

CYNGOR SIR YNYS MÔN

PWYLLGOR:	PWYLLGOR ARCHWILIO
DYDDIAD:	10 RHAGFYR 2014
TEITL YR ADRODDIAD:	RHEOLI RISG
PWRPAS YR ADRODDIAD:	ER GWYBODAETH
ADRODDIAD GAN:	RHEOLWR RISG AC YSWIRIANT
GWEITHREDU:	ER GWYBODAETH

1. CEFNDIR

- 1.1 Roedd yn cael ei gydnabod nad oedd rheoli risg wedi sefydlu'n gadarnhllawn trwy'r Cyngor cyfan ac felly fe gyflogwyd ymgynghorydd i gynnal adolygiad.
- 1.2 Cynhaliodd Richard Baker, Caerus Consulting yr adolygiad ym mis Medi a Hydref 2014.

2. ADOLYGIAD RHEOLI RISG

- 2.1 Roedd yr Adolygiad yn golygu gwneud adolygiad bwrdd gwaith o bolisiâu a gweithdrefnau cyfredol ac o'r cofrestri risg, gyda chyfweiliadau'n cael eu cynnal gyda Phenaethiaid Gwasanaeth a swyddogion allweddol eraill.
- 2.2 Cyflwynwyd canfyddiadau'r Adolygiad i'r UDA, Penaethiaid, ac i'r Pwyllgor Gwaith ym mis Hydref ac y mae copi o'r adroddiad i'r Pwyllgor Gwaith wedi ei gynnwys yn Atodiad 1 yr adroddiad hwn.

3. CYNNYDD YN DILYN YR ADOLYGIAD

- 3.1 Ymgynghorwyd ag Arweinydd y Cyngor, Cadeirydd y Pwyllgor Sgriwtini Corfforaethol ac Is-Gadeirydd y Pwyllgor Archwilio er mwyn egluro rôl a chyfrifoldebau'r pwyllgorau rheini. Mae Cylch Gorchwyl y pwyllgorau hyn yn cael eu hadolygu er mwyn sicrhau eu bod yn adlewyrchu'r trafodaethau a gafwyd.
- 3.2 Rydym ar hyn o bryd yn ymgynghori ar ddogfennau Polisi a Chyfarwyddyd Rheoli Risg Newydd gyda'r bwriad iddynt gael eu cymeradwyo a'u mabwysiadu cyn gynted ag sy'n bosibl.
- 3.3 Rhoddwyd hyfforddiant ar Reoli Risg i'r UDA, Penaethiaid Gwasanaeth a'r rhai sy'n adrodd iddynt yn uniongyrchol ynghyd â rhai rheolwyr prosiect yn ystod Tachwedd 2014.
- 3.4 Rydym ar hyn o bryd yn ceisio gwneud trefniadau i gefnogi gwasanaethau i adolygu a diweddarau eu Cofrestri Risg Gwasanaeth.

4. CAMAU YCHWANEGOL

4.1 Bydd hyfforddiant yn cael ei drefnu i'r holl Aelodau yn gynnar yn 2015.

4.2 Byddwn yn gwneud trefniadau i gefnogi uwch reolwyr i adolygu a diweddarau'r Gofrestr Risg Gorfforaethol.

5. ARGYMHELLION

5.1 Gofynnir i'r Pwyllgor nodi cynnwys yr adroddiad hwn.



Caerus Consulting

Risk Management & Corporate Governance

Doing business with integrity

Isle of Anglesey County Council Risk Management Review

Exec Cabinet Review – 20th Oct 2014

Purpose & Agenda

Purpose

- To share findings from the Risk Management review to date
- To receive feedback on Risk Management strengths and weaknesses
- To gain support from the Exec Cabinet for recommendations and next steps

Agenda

- Observations to date
- Initial recommendations
- Next steps
- Appendix – project approach

