GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 24th January 2024
Report Subject	Risk Management Update
Report Author	Strategic Performance Advisor
Type of Report	Assurance

EXECUTIVE SUMMARY

Risk Management is the process of identifying and assessing risks, evaluating their potential consequence, and mitigating them to ensure priorities are achieved. The aim is to minimise the severity of their consequence and likelihood of occurring where possible. Overall Risk Management should:

- Create value to the organisation
- Be part of ensuring internal controls are effective
- Enable effective decision making
- Aid the delivery of actions / services

Flintshire County Council is responsible for delivering both statutory and non-statutory services to residents and business within Flintshire. To enable the Council to deliver these services effectively, the Council needs to consider a wide range of risks and opportunities in the decisions that are made at all levels across the Council, and these are recorded in the form of a risk register.

RECOMMENDATIONS	
1	To review and approve the revised Risk Management Framework (January 2024).
2	To review and accept the Council's Strategic Risk Overview Report.

REPORT DETAILS

1.00	**EXPLAINING THE RISK MANAGEMENT REPORT**
1.01	**Risk Management Journey** Following the approval of the Risk Management Framework in September 2022, there has been much development regarding risk management, this includes: • Portfolio was tasked with reviewing all their risks and those within their recovery risk registers. Risks were closed where no longer relevant and those that remained became business as usual risks. This was a complex review which covered strategic, operational, and where relevant project risks. • In March 2023, an in-depth review of all Portfolio risk registers was completed by Internal Audit, with Internal Audit providing recommendations of where changes needed to be made. • During April and May 2023, all Portfolios reviewed their risk registers based on recommendations from Internal Audit, including risks associated with the Council Plan 2023-28. • Designing and building of risk management module within InPhase (performance and risk management system) commenced in May 2023 and all Portfolio risk registers are now in InPhase. • Training on the use of InPhase has been rolled out to all relevant officers and the review of risks within InPhase has been in place since October 2023. • Development of a Risk Management E-learning module will be finalised in January 2024, with a timeframe for all Senior Managers and Risk Owners / Supporting Officers to complete in February / March 2024. • Review of the Risk Management Framework has been undertaken and Chief Officers and Performance Leads have been consulted.
1.02	As of October 2023, Portfolios have been updating their risks directly in InPhase. There are a few Portfolios who are taking this opportunity to undertake an in-depth review of all their risks (strategic, operational and project). The Performance and Risk Management Team have provided InPhase demonstration sessions to support them with the transition of updating risks from an excel spreadsheet to the InPhase system.
1.03	**Risk Management Framework** The Risk Management Framework (September 2022) was reviewed during December 2023 and amendments have been made to the Risk Management Framework, this includes: • An introduction has been added to the revised document • Risk definitions have been amended • Internal Audit are now included in Section 4, Roles and Responsibilities with clarity provided around their roles and responsibilities regarding risk management.

	• In Section 5, Risk Management Process, the image detailing the risk management cycle has been refreshed. • A method to identify a risk in the form of a PESTEL (Political, Economic, Social, Technological, Environment and Legal) analysis has been included in Section 5, Risk Management Process. • When assessing the likelihood and impact of a risk, further information has been provided in Section 6, Risk Scoring to provide details of the risk matrix and approach to scoring a risk. • Contact details of the Performance and Risk Management Team and Performance Leads have been amended to provide a generic email address. • There has been some formatting and amendments made to the structure within the review of Risk Management Framework, this includes merging aspects of the roles and responsibilities and communication and reporting into a new Section 4, Roles, and Responsibilities.
1.04	During December 2023 – January 2024, the Risk Management Framework has been through a consultation process with Chief Officers and Performance Leads providing comments and feedback to the Performance and Risk Management Team.
1.05	The Risk Management Framework is being presented to the Governance and Audit Committee, not only for comments and feedback as part of the consultation process but also your approval of the framework.
1.06	The Risk Management Framework will be presented to other Committees for information only over the coming months to ensure that Elected Members have an awareness of their roles and responsibilities.
1.07	**Strategic Risk Overview** This is the first report to Governance and Audit Committee, since the Framework was approved, and the new Risk Management system was implemented. The report provides details of all strategic risks across the Council (see Appendix C: Flintshire County Council Strategic Risks, December 2023). The report details the total number of strategic risks across the Council, including details of the RAYG (Red, Amber, Yellow, Green) status, details of any risks which are deteriorating, improving, escalating and are above target or within target.
1.08	The dashboard below provides an overview of all the strategic risks across the Council at the point they were last reviewed. In total, there are 73 risks with a RAYG status of 19 risks being a red, 35 amber, 14 yellow and 5 risks a green RAYG status.

