

Report of Finance Manager

Subject: Risk Register

Purpose of Report

To ask Members to consider the latest risk register.

The following risk register has been reviewed by the Audit and Corporate Services Review Committee and Leadership Team. The Risk Strategy document has also been included in this quarter's report.

The main changes from the previous report are as follow:

Risk No	Risk Name	Progress
13	Failure to meet Health & Safety requirements	H&S project officer started in April 2023 to review H&S across the Authority and develop an action plan.
14	Adverse impact of the pay & grading exercise	Followed agreed process and engaged external consultants to support the process.

Based on a consideration of Inherent risk the top 6 risks for the Authority are:

	RISK	Type	Likelihood	Impact	Risk Score
2	Medium to Long Term Risk of reduction of funding from WG, other public sector funders, or grant schemes. Higher inflation and wage costs adding to costs	Strategic	3	3	9
5	Risk of long term impact from climate change	Strategic	3	4	12
10	Ash Die Back disease is now widespread within the National Park, including on our Estate.	Strategic/ Financial / Operational	2	3	6

11	Risk of disease or pandemic	Strategic / Financial / Operational	4	3	6
13	Failure to meet Health & Safety requirements.	Strategic / Financial / Operational	2	3	6
14	Adverse impact of the pay & grading exercise	Strategic / Financial / Operational	2	3	6

Recommendation

Members are asked to consider and comment on the risk register.

Background Documents

None

(For further information, please contact Richard Griffiths)

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Appendix 1

Risk Category Descriptions

Type of Risk	Minor	Moderate	Major	Critical
Financial	Loss/Overspend under £1k	Loss/Overspend under £10k	Loss/Overspend under £100k	Loss/Overspend over £100k
Service	Marginal disruption to services	Short term disruption to services	Medium term disruption to services	Long term / permanent disruption to services
Reputation	No adverse publicity	Minor adverse publicity	Significant adverse publicity	Permanent adverse publicity
Legal	Breaches of internal procedures /standards	Breaches of advisory regulations	Breaches of Law punishable by fines	Breaches of Law punishable by imprisonment
Environment	Incident with no lasting impact	Incident with short term impact	Incident with medium term impact	Incident with long term lasting impact

Risk Rating Assessment

IMPACT ON BUSINESS	Critical	4	8	12	16	12+: Unacceptable level of risk exposure, which requires extensive management
	4					
	Major	3	6	9	12	
	3					
	Moderate	2	4	6	8	6 – 9: Risk management measures need to be put in place and monitored
	2					
	Minor	1	2	3	4	3 - 4: Acceptable level of risk subject to regular monitoring
	1					
		Almost	Unlikely	Likely	Almost	
		Never			Certain	1 – 2 Acceptable level of risk subject to regular monitoring
		1	2	3	4	
	LIKELIHOOD OF OCCURRING					

