

RISK MANAGEMENT - UPDATE

SUMMARY

- 1.1 This report provides a summary of the current risk management developments taking place within the Council. This work will continue the process of embedding risk management into Council systems and procedures and will further enhance the overall governance framework.

RECOMMENDATIONS

- 2.1 To note the report.

REASONS FOR RECOMMENDATIONS

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

SUPPORTING INFORMATION

Risk Management Action Plan - Update

- 4.1 It was reported to this Committee at the December 2010 meeting that good progress had been made on delivering all the actions identified in the Risk Management Action Plan. As can be seen in Appendix 2, all actions with a defined target date are now complete.

Strategic Risk Register 2011/12

- 4.2 The strategic risk list has been drawn up by the Chair of the Strategic Risk Group and the Head of Audit and Risk Management. It is currently being developed with the Strategic Directors and will then be reviewed by Chief Officer Group in April. The register will then be brought to the June meeting of this Committee for approval.

Risk Guides

- 4.3 A Risk Management Guide for members is being developed which provides a basic, background knowledge on the subject of risk management. The final version will be brought to the June meeting of this Committee for approval.

Insurance Handbook

- 4.4 The Insurance Handbook has not been updated for several years. A new handbook is being drafted, but is currently waiting on the renewal terms from the Council's insurer, in order for it to be completed. The handbook will then be brought to a future meeting of this Committee for approval.

Property Risk Audit

- 4.5 As part of the insurance service provided by Zurich Municipal, they will be commencing a property audit at the Council in early May. The review is to evaluate the management process (e.g. how do we manage fire safety controls) rather than the properties themselves. This process is being slowed down by difficulty in obtaining key information.

Communication of Risk Issues

- 4.6 To improve our communication of risk management we are looking at creating a governance page on Derbynet to centralise all relevant governance guidance and strategies within a single location.

Risk Management Training

- 4.7 A training session on Climate Change Risks ran in early March. The training was collaboration between our insurers' risk unit and the Climate Management Team. Although 40 managers were invited only 5 attended. However, a number of invitees are now liaising with Climate Management Team.

OTHER OPTIONS CONSIDERED

- 5.1 N/A

This report has been approved by the following officers:

Legal officer	n/a
Financial officer	n/a
Human Resources officer	n/a
Service Director(s)	n/a
Other(s)	n/a

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Risk Management Action plan

IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 None directly arising

Personnel

- 3.1 None directly arising

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Environmental Sustainability

- 6.1 None directly arising.

Asset Management

- 7.1 None directly arising.

Risk Management

- 8.1 None directly arising.

Corporate objectives and priorities for change

- 9.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Risk Management Action plan

	Criteria	Where are DCC?	Action	Target Date	Current Status
Year 1	They own and manage a register of key strategic risks and set the risk appetite	Council has not set its appetite and capacity and never assessed its exposure to risk.	The Council needs to set its risk capacity & appetite.	Jun-10	Complete - Approved by Audit & Accounts Committee
	They own and manage a register of key strategic risks and set the risk appetite		Council's Risk Management Strategy reviewed and updated	Jun-10	Complete - Approved by Audit & Accounts Committee
	Risk framework is reviewed, developed, refined and communicated	It is largely complete, but needs to be refined. Communication is poor.	Improve communication of risk management	Jun-10	Complete - Risk guides (Risk handbook & risk & partnership guide) approved by Audit & Accounts Committee.
	Risk with partners and suppliers is well managed across organisational boundaries	A partnership toolkit is being drafted. A Guide to Partnership risk has been developed by the Risk Management Team.	Both formal and informal training to be arranged.	Jul-10	Complete - A partnership toolkit has been produced. A risk and partnership guide has been approved. Partnership risk training completed and been met with positive response
	Senior managers take the lead to apply risk management thoroughly across the organisation		Produce a competency framework for each Senior Manager in relation to risk management.	Aug-10	Complete - Revised Job descriptions now have a risk management element included.
	Risk management principles are reflected in the organisations strategies and policies	Certain risk types are assessed but there is no evidence that they are assessed against any recognised principles.	Review the risk management principles within the decision making framework.	Sep-10	Complete - New framework approved

	Criteria	Where are DCC?	Action	Target Date	Current Status
	A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework	There are the skills and knowledge within the Strategic Risk Group, but there is a question about the support available for the Group to achieve this.	Review and develop the support framework.	Sep-10	Complete - The revised SRG has the appropriate mix of skills. A new support framework has been established.
	Senior managers take the lead to apply risk management thoroughly across the organisation		Advanced risk awareness guidance & training needs to be developed for Heads of Service and above.	Oct-10	Complete - Training for specific high risk areas has been given (Partnerships, procurement and embedding of RM).
Year 2	Staff are aware of key risks and responsibilities	This is patchy across the Council, although the risk awareness training that has been rolled out goes some way to meeting this.	To review the impact of this training.	Mar-11	Complete - Basic risk training has been delivered and received a very positive response.
	Appropriate resources in place to manage risk	Risk management team is in place, but there is no dedicated resource to manage risks in departments it is down to individual managers.	Review the risk management process within individual departments.	Mar-11	Complete - The Risk Management Officer has commenced a programme of meetings with officers in directorates to assist in their RM processes.
	Risk management processes used to support key business processes	This depends on individual officers rather than actual processes.	Links with above actions for risk management processes and training.	Mar-11	Complete - A risk management implication is now included as standard in appendix 1 of all Committee reports.
	Clear evidence that risk management is being effective in all key areas.	We have an electronic risk management system that can assist in providing the evidence.	Develop JCAD system to its full potential.	Mar-11	Complete - JCAD system has been upgraded and training given to members of the insurance & risk team. The business planning cycle is being used to give an overview of all council operational risks

	Criteria	Where are DCC?	Action	Target Date	Current Status
	Early warning indicators and lessons learned are reported	Horizon scanning & "lessons learned" is being introduced into the SRG Agenda.	SRG to monitor	Ongoing – reporting of significant issues to Audit & Accounts	
	Critical services supported through continuity plans	The BCP contains plans for all critical services.	Changes to critical services need to be monitored.	Ongoing – quarterly reports to Chair of SRG	
	Capability assessed within a formal assurance framework and against best practise standards	The risk management framework is assessed under Use of Resources Key Lines of Enquiry. It is also checked against the Institute of Risk Management standards and the ALARM national performance model.	No action required beyond current practices. The situation will be reviewed on a quarterly basis to ensure it continues to meet the criteria stated.	Ongoing – quarterly report to Head of Audit & RM	