Risk Management review – initial observations

Initial observations from desktop review and Head of Service interviews

- While risk management processes are in place there is inconsistency in their application across the authority and it is recognised that further work to embed risk management is needed
- Services
 - Not all services have up-to-date risk registers in place
 - Many risk registers have actions with long overdue target dates, implying they are not regularly updated or actions not being taken. This highlights a weakness in the RM processes
 - While Service risk registers mostly in place they are not used to actively manage risk in the Service. Often completed for business plan process
 - Services are often rolling forward risk registers without identifying new or emerging risks
- The application of risk management across the Council is inconsistent
 - Use of risk assessment criteria, number and detail of risk description, different templates for risk registers, identification of existing controls, use of inherent and residual risk, etc
 - Risk registers include risks and issues. Including issues can mean that risks get less visibility and result in 'risks' seemingly becoming more significant the closer they get to milestones.
 - Confusion over risk language – leads to poor content, which leads to poor attention or engagement
 - Frequent use of 'risk of not achieving an objective' – without further assessment this is not a helpful approach to identifying risks (objective trap)

Risk Management review – initial observations

Initial observations from desktop review and Head of Service interviews

- Relationship between Service Risk and Corporate Risk
 - It is not clear how the Corporate and Service risk registers relate
 - The process for aggregation between Projects, Services and Corporate is unclear resulting in these processes not appearing to be joined up
 - There are many higher rated (Red) Service risks than Corporate Risks. A clear risk appetite has not been established
 - Heads of Service are not aware of Corporate risk register nor process for escalation or feedback
 - Cross Service risks could be better managed at Pennaethiaid
- Planning and Performance processes alignment
 - Risk is not well aligned to the planning and performance management process, budget process or scorecard. This is leading to duplication, inefficiency and confusion
 - The role of the Performance Review Group for risk management is not effective. Given the overlaps bringing the risk and performance functions together would have some advantages
 - There is some alignment between the approach to project risk management and the wider management of risk, although this can be improved
- Partnerships and joint working
 - Risk is not always formally considered in partnership and joint working – as this increases and responsibility becomes separate from service delivery this will need to be improved

Risk Management review – initial observations

Initial observations from desktop review and Head of Service interviews

- Risk Management Strategy – roles and responsibilities
 - Reporting and review of risk in the quarterly performance management meetings not happening effectively
 - SLT is not reviewing new/changed corporate risks quarterly routinely
 - SLT quarterly reporting to Exec, Audit Cttee and Scrutiny Cttee not a routine process
 - Service risk escalation to SLT unclear, with RMG now disbanded and PRG not fulfilling this role. Some facilitation and quality assurance will be needed during the improvement process
 - Risk not routinely included in key decision reports
 - No regular review and sign-off of risk appetite at Exec Cabinet
 - Not clear that Exec Cabinet are holding SLT to account for RM nor receiving reports on top risks
 - Reviews with Directors and Portfolio members not consistent – good challenge process
- Senior staff are not all familiar with Risk Management Strategy, which can be better signposted in induction
- Culture of delivery, follow-up and accountability seems poor

Risk Management review – Initial recommendations

- Clarify clear roles and responsibilities for risk management, including for Members
- Improve ownership at SLT and HoS level
 - Reinforce the business case for management buy-in and improve SLT sponsorship
 - Review and approve risk criteria as risk appetite and to better support prioritisation
- More clarity of relationship between Corporate and Service risk
 - More focused risk reporting and escalation and feedback
 - Use of Heads of Service forum to engage senior management in risk
- Improve consistency of risk management across the Authority
 - Training to raise the level of understanding about risk and risk management (eg risks and issues, controls, ranking)
 - Revise risk register format
 - Risk function and 'risk champions' to help facilitate the process (consider role of risk function)
- Focus on actions to manage risk and their delivery, and the effectiveness of controls
- Alignment with the planning, budgeting and scorecard
 - Align action planning and monitoring indicators and avoid duplication
 - Build relationship with key risk management processes; project risk management and partnerships and joint ventures
- Revise and simplify the Risk Management Policy and Guidance to reflect current needs

