥
Bydd y digwyddiad o bosib yn digwydd ar ryw adeg / Event will possibly occur at some time	10-30%	Posib / Moderate	C	🟩	🟨	🟨	🟧	🟥
Digwyddiad annhebygol a all ddigwydd rhyw bryd / Event unlikely and may occur at some time	1-10%	Anhebygol / Unlikely	D	🟩	🟩	🟨	🟨	🟧
Digwyddiad prin fydd ond yn digwydd mewn amgylchiadau eithriadol / Event rare and may occur only in exceptional circumstances	<1%	Prin / Rare	E	🟩	🟩	🟩	🟨	🟧
				5	4	3	2	1
				Dinod / Insignificant	Bychan / Minor	Cymedrol / Moderate	Sylweddol / Major	Trychinebus / Catastrophic

	5 Dinod / Insignificant	4 Bychan / Minor	3 Cymedrol / Moderate	2 Sylweddol / Major	1 Trychinebus / Catastrophic
Gwasanaeth / Service	Dim effaith ar ansawdd y gwasanaeth, tarfu gyfyngedig i weithrediadau / No impact to service quality, limited disruption to operations	Mân effaith ar ansawdd y gwasanaeth, nid yw safonau gwasanaeth mân yn cael eu bodloni, amhariad tymor byr i weithrediadau / Minor impact on service quality, minor service standards are not met, short term disruption to operations	Gostyngiad sylweddol yn ansawdd y gwasanaeth, amhariad difrifol i safonau gwasanaeth / Significant fall in service quality, serious disruption to service standards	Effaith sylweddol ar ansawdd gwasanaethau, safonau gwasanaeth lluosog heb eu bodloni, amhariad tymor hir i weithrediadau / Signifiant impact on service quality, multiple service standards not met, long term disruption to operations	Gostyngiad trychinebus yn ansawdd y gwasanaeth a safonau gwasanaeth allweddol ddim yn cael eu bodloni, ymyriad trychinebus hirdymor i weithrediadau / Catastrophic fall in service quality and key service standards are not met, long term catastrophic interruption to operations
Enw Da / Reputation	Pryder cyhoeddus wedi ei gyfyngu i gwynion lleol / Public concern restricted to local complaints	Mân sylw anffafriol lleol / cyhoeddus / cyfryngau a chwynion / Minor adverse local / public / media attention and complaints	Sylw andwyol lleol difrifol neu sylw andwyol mân yn y wasg rhanbarthol neu chenedlaethol / Serious adverse local or minor adverse regional or national media attention	Beirniadaeth rhanbarthol difrifol neu genedlaethol negyddol / Serious negative regional or national criticism	Condemniad rhanbarthol a chenedlaethol hir / Prolonged regional & national condemnation
Côst Ariannol / Financial Cost (£)	< £50k	£50k - £250k	£250k - £750k	£750k - £3m	>£3m
			EFFAITH / IMPACT		

Allwedd Difrifoldeb Risg Corfforaethol / Corporate Risk Severity Key

🟩	Dinod / Minor	Risg a reolir yn hawdd yn lleol - dim angen i gynnwys rheolaeth / Risk easily managed locally – no need to involve management
🟨	Cymedrol / Moderate	Risg gallu cael eu rheoli ar lefel gwasanaeth - efallai bydd angen rhoi gwybod i uwch reolwyr a'r UDA / Rsik containable at service level - senior management and SLT may need to be informed
🟧	Sylweddol / Major	Ymyrraeth gan yr UDA a / neu gyfranogiad Pwyllgor Gwaith / Intervention by SLT and / or Executive Committee involvement
🟥	Allweddol / Critical	Ymyrraeth sylweddol gan yr UDA a Pwyllgor Gwaith / Significant SLT and Executive Committee intervention