Pembrokeshire Coast National Park Authority - AUTHORITY RISK REGISTER - May 2023

	RISK	Type	Owner	Inherent risk			Mitigation	Residual risk			Target Score (Risk Appetite)	Control/ monitoring	Trend this qtr		Progress Update	Last Reviewed
				Likelihood	Impact	Risk		Likelihood	Impact	Risk						
1	Short Term Risk of significant reduction of funding from WG, other public sector funders, grant schemes or Authority Generated Income. Higher inflation adding to costs.	Strategic	CEO / Finance Manager	4	3	12	Planned cost reduction, budget planning, increase local income and other external funding	2	2	4		Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority. reserves level sufficient to manage short term changes	No Change		Budget agreed February 2023	May-23
2	Medium to Long Term Risk of reduction of funding from WG, other public sector funders, or grant schemes. Higher inflation and wage costs adding to costs. Planned reduction in reserves	Strategic	CEO / Finance Manager	3	4	12	Planned cost reduction, budget planning, increase local income and other external funding	3	3	9		Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority	No Change		Budget agreed February and in March 2023 delivery plan drafted	May-23
3	Risk of failing to comply with legislation and Governance requirements	Strategic	CEO/Directors/ Monitoring Officer	2	2	4	Policies in place, assessment by Audit Wales, reporting to review committees	1	2	2		Performance reports to Members, monitoring legislation	No Change		Review of corporate documents currently in progress	May-23
4	Not being able to delivery on the targets laid down by the Welsh Government's Term of Government Remit letter	Strategic/ operational	CEO/Directors/ Monitoring Officer	3	2	6	Currently on track, however, financial challenges are making this more difficult	1	2	2		Activities included in Corporate and Resources Plan and regular engagement with Welsh Government	Increase		New draft Corporate Plan being drafted	May-23
5	Risk of long term impact from climate change	Strategic	Director of Place Making, Decarbonisation & Engagement	4	4	16	Participation in the Public Service Board's climate risk assessment and Authority has agreed Climate Change Action Plan. New Climate Adaptation Plan for Pembrokeshire agreed and new Head of Decarbonisation appointed	3	4	12		Monitor impact	No Change		Climate change adaption included PSB Welbeing Plan. Two projects funded by SLSP to guide work of the Authority	May-23
6	Risk of loss of habitat and biodiversity	Strategic	Head of Recovery / Director Of Place Making,	2	3	6	NPA has some impact/control outside own property through its Invasive Species project	2	2	4		Invasive species project monitoring	No Change		Invasion species project monitoring issues	
7	Risk of not delivering on Corporate Objectives	Operational	CEO/Directors/ Monitoring Officer	2	4	8	Most staff working as normal with some of Llanion staff still working remotely	1	2	2		Changes to flexible working policy has been revised	No Change		Majority of revised flexible working contracts signed	May-23
8	Risk of major incident affecting Authority	Strategic	Director of Nature Recovery and Regenerative Tourism	2	2	4	Monitor special events. Response plan in place. In contact with other agencies	1	2	2		Monitoring	No Change		Following a review by Audit Wales in spring 2020 the Business Continuity plans have been updated and will be implemented once 365 is fully installed.	
9	Risk of injury following an Incident	Financial	HR Manager/Finance Manager	2	2	4	Adoption of Visitor Safety Strategy, Annual Building Inspection and Risk Assessments of all sites. Regular maintenance programme. Reports from public and Coast Guard	2	1	2		Annual Inspection, Implementation of annual work programme Emergency works completed quickly, Incidents reported to H&S group. Property Group	No Change		No recent changes	
10	Ash Die Back disease is now widespread within the National Park, including on our Estate.	Strategic/ Financial / Operational	Head of Nature Recovery/ Head of Decarbonisation	3	4	12	Review of the overall impact of ash dieback undertaken in 2020. Limited exposure as paths maintained and land not owned by Authority	3	2	6		Remedial work being undertaken in house as and when required.	UP		Ash Dieback Decision Guide and Arc online being used to manage the spread of the decision. Report presented to May 2023 ACSRC Committee	May-23
11	Risk of disease or pandemic	Strategic / Financial / Operational	HR Manager	2	4	8	There is a need to review approach of the Authority to ensure that it is able to respond to public health or animal / plant health crisis and also to deliver necessary services.	2	3	6		Develop a plan or an approach to deal with issue.	No Change		The Authority learning from experiences of the last 2 years	
12	Risk of Authority no longer considering the specific Well-being Objective of Equality in its equality plan and equality mainstreaming activities	Strategic / Financial / Operational	Performance & Compliance Officer	2	3	6	Activities that support delivery of equality duties have been identified in Corporate and Resources Plan. Activity Status update document for the Equality Plan and Objectives 2020-24 has been created which will be updated periodically. Delivery Plans when created to be subject to integrated assessments to ensure that adequate consideration of equality considerations and links to the Authority's Equality Plan have been carried out prior to approval.	1	3	3		Performance reports for activities in Corporate and Resources Plan. Activity status update document for Equality Plan and Objectives 2020-24.	No Change		Situation being monitored	
13	Failure to meet Health & Safety requirements	Strategic / Financial / Operational	HR Manager	2	4	8	H&S project officer started in April 2023 to review H&S across the Authority and develop an action plan.	2	3	6		Reports to SMT, Health & Safety group and ACSRC.	UP			May-23
14	Adverse impact of the pay & grading exercise	Strategic / Financial / Operational	HR Manager	2	4	8	Followed agreed process and engaged external consultants to support the process.	2	3	6		Due to staffing changes in HR, the time scale for implementation has been amended and the exercise will now be led by interim HR Manager starting in June 2023	UP			May-23