Risk Management review – Short term deliverables

- Risk training (SLT, Heads of Service and direct reports) Q4 2014
- All Service risk registers updated and signed-off Q4 2014
- Risk Management Policy and Guidance updated Q4 2014
- Forward road map Q4 2014
- Corporate risk register updated and signed-off Q1 2015
- Member reporting of risk progress and Corporate Risks Q1 2015

Risk Management review – key next steps

- Meeting with Audit and Scrutiny Chairs, Vice Chairs and Leader (TBA)
- Training (Nov - tba)
 - All SLT, Heads of Service and direct reports - 18, 19, 25, 26 Nov
 - Awaiting slot for members
- Risk Management Policy update – draft ready for training
- Service risk register update – as part of business planning (Dec, Jan)

Appendix

Project Approach

Approach

Planning & desktop review

Activities

- Review corporate risk register and Risk Policy and Guidance
- Review meeting to adapt:
 - Approach and focus
 - Participants and timeline
- Full desktop review of risk & relevant performance documents
- Meet to discuss:
 - Desktop review and risk management framework assessment
 - Risk register review
 - Risk appetite criteria review
 - Review the risk management strategy and 'business case'
 - Future state requirements

Deliverables

- Agreed approach, focus, participants and timeline
- Risk management framework assessment
- Draft assessment of status of risk management maturity
- Reinforced risk management 'business case'

Redesign the RM approach

Activities

- Draft risk appetite criteria
- Prepare senior officer and key stakeholder interviews:
 - Draft briefing pack
- Conduct senior officer and key stakeholder (eg Members) interviews:
 - Review current status of risk management
 - Identify barriers to success
 - Gain support for future state
- Draft report and workshop preparation:
 - Draft risk management review summary report
 - Agree briefing pack
 - Agree risk appetite criteria
 - Draft workshop programme
- Finalise workshop preparation:
 - Agree briefing pack
 - Agree risk management review workshop material
 - Agree workshop programme

Deliverables

- Agreed risk appetite criteria
- Agreed senior management and Exec workshop programme
- Draft risk management review summary report
- Draft risk register gaps

Engage with management

Activities

- Deliver senior officers workshop to:
 - Review risk management strengths and weakness, future aspirations and obstacles
 - Review redesigned risk management approach
 - Secure support and buy-in for change
- Revise summary report and recommendations for change
- Meet with Exec group to:
 - Review summary report and recommendations
 - Secure support and buy-in for change

Deliverables

- Agreed risk management framework current and future assessment
- Summary report and agreed recommendations for change
- Support and buy-in for 'new' RM approach

Finalise RM redesign

Activities

- Draft report:
 - Risk management re-design
 - Risk appetite criteria
 - Risk escalation approach
 - Risk embedding recommendations and implementation plan
- Meeting to sponsor to:
 - Review summary report, recommendations and implementation plan
- Submit final report

Deliverables

- Review and agree RM redesign and implementation plan
- Agree with sponsor RM redesign and implementation plan

1 Sept → 15 Sept → 13 Oct → 27 Oct → End Oct

Appendix - Understanding your needs

Understanding your needs

The Council recognises that risk management is a key tool to making informed decisions and deliver its objectives and although the Council has policies and procedures in place to manage risks there have been issues in embedding risk management throughout the organisation.

In order to assist embedding risk management into the organisation I understand your needs are:

- Review the existing Risk Management Strategy and Guidance and propose improvements to them.
- Engage with Members, Managers and Services to improve their understanding and approach to risk management. A copy of the Council's current senior management structure is enclosed for ease of reference.
- Review the current Service Risk Registers, assist in identifying gaps in the risks identified, and suggesting a method for ensuring consistency in the language used to describe risks and the likelihood and impact scoring.
- Review the arrangements for escalating Service, Project and Partnership risks to the Corporate Risk Register, recommending improvements into these arrangements.
- Review the Corporate Risk Register and assist in identifying gaps in the risks identified.

Risk Management framework

The review will be based upon reviewing your approach against all aspects of our good practice risk management framework (below).