Total	Red	Amber	Yellow	Green
73	19	35	14	5

Risks Above Target	Risks Within Target	Risks Deteriorating	Risks Improving	Escalated Risks
48	25	2	2	0

| 1.09 | The below bar graph provides details of the risk status following the last months (December 2023) review. This will always be different to the graph above where risks are not reviewed within the last reporting period. This graph provides details of not only the RAYG status of the strategic risks but also where no update has been provided.
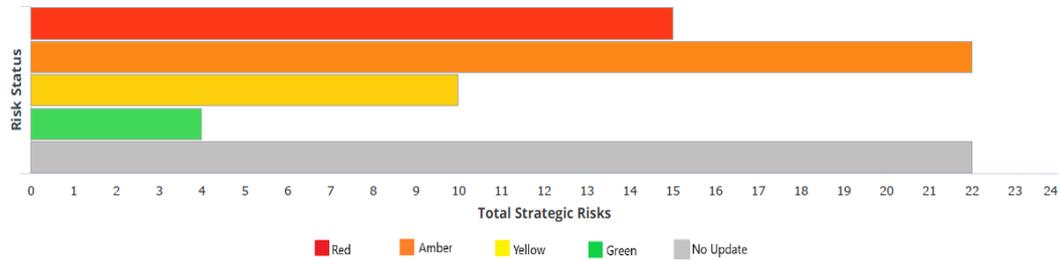
The comprehensive review of risks mentioned in paragraph 1.02 above may be the reason why there has been limited updating for some of these risks. This is monitored and reported in a monthly report to the Chief Officer Team. |
|---|---|
| 1.10 | The overview report for Governance and Audit Committee provides a summary of:

- Risks above target;
- Risks within target;
- Deteriorating risks;
- Improving Risks; and
- Escalated Risks

For each, their RAYG status is shown within a 'risk score card' (example below) together with the latest update.
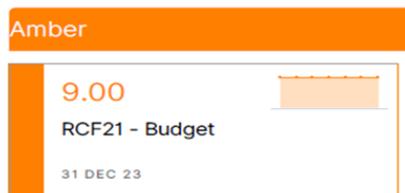
The score care provides you with the risk code / title; the current risk score (9); the direction of travel; and the date of last review.

In summary for the month of December there are:

Risks Above Target	Risks within Target	Deteriorating Risks	Improving Risks	Escalated Risks
48	25	2	2	0	
1.11	**Reporting**
Going forward in accordance with the Risk Management Framework

- A monthly report will be provided to Chief Officers Team of all strategic risks, escalating risks, deteriorating risks, direction of travel has not changed for a risk within a six-month period and any new or closed risks. This report will also highlight where reviews and updates have not been undertaken; |

- Quarterly, each Overview and Scrutiny committee will receive a high-level overview of Portfolio strategic, project and operational risks with the exception of Corporate Resources Overview and Scrutiny Committee;
- Quarterly Corporate Resources Overview and Scrutiny Committee and Cabinet will receive a summary Strategic Risks report for the Council;
- Bi-annually Governance and Audit Committee will receive the summary Strategic Risks report for the Council.

2.00	RESOURCE IMPLICATIONS
2.01	There are no specific resource implications for this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Chief Executive, Chief Officers, Performance Leads have all been consulted upon the review of the Risk Management Framework. Cabinet and Overview and Scrutiny Committees will also have the opportunity to review the content of the Risk Management Framework.

4.00	RISK MANAGEMENT
4.01	Review of the Risk Management Framework considers the impact and importance of managing risks effectively across the Council.

5.00	APPENDICES
5.01	Appendix A: Risk Management Framework – Revised January 2024 Appendix B: Risk Management Framework – September 2022 Appendix C: Flintshire County Council Strategic Risk Register – December 2023

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	N/a

7.00	CONTACT OFFICER DETAILS
7.01	**Contact Officer:** Emma Heath (Strategic Performance Advisor) **Telephone:** 01352 702 744 **E-mail:** emma.heath@flintshire.gov.uk

8.00	**GLOSSARY OF TERMS**
8.01	**Risk Management -** The process of identifying risks, evaluating tier potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation. **Risk Register** - A risk register forms part of the risk management tool and is used to analyse current and potential risks. A risk register is completed for each Portfolio.