KEY:

Critical 4	4	8	12	16	12+: Unacceptable level of risk exposure, which requires extensive management
Major 3	3	6	9	12	
Moderate 2	2	4	6	8	6 – 9: Risk management measures need to be put in place and monitored
Minor 1	1	2	3	4	3 - 4: Acceptable level of risk subject to regular monitoring
	Almost Never 1	Unlikely 2	Likely 3	Almost Certain 4	1 – 2 Acceptable level of risk subject to regular monitoring
LIKELIHOOD OF OCCURING					

Change from previous report

Pembrokeshire
Coast National Park
Authority

Risk
Management
Strategy



PEMBROKESHIRE COAST NATIONAL PARK AUTHORITY

RISK MANAGEMENT STRATEGY

Introduction

The Authority is committed to a proactive approach to risk management which is integrated into the policy framework, planning and budgeting cycles. A risk is defined as any event or possible event that threatens the Authority's ability to deliver its strategic objectives. The Authority recognises that there are risks involved in everything it does and that it has a duty to manage these risks in a balanced, structured and cost-effective way. Risk cannot be totally eliminated and may at times need to be embraced as part of an innovative approach to problem solving and achieving best value. In essence, risk management is not about taking no risks at all. It is about being able to take calculated and controlled risks to improve the services that the Authority provides.

The Risk Management Strategy outlines the framework, responsibilities, and accountabilities for the systematic and consistent management of risk across the Authority, partnership and collaborative activities. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. The objective of risk management is to secure the assets and reputation of the organisation and to ensure the continued financial and organisational well-being of the Authority.

Risk Management

Good risk management is about identifying what might go wrong, what the consequences might be of something going wrong and finally, deciding what can be done to reduce the possibility of something going wrong. If it does go wrong, as some things inevitably will, making sure that the impact is kept to a minimum.

Risk management should ensure that an organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.

Risk management should be a continuous and developing process which runs throughout the organisation's strategy and the implementation of that strategy, methodically addressing all risks surrounding the authority's activities past, present and future.

The process of identifying and managing risk increases the probability of success and reduces the likelihood of failure.

Our Objectives

The Pembrokeshire Coast National Park authority is committed to establishing and maintaining a systematic approach to the identification and management of risk.

The Authority's risk management objectives are to:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of the Authority.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Consider compliance with health and safety, insurance and legal requirements as a minimum standard.

- Prevent death, injury, damage and losses, and reduce the cost of risk.
- Inform policy and operational decisions by identifying risks and their likely impact.
- Raise awareness of the need for risk management by all those connected with the authority's delivery of service.

These objectives will be achieved by:

- Clearly defining the roles, responsibilities and reporting lines within the authority for risk management.
- Including risk management issues when writing reports and considering decisions.
- Continuing to demonstrate the application of risk management principles in the activities of the authority, its employees and members.
- Reinforcing the importance of effective risk management as part of the everyday work of employees and members.
- Maintaining a register of risks linked to authority's business, corporate and operational objectives, also those risks linked to working in partnership.
- Maintaining documented procedures of the control of risk and provision of suitable information, training and supervision.
- Maintaining an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence.
- Preparing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the Authority's ability to function.
- Monitor arrangements continually and seek continuous improvement.

Our Approach

It is essential that a single risk management approach be utilised at all levels throughout the Authority. By effectively managing our risks and opportunities, which is all part of good governance, we will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money. This approach to risk management will inform the Authority's business processes, including:-

- Strategic planning
- Financial planning
- Service planning
- Policy making and review
- Performance management
- Project management

For those with responsibility for achieving objectives, there is also the responsibility for identifying and assessing risks and opportunities; developing and implementing controls and warning mechanisms; and reviewing and reporting on progress. The identified risks and relevant control measures will be managed through a Risk Register.

The Authority has one overarching strategic risk register which reports on the strategic risks which could impact upon the Authority's strategic objectives. The Strategic risk register is underpinned by two subsidiary registers, one financial and one operational.

Some objectives could be reliant upon external groups that the authority may work with, such as other organisations, partners, contractors etc. This partnership working could affect

the achievement of an objective and therefore the risk management process should be incorporated into partnerships agreements.

