

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 25 SEPTEMBER 2013**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **RISK MANAGEMENT**

1.00 PURPOSE OF REPORT

1.01 To respond to the findings of the Risk Management Audit report and assure members of the robustness of the Council's risk management arrangements.

2.00 BACKGROUND

2.01 The Council's risk management arrangements are reviewed annually as part of the Internal Audit work programme. The focus of the work this year was our arrangements for risk assessment and mitigation.

3.00 CONSIDERATIONS

3.01 The recent Internal Audit report on risk management determined the following recommendations:

- Fundamental – nil
- Significant – five
- Merits attention - five

This report addresses the findings of the five significant recommendations which focus on the following areas:

- Use of an improved template for capturing details of risks for both our Improvement priorities and within service plans
- Partnership risks
- Project risks

The 'merits attention' findings are largely technical in nature and have either been completed or are near completion.

3.02 Template for capturing risks

The Council has, for a number of years been using the SARC (Strategic Assessment of Risks and Challenges) template to capture and report on risks. This has been a useful tool to identify and capture risks but it was not directly linked to the Council's priorities, nor did it fully describe the

levels of gross and net risk. The Council was however using a different risk management template to record operational risks within service plans and this template was found to reflect best practice. Appendix 1 provides an example of this template.

The Council adopted the Improvement Plan for 2013/14 on 25 June 2013. The adoption of the plan and its priorities has provided us with the opportunity to realign our strategic risks to these priorities and sub priorities. The best practice 'operational risk' template is now being used to capture these risks and all the Councils' risks in relation to achievement of the in-year priorities will be reported to Cabinet and appropriate Overview and Scrutiny Committees in October.

The new approach for performance reporting approach is more streamlined and will remove some of the duplication experienced with the previous approach, e.g. separate Improvement Plan and SARC reporting.

3.03 **Partnership risk management**

The Council has many different types of partnership arrangements to which risk management needs to be applied but the two main ones are:

- Strategic partnerships
- Collaborative partnerships

Our strategic partnerships related to the Local Service Board e.g. Health, Social Care and Wellbeing Partnership and Children and Young People's Partnerships review their risks on a regular basis and the 'operational template' referred to above has been adjusted slightly to reflect partnership working and is starting to be used.

Other partnerships result from collaborative activity. Flintshire is committed to working in collaboration on a number of projects and service areas not only with local authorities but across all public sector organisations. There are a number of significant collaboration projects underway in the region, for example:

- residual waste
- food waste
- school improvement
- transport
- social services commissioning
- planning (minerals and waste)
- ICT infrastructure

The report to Audit Committee in June this year detailed the governance arrangements for these collaborative projects and it is important that where the Council is leading on projects that a consistent approach to risk management is undertaken.

The Council's set of partnership registers is to be updated periodically;

sample audits of arrangements may then be undertaken to review consistency in application and governance.

3.04 Project management

Many of the collaborations mentioned above start out as 'projects' and the importance of using a consistent risk management approach to help guide and assure the project before it reaches implementation stage and becomes a collaboration partnership is a valuable discipline.

The Council has adopted a project management methodology which includes a consistent approach to risk management. Some of these projects are captured on the Council's electronic project management system; others maintain a separate system. What remains important however is that all projects identify, review and address risks. The Council's good practice template is to be used for capturing risks which are then reported up through the governance arrangements for each project.

3.05 The Council's Risk Management Strategy has been updated to reflect the findings of the audit. This is attached as Appendix 2.

4.00 RECOMMENDATIONS

4.01 Members note the responses to the Internal Audit report findings and are assured that the responses reflect robust assurance of the Council's risk management arrangements.

5.00 FINANCIAL IMPLICATIONS

5.01 There are no specific financial implications for this report, although individual risks identified may be financial in nature.

6.00 ANTI POVERTY IMPACT

6.01 There are no specific anti poverty implications for this report, although individual risks identified may relate to poverty.

7.00 ENVIRONMENTAL IMPACT

7.01 There are no specific environmental implications for this report, although individual risks identified may be environmental in nature.

8.00 EQUALITIES IMPACT

8.01 There are no equalities implications for this report, although individual risks identified may relate to equalities issues.

9.00 PERSONNEL IMPLICATIONS

9.01 There are no personnel implications for this report, although individual risks identified may relate to personnel issues.

10.00 CONSULTATION REQUIRED

10.01 Members will be supported through the new performance reporting arrangements which include the approach to risk management reporting.

11.00 CONSULTATION UNDERTAKEN

11.01 Corporate Management Team and the Performance Leads from across the Authority have contributed to help shape the new approach to performance reporting including risk management.

12.00 APPENDICES

12.01 Appendix 1 – Risk Management Strategy

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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