Gloucester City Council

Meeting:	**Audit and Governance Committee**	**Date:**	**25th November 2013**
	Cabinet Briefing		**15th January 2014**
Subject:	**Risk Management Annual Report 2013**		
Report Of:	**Audit, Risk and Assurance Manager**		
Wards Affected:	**None**		
Key Decision:	**No**	**Budget/Policy Framework:**	**No**
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Appendices:	**None**		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 The Audit and Governance Committee's terms of reference includes the function 'to monitor the effective development and operation of risk management'.

1.2 This report is designed to assist the Committee in the exercise of this function - to provide Members with an update on the Council's risk management activities from the past year and also future planned actions.

2.0 Recommendations

2.1 The Audit and Governance Committee is asked to resolve that:

    (1)   Members endorse the risk management progress undertaken to date and the planned future work.

3.0 Background and Key Issues

3.1 <u>Background</u>

3.1.1 'Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives' – ALARM, the public risk management association.

3.1.2 The Accounts and Audit Regulations 2011 require a system in place to identify and manage risks in public bodies. This is supported by CIPFA 'Delivering Good Governance in Local Government' and the Council's own corporate governance framework, with risk management being one of the six core principles of the Council's Code of Governance - 'taking informed transparent decisions which are subject to effective scrutiny and managing risk'.

3.1.3 The Council recognises the importance of risk management; its place within the internal controls of a public body; and its contribution to the delivery of successful strategic and service outcomes.

3.2 <u>Risk Management Process and Activity</u>

3.2.1 Confirmed approach

The Council Risk Management Strategy was updated and approved by Audit Committee in March 2012. The document confirms the Council's risk management appetite and objectives; links to the Council's Corporate Plan; and provides guidance on risk management approach and scoring. The document is due for update in 2014.

The approach is supported by the officer and Member Risk Management Champions.

A new Member Risk Management Champion, Councillor Deb Llewellyn, has been appointed to support the Council's risk management process. Councillor Llewellyn replaces Councillor Fred Wood, who previously held the post.

It should be noted that the officer Risk Management Champion had maternity leave between April and September 2013. The role was covered during this time (by an Internal Auditor, from the Audit and Assurance team) to ensure the continuity of risk management support within the Council.

3.2.2 Strategic risk management

The Risk Management Strategy states the need for a formal review of the strategic risk register to identify risks associated with the achievement of the Council's aims and objectives within the Corporate Plan 'Transforming Your City'. Risks are aligned with the Plan's core principles.

The strategic risk register review is led by the GLT - Group Managers session and has been reviewed at these meetings on at least a monthly basis to ensure appropriate update and action. The document is under continuous review at this forum.

3.2.3 Service risk management

Service Managers are responsible for completing a service risk register containing risks relevant to their service objectives (set within services' business plans). A standard risk register template has been compiled to support this task. The service risk registers are being reviewed by GLT (in conjunction with the service business plan) to ensure the risk register content is appropriate and that suitable mitigating actions are applied.

As at October 2013, the majority of service business plans and risk registers have been presented to GLT for review. The remaining 7 service areas are scheduled for review within the 2013/14 GLT agenda calendar.

GLT's ongoing review has identified services where additional risk management support is required and these will be captured through future risk management work (see section 6).

3.2.4 Promotion, Communication and Training

Officers

The service risk management approach was supported by three work shop sessions in February 2013. The workshops offered co-ordinated advice and guidance on service business plans, risk registers and business continuity documents. The sessions were led by the officer Risk Management Champion, Business Improvement team and the Health & Safety Service Manager.

As part of general awareness training for officers, risk management presentations were completed at the March 2013 Gloucester Management Team meeting to promote the Risk Management Strategy and approach.

Advice and guidance has been provided to services through regular communications and 1-2-1 development meetings with Managers to promote risk management good practice.

Members

Risk management training was offered to Members in February 2013 as part of the Member Development Programme. However the session had to be cancelled due to very low take up.

Work with the new Member Risk Management Champion is currently in progress to offer and promote Member risk management training planned for January 2014.

4.0 Alternative Options Considered

4.1 The alternative option is not to have a risk management approach in place. This could cause poor planning, ill informed decision making and non achievement of objectives. Adverse events and outcomes would also be more likely. This option is non compliant with regulations and good practice guidance.

5.0 Reasons for Recommendations

5.1 In accordance with the Council's Risk Management Strategy, a formal annual risk management report must be presented to Gloucester Leadership Team and Audit and Governance Committee for review.

6.0 Future Work and Conclusions

6.1 In the next six months, the following risk management actions are planned:

- January 2014: Members risk management training
- Review and update of the Risk Management Strategy for approval by the Leader and endorsement by the Member Risk Management Champion
- Annual review of the strategic risk register by the Leader, in line with the requirements of the Council Constitution
- Officer Risk Management Champion to complete a service risk register review exercise, to support development of the documents
- Ongoing support and good practice advice from the officer Risk Management Champion to Managers via 1-2-1 meetings and regular communications

- Officer Risk Management Champion to work with the Business Improvement team to develop the service business plan and risk register approach for 2014/15

6.2. The Risk Management Champions will continue to work with Members and officers to help promote and embed risk management within the Council.

7.0 Financial Implications

7.1 There are no direct financial implications arising out of this report. Risk management activity is delivered within existing resources.

8.0 Legal Implications

8.1 It is fundamental that the Council has and maintains a Risk Management Strategy and standard approach which considers identification, review and mitigation of risks to the Council in the delivery of its aims and objectives.

8.2 The Risk Management Strategy and approach provides tools to support the management of risk. Failure to deliver and embed the Strategy (i.e. to not manage risks appropriately) could lead to unnecessary liability and costly legal action against the Council.

9.0 Risk & Opportunity Management Implications

9.1 Lack of a robust approach to the management of risks and opportunities may result in ill-informed decision making and non-achievement of the Council's aims and objectives at both a strategic and service level.

10.0 People Impact Assessment (PIA):

10.1 The risk management approach is delivered in house. Equality in service delivery is demonstrated by officers being subject to, and complying with, the Council's equality policies.

10.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 There are no community safety implications arising out of this report.

Sustainability

11.2 There are no sustainability implications arising out of this report.

Staffing & Trade Union

11.3 There are no staffing and trade union implications arising out of this report.

Background Documents: Risk Management Strategy 2011/13
Code of Governance