

**CORPORATE RISK MANAGEMENT - QUARTER 4 2018/19**

**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR  
CHRIS WEAVER)**

**AGENDA ITEM:7**

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**Reason for this Report**

1. To bring the risk management position at quarter 4 2018/19 to the attention of the Cabinet, for consideration of the key risks facing the Council.

**Background**

2. The Cabinet receives an update on the risk management position on a biannual basis, and an opportunity to raise comments. The last Cabinet review was on 13 December 2018, at which time the risk management position at quarter 2 2018/19 was presented.
3. Each Directorate holds a Directorate Risk Register (DRR), and the Senior Management Team (SMT) collectively own a Corporate Risk Register (CRR). The CRR records the main risks to the delivery of corporate objectives and priorities, whilst the DRRs record the key risks to the delivery of Directorate functions and priorities.
4. A risk escalation process is in place, whereby each Director is required to take ownership of all residual (current) risks rated as 'red/amber' and above on their DRR and, at a minimum, to escalate all 'red' residual risks to SMT for collective ownership and review.
5. SMT determine if any changes are required to the CRR each quarter, as a result of this reporting process. The remaining escalated risks continue to be held on DRRs and reviewed by SMT each quarter until it is agreed that mitigation is sufficient for risk ownership to transfer back to the Directorate. The corporate risk management position is reported to, and considered by, the Audit Committee on a quarterly basis.
6. The quarter 4 risk assessments continue to apply the 4x5 Risk Matrix introduced in the Council's Risk Management Strategy and Policy, approved by Cabinet on 12 July 2018.

## Issues

7. Each Director has worked with their Risk Champion(s) to undertake their quarter 4 risk management review. The Risk Management Team has also provided advice and guidance on the measurement and reporting of risks. The quarter 4 risk assessments are presented on the Corporate Risk Map (Appendix A), the CRR Summary (Appendix B) and the Detailed CRR (Appendix C).
8. The Risk Management Review process has two tiers (Directorate and Corporate) and the actions at each for quarter 4 are detailed as follows.

### Directorate Risks

9. At the quarter 4 position, 261 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on 21 May 2019.
10. It was agreed that 11 directorate risks would be carried forward as SMT escalated risks at quarter 4.

Directorate	Economic Development	Education	Governance & Legal Services	Housing & Communities	Planning, Transport & Environment	Resources	Social Services
Directorate Risks	27	28	7	35	39	104	21
Risks at SMT Escalation Point	0	0	1 (shared)	2	3	4	2 (1 shared)

### Corporate Risks

11. SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter 4. In consideration of the potential impact on corporate priorities and objectives and the supporting mitigations, SMT has approved the following material CRR changes since the last Cabinet update on 13 December 2018.
12. **Brexit** - The risk that Brexit (and any subsequent decisions) may create severe disruption to the City and hinder its ability to continue to deliver effective services and maintain community cohesion, was formally recognised in the Corporate Risk Register in quarter 3. A number of controls are already in place including the review of business continuity plans and regular contact with WLGA, Welsh Government, respective public partners and suppliers. As the outcome of Brexit becomes clearer, priority areas will become the main focus of attention, with further work undertaken to identify longer term implications on areas such as workforce planning. The residual risk is B2.
13. **Health & Safety** – Residual risk rating reduced from red (B2) to red-amber (C2) in quarter 3. This reduction reflects the considerable amount of work that has been undertaken, supported by the remodelled H&S Team in dealing with key risks. The first phase of RAMIS implementation has

completed and a review of Fire Safety and Legionella remedial work has progressed significantly. Priority works have been identified and are progressing, and the organisation's knowledge in relation to H&S compliance has greatly improved. Changing the Council's prioritisation to manage key risks such as Fire, Asbestos, Legionella and H&S standards in schools has been required in order to focus resources and funding available, and, although systems are not yet fully in-bedded, the improvements made by Q3 are reflected in the overall reduction of risk. H&S Governance remains a key priority for the Council as risk of failure is not tolerable.

14. **Workforce Planning** – Both residual and target risk ratings reduced from red-amber (B3) to amber-green (C3) in quarter 4, in recognition of the work having been undertaken to have workforce plans in place for every directorate. This is now embedded as part of the corporate planning process.
15. **Financial Resilience and Budget Monitoring (Control)** – residual risk ratings for both risks reduced from red (B2) to red-amber (C2) in quarter 4 as targeted, following approval of the Council's Budget for 2019/20 and a reported balanced outturn position for 2018/19.
16. **Non-completion of Statutory Building Equipment Maintenance** – Target reduction date extended to quarter 2 2019/20 in quarter 4. Work is ongoing in respect of Landlord/Occupancy Agreements. The Agreement for Schools has been incorporated within the Schools Handbook and 'one front door' established to assist implementation. An occupancy agreement for non-schools properties has been drafted and is anticipated for completion end of quarter 2 2019/20.

#### **Reason for Recommendation**

17. To enable the Cabinet to monitor risk management activity, and consider the Risk Management Review - Quarter 4 2018/19.

#### **Legal Implications**

18. There are no direct legal implications arising from this report. However, one of the benefits of identifying risk is that mitigation measures may be taken, if appropriate, and consequently successful claims against the Council may be avoided altogether, or reduced.

#### **Financial Implications**

19. There are no direct financial implications arising from this report. The Corporate Risk register will be used to guide the Internal Audit Plan and the Council's resource planning processes and forms an important part of the governance arrangements for the Council.

## RECOMMENDATIONS

Cabinet is recommended to note the content of the Corporate Risk Register.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>CHRIS LEE</b> Corporate Director Resources
	5 July 2019

*The following Appendices are attached:*

**Appendix A** - Corporate Risk Map – Q4 2018/19

**Appendix B** - Corporate Risk Register Summary – Q4 2018/19

**Appendix C** - Detailed Corporate Risk Register – Q4 2018/19