The management of risk will become an integral part of corporate policy decisions and the initiation of major projects, which will include a statement on risk to help inform the decision-making process.

This will assist members and officers to ensure that new risks are detected and managed, by providing more detail on the process for managing risk, where each stage builds upon the other and provides basic practical guidance on how to identify, assess and treat risks, and monitor their progress. To assist with this approach to risk management and to ensure consistency across the authority, a guidance document on the risk management process has been prepared, which will be reviewed on an annual basis and reported to the Audit and Corporate Services Committee for approval and adoption.

Risk Appetite

Risk appetite can be defined as the amount and type of risk an organisation is willing to accept in the pursuit of its objectives. The Authority recognises that some level of risk needs to be accepted but it will vary according to the activities undertaken. Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The Authority will assign each risk a target risk score which will equate to the risk score level which the Authority is prepared to accept on that particular risk.

Risk Appetite Definitions are:

Type	Definition
Adverse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return
Moderate	Tending always towards exposure to only modest levels of risk to achieve acceptable outcomes. Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk
High	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels to secure successful outcomes and meaningful reward/return

Responsibilities

Responsibility for risk management should run throughout the authority. Clear identification of roles and responsibilities will ensure the successful adoption of risk management and demonstrate that it is embedded in the culture of the authority.

Group or Individual	Role
National Park Authority	Oversee the effective management of risk throughout the Authority, and gain an understanding of its benefits, ensuring officers develop and implement an all-encompassing approach to risk management. To approve an annual review of the Authority's risk register
Individual Members	To understand the importance of risk management in all that the authority does and to champion the cause of risk management as part of the responsibility of the role of members and to monitor the management of their assigned risks
Audit and Corporate Services Review Committee and the Operational Review Committee	Provide independent assurance of the risk management framework and associated control environment. To receive and review regular reports on risks relevant to activities within their terms of reference
Management Team	<p>Oversee the implementation of the risk management strategy and agree any inputs and resources required supporting the work corporately.</p> <p>Ensure that the risk management process is promoted, managed and implemented effectively in their service areas within the organisation. Liaising with external agencies to identify and manage risk. Disseminating relevant information to service managers and employees and ensuring appropriate training is provided. To review and update the risk register quarterly.</p>
Managers	<p>Raise awareness, manage and implement the risk management process effectively in their service areas, recommending any necessary training for employees on risk management. To ensure the corporate risk register reflects the current state of all risks within their responsibilities.</p> <p>Incorporating risk ownership through the appraisal scheme with employees and share relevant information with colleagues in other service areas.</p>

Employees	Manage risk effectively in their jobs, liaising with their manager to assess areas of risk in their job. Identify new or changing risks in their job and feed these back to their line manager.
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Monitoring and Reviewing

Each identified risk will be assigned to an officer whose responsibility will be to monitor and highlight any issues associated with that risk. The risk register is a standing item on the Authority's Leadership team meetings and a detailed review of at least one strategic risk will be undertaken at each meeting. The leadership will also consider the need to add or remove risks to / from the register. While not reported on all closed risks will be retained and recorded on a closed tab on the register. The risk register is reviewed quarterly by Corporate Management Team and is reported in full to the Audit and Corporate Services Review Committee quarterly.

Managing risks is not just about identifying and assessing risks and putting controls in place to mitigate the risks. Risks will constantly change and so a key stage of the risk management process is risk monitoring. Risks are required to be updated quarterly to align with service planning and performance management monitoring and reporting. It is important that risk register is kept up to date and accurate as this will form how not only objectives are being monitored but also how risks are being managed.

Monitoring of strategic risks is undertaken through Leadership team meetings. Management should prioritise those risks, concentrating on high risks and medium risks but also regularly review actions to ensure low risks are being effectively managed and to identify any emerging risks.

The review of risk registers should consider:

- Are the key risks still relevant?
- Has anything occurred which could impact upon them?
- Are the risk ratings appropriate?
- Are the controls in place effective?
- If risk scores are increasing what further controls might be needed?
- If risk scores are decreasing can controls be relaxed without adversely affecting likelihood or impact ratings?
- Has something new happened within the service, project, partnership or contract
- Has ongoing management review identified, for example, budget pressures, unexpected demand for a service or external factors such as changes in legislation or government policy?