

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 25 JUNE 2014**

REPORT BY: **CHIEF EXECUTIVE**

SUBJECT: **RISK MANAGEMENT UPDATE**

1.00 PURPOSE OF REPORT

- 1.01 To provide members with an update on the improved risk management approach as part of streamlining and integrating the business planning arrangements.
- 1.02 To provide an overview of the key risks of the Improvement priorities of the Council.

2.00 BACKGROUND

- 2.01 Audit Committee received a report in January 2014 which outlined the changes in risk management approaches following the adoption of the Council's Improvement Plan.
- 2.02 The Council adopted the Improvement Plan for 2013/14 on 25 June 2013. The adoption of the plan and its priorities provided the Council with the opportunity to realign the strategic risks to these priorities and sub priorities.
- 2.03 A change in strategic planning which provided the opportunity to align business processes. In particular, the alignment of two separate documents: i) the Improvement Plan and ii) the Strategic Assessment of Risks and Challenges (SARC), which although there was some symmetry, it was not transparent.
- 2.04 The January report also referred to the method by which strategic risk was being captured i.e. as industry good practice which had historically been used for our operational risks.

3.00 CONSIDERATIONS

- 3.01 Improvement Plan strategic risks
Overview and Scrutiny committees have received quarterly progress reports against the Improvement Plan for 2013/14. These have included a template for each risk capturing:

- the nature of each risk

- the gross, net and target RAG status for each risk
- current actions already in place to mitigate the risk
- further activity to mitigate the risk
- risk trend

Members suggested at the January meeting that a target date be added to the target RAG risk status; this will be incorporated within the first quarterly reporting of the Improvement Plan 2014/15.

Members will note that trend arrows are shown which indicate if a risk is increasing (↑) or decreasing (↓) or stays the same / stable (↔). It should be noted that although the RAG status may stay the same e.g. amber, that the trend may still increase or decrease within that status.

- 3.03 A summary of all of the risks captured in the Improvement Plan is attached at Appendix 1. An analysis of the current 'net' status of the 86 risks associated with our eight Improvement priorities shows the positive shift from the first assessment undertaken in September 2013 to the end of year position:

Net risk status	Q2 (Sep '13)	Q4* (Mar '14)
Red	17	4
Amber	43	42
Green	26	40

In addition the following table provides an analysis of how our risk trends have changed between December and March.

Trend positions	Q3 (Dec '13)	Q4* (Mar '14)
Increase	3	10
Decrease	33	27
Stable	50	49

- 3.03.1 Details of all risks are provided in the end of year Improvement Plan monitoring reports presented to the Overview and Scrutiny Committees.

- 3.04 Informal feedback from the recent annual Internal Audit assessment on risk management has concluded that for strategic risks implementation of the new approach is consistent and well adhered to. Further improvement in embedding the approach is required for operational risks, project and partnership risks.

4.00 RECOMMENDATIONS

- 4.01 Audit Committee endorse the improved risk management approach as part of streamlining and integrating the business planning arrangements and are assured that the process for risk management is robust.

4.02 Audit Committee note the summary of strategic risks as related to the Improvement priorities of the Council.

5.00 FINANCIAL IMPLICATIONS

5.01 None directly arising from this report; although some specific risks may have financial implications.

6.00 ANTI POVERTY IMPACT

6.01 None directly arising from this report; although some specific risks may have poverty implications.

7.00 ENVIRONMENTAL IMPACT

7.01 None directly arising from this report; although some specific risks may have environmental implications.

8.00 EQUALITIES IMPACT

8.01 None directly arising from this report; although some specific risks may have equalities implications.

9.00 PERSONNEL IMPLICATIONS

9.01 None directly arising from this report; although some specific risks may have personnel implications.

10.00 CONSULTATION REQUIRED

10.01 Overview and Scrutiny Committees will be considering the risks and their mitigations as part of the quarterly monitoring of the Improvement Plan.

11.00 CONSULTATION UNDERTAKEN

11.01 Improvement Priority leads and CMT have considered the risks in relation to the improvement Plan.

12.00 APPENDICES

12.01 **Appendix 1:** Summary of Improvement Plan risks 2013/14

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985

BACKGROUND DOCUMENTS –

i) Improvement Plan 2013/14

- ii) Monitoring reports of Improvement Plan as presented to Overview and Scrutiny Committees – June / July 2014

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