

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit & Performance Review Committee: 22nd May 2013

Subject: Risk and Business Continuity Update

1. Purpose

- 1.1 To provide an update to the Committee on work being done in relation to Risk and Business Continuity.

2. Recommendations

2.1 It is recommended that members:

- Note the content of the Strategic Risk Register as detailed at Appendix 1;
- Note the next steps required for department / service risks to be developed; and
- Note the requirement to ensure that Business Continuity Plans are brought up to date across the Council.

3. Background

- 3.1 Various stages of development have taken place in the establishment of a Strategic Risk Register for the Council over the last three years. With the approval of the Strategic Plan 2012/17, new strategic risks have now been developed.

4. Main Issues

Strategic Risk

- 4.1 At the Council meeting on 26 September 2012, Elected Members approved the Council's Strategic Plan 2012/17. The strategic risks have been derived from this in terms of the six enabling factors associated with the five priorities (Assuring Our Success Through), i.e. the strategic risks are:

- Failure to deliver strong financial governance and sustainable budget management;
- Council estate and facilities are not fit for purpose;
- Failure to develop or implement innovative use of Information Technology;
- Lack of strategy / plans / vision to ensure a committed and dynamic workforce;

- Failure to embrace opportunities which can be derived from constructive partnership working and joined-up service delivery; and
- Failure to ensure positive dialogue with local citizens and communities.

4.2 Each of these strategic risks is documented in detail at Appendix 1.

Covalent Content, Maintenance and Reporting

4.3 Each strategic risk has been populated in Covalent in terms of the following template:

- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity;
- Linked actions; and
- Linked PIs.

4.4 Each risk has been scored using a “4 x 4” matrix for likelihood and impact in relation to:

- Current risk (with review dates set at pre-determined intervals); and
- Target risk (i.e. 31 March 2017 - the duration of the Strategic Plan).

The risk descriptors used in the “4 x 4” matrix are as follows:

Likelihood

<u>Score</u>	<u>Descriptor</u>
1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

<u>Score</u>	<u>Descriptor</u>
1	Minor
2	Moderate
3	Significant
4	Critical

- 4.5 For roles or ownership, each strategic risk is “Managed By” a member of the CMT and “Assigned To” a Head of Service or a Manager.

Department / Service Risk

- 4.6 The next stage in embedding risk management across the Council is for Department / Service risk to be linked to the development of plans for 2013/14.

- 4.7 The corporate Risk Management team will provide guidance to departmental management and assist them in taking ownership of the risk management process in populating Covalent with the content described at paragraph 4.3 to 4.5 above for Department / Service risk and operational risk. It is for departmental management to take ownership of this process as it will not succeed unless there is clear evidence that risk management has become fully embedded across the Council, a feature that can be well demonstrated by pro-active ownership of each risk.

Business Continuity Plans

- 4.8 Appendix 2 details the position as at April 2013 of Business Continuity Plans for departments.

- 4.9 The Council’s Business Continuity / Civil Contingencies Group recently agreed as part of their action plan to determine the position as regards business continuity plans within departments, i.e.:

- What is currently in place and what gaps are there;
- Refresh and update plans;
- Determine linkages to other plans (i.e. Disaster recovery); and
- Agree to ensure all plans are shared on network (new shared drive created).

Shared Risk Assessment

- 4.10 For the 2012 Shared Risk Assessment process, risk management was considered to present “Significant concerns” (red status). This has improved in the Shared Risk Assessment for 2013 to “Further information required” (amber status) and so there is still some work to do to achieve a “green” status (no scrutiny required). Audit Scotland will monitor this through the routine audit process, specifically:

- Progress meetings with the Audit and Risk Manager; and
- Review of Council's Strategic Risk Register.

5. Personnel Implications

- 5.1 There are no personnel issues.

6. Financial Implications

6.1 There are no financial implications.

7. Risk Analysis

7.1 Failure to progress on risk management is likely to result in the Council being criticised by Audit Scotland for not having an integrated approach to embedding risk management within the authority with the result that a “no scrutiny required” status will not be achieved.

7.2 Progressing with risk management will demonstrate that the Council is taking ownership of risk management so that effective measures will be put in place for the management of risk. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council’s priorities and objectives;
- Developing a risk appetite;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number and value of claims across a range of insurance classifications;
- Assisting with establishing priorities;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory / regulatory requirements;
- Contributing to a better understanding and assessment of major project activity; and
- Ensuring better partnership working.

7.3 The Council is not fully complying with the Civil Contingencies Act by operating with out-of-date business continuity plans. If an incident were to occur, the lack of planning and associated documentation may impact on the ability to deal with any incident effectively and efficiently, and any potential punitive action on the Council by relevant authorities.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues identified.

9. Consultation

9.1 This report has been subject to a check by Finance Services and Legal, Democratic & Regulatory Services with no issues identified.

10. Strategic Assessment

10.1 This report relates to all five of the Council's Strategic Priorities.

Angela Wilson
Executive Director of Corporate Services
3 May 2013

Person to Contact: Colin McDougall, Audit and Risk & Manager
Telephone 01389 737436
Email: colin.mcdougall@west-dunbarton.gov.uk

Appendices: Appendix 1: Strategic Risk Register
Appendix 2: Business Continuity Plans – Departments (as at April 2013)

Background Papers: Report to Council on 26 September 2012 - West Dunbartonshire Council Strategic Plan 2012-17

Wards Affected: All Wards