

## **GOVERNANCE - UPDATE**

### **SUMMARY**

- 1.1 This report provides an update on the developments being made within the Council's governance framework.

### **RECOMMENDATIONS**

- 2.1 To note the progress made on implementing the actions in the Risk Management Action Plan.
- 2.2 To approve the guide to Environmental Risk Management.

### **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**

- 4.1 An update on the Council's Governance Action Plan was brought to the September meeting of this Committee. Members were informed that the implementation of some of the actions had been affected by the Council re-structure and the decant process. To evaluate the effect of these on the action plan, a full review of the outstanding actions was on the agenda of the Governance Working Group's meeting on 29 November. The Head of Audit and Risk Management will provide members with a verbal update on the outcome of this review at the meeting.
- 4.2 The progress made on implementation of the Risk Management Action Plan was reported to this Committee at the September meeting. It was reported that good progress had been made on delivering those actions identified for completion by September 2010. Committee agreed that progress on those actions with a target date after September 2010 would be reported to this meeting. There are 3 actions in the plan which were not given a target date as they were on-going. These are standing items on the Strategic Risk Group (SRG) agenda.

- 4.3 There are a number of risks that do not impact on the Council strategically, but do impact on the day to day operations. Therefore, the SRG has approved the creation of an operational risk group to ensure there is a forum for all of the Council's service risks to be assessed, controlled and monitored. The Operational risk group will be overseen by the SRG and will be chaired by the Head of Audit and Risk Management. The terms of reference for the new group are currently being drawn up.
- 4.4 The strategic risk list has been reviewed by the Strategic Risk Group and only those areas of risk which are purely strategic have been identified. These are:
- Financial and economic challenges
  - Workforce management
  - Efficiency and effectiveness – the transformation process
  - Asset management
  - Partnerships/shared services
  - Reputation

The specific risks to the Council within the above areas are being identified and assessed. These will then be presented to Chief Officer Group for review and then to this Committee for approval.

- 4.5 As part of the development of the assurance framework and to ensure those involved in understanding risk management within a decision making process, awareness training is on-going for staff. To meet best practice, the Council needs to extend risk management awareness training to Members. To achieve this, the Risk Management section is developing a basic guide to risk for Members and will support this with a short electronic training session. A more detailed training programme on risk is planned for members of this Committee.
- 4.6 The Risk Management section is producing a series of risk guides to assist staff in their understanding of significant risk areas. Two of the guides – Partnership Risk and Project Risk were approved by this Committee at the September meeting. A third guide on Environmental Risk Management has been drawn up by the Climate Change Unit with the assistance of the Risk Management Officer. The guide is attached at appendix 3.
- 4.7 All datasets for the Audit Commission's National Fraud Initiative (NFI) have been uploaded. The data matches will be released to all participants in February 2011.

## OTHER OPTIONS CONSIDERED

- 5.1 N/A

**This report has been approved by the following officers:**

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

<p><b>For more information contact:</b></p> <p><b>Background papers:</b></p> <p><b>List of appendices:</b></p>	<p>Richard Boneham, Head of Audit and Risk Management, 01332 643280 richard.boneham@derby.gov.uk</p> <p>None</p> <p>Appendix 1 – Implications</p> <p>Appendix 2 – Risk management Action plan – Update on progress</p> <p>Appendix 3 – Environmental Risk Management Guide</p>
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<b>IMPLICATIONS</b>
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**Financial**

- 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.

**Carbon commitment**

- 6.1 None directly arising.

**Value for money**

- 7.1 None directly arising.

**Corporate objectives and priorities for change**

- 8.1 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 – Update on Actions with Target date to March 2011

Criteria	Where are DCC?	Action	Target Date	Current Status (as at 22 November 2010)
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.	October 2010	Training for specific high risk areas has been given (Partnerships, procurement and embedding of RM). We are currently looking into providing training on reputation and climate change/adaptability. It is intended to run the embedding of RM training again in the new year.
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	March 2011	Basic risk training has been delivered and received a very positive response but to be successful this needs to be a rolling programme to ensure it reaches everyone.
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.	March 2011	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.	March 2011	It has been agreed that a risk management implication will now be included as standard in appendix 1 of all Committee reports.
Clear evidence that risk management is being effective in all key areas.  Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas	We have an electronic risk management system that can assist in providing the evidence.	Develop JCAD system to its full potential	March 2011	JCAD system has been upgraded and training has been organised. The business planning cycle will be used to give an overview of all council operational risks