

Proposed Risk Management Action Plan

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Executive Summary

Introduction

It has always been important for organisations to identify and manage their risks. This view has been reinforced by public sector legislation i.e. the Accounts and Audit Regulations 2015 where it states *‘A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk.’*

In addition, the *Delivering Good Governance in Local Government 2007 (Addendum 2012)* – CIPFA/SOLACE guide notes 6 key principles to enable the development of a good governance framework within public services, one of which states that good governance is *‘taking informed and transparent decisions which are subject to effective scrutiny and managing risk’*.

Risk Management is about managing our threats and opportunities and striving to create an environment of ‘no surprises’. By managing our threats effectively we will be in a stronger position to deliver our business objectives. By managing our opportunities we will be in a better position to improve services and better value for money.

Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally, or to our service delivery. It cannot therefore be ignored or avoided, but instead, it must be managed.

Successful risk management is about ensuring that we have the correct level of control in place to provide sufficient protection from harm, without stifling our development. As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. We must ensure that the decisions we take as a Council reflect a consideration of the potential implications for all our stakeholders. We must decide whether the benefits of taking our actions outweigh the risks.

Review of Risk Management Arrangements

In addition to providing an internal audit service, the Audit Risk Assurance Shared Service provides a risk management support service to Gloucester City Council. As part of this support service (not an internal audit), it was agreed that a review of the risk management arrangements operating within the Council would be undertaken to provide the relevant assurances that risk management continues to operate effectively. All review progress updates, reported to the Audit and Governance Committee.

To enable the above and the identification of any improvement areas to the Council’s current risk management arrangements, a self assessment was undertaken against the International Standards Organisation ISO 31000:2009, *Risk management – Principles and guidelines*. The ISO 31000 provides principles, framework and a process for managing risk.

It can be used by any organisation regardless of its size, activity or sector. Using ISO 31000 can help organisations increase the likelihood of achieving objectives, improve the identification of opportunities and threats and effectively allocate and use resources for risk treatment.

Organisations using it can compare their risk management practices with an internationally recognised benchmark, providing sound principles for effective management and corporate governance.

The ISO 31000 consists of thirteen key areas (comprising of 59 questions) which are categorised between risk management responsibilities and key systems and processes which are summarised below.

- Responsibilities of Chief Executive/Governance (Officers and Members);
- Responsibilities of senior/middle management;
- Responsibilities for specialist risk management functions;
- Responsibilities for the Corporate Risk Manager;
- Responsibilities for the Chief Internal Auditor;
- Responsibilities for individual employees;
- Risk architecture;
- Risk strategy;
- Risk protocols;
- Planning and design;
- Implementing and benchmarking;
- Measuring and monitoring; and
- Learning and reporting.

Findings

It is pleasing to report that the initial results of the self assessment indicated **75%** pure compliance with the standards. However, an action plan has been developed to further enhance existing arrangements which identifies key improvement areas. The proposed action plan is provided at pages 3 – 5 below.

Conclusion

It is important that risk management continues to be fully embedded in the business operations of the Council. Adoption of the action plan, once finalised, will further enhance the current processes in place and further enable the risks associated with the achievement of the Council's objectives and priorities to be managed.

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Action	Action Owner(s)	Target Date
Refresh of the Council's Risk Management Policy Statement and Strategy to be effective from April 2017.	Head of ARA Shared Service	January 2017
Refresh of the Council's Anti Fraud and Corruption Policy Statement and Strategy to be effective from April 2017.	Head of ARA Shared Service	January 2017
To develop a risk management staff / member awareness communication plan.	Democratic and Electoral Services Manager (Gloucester City Council) Senior Risk Management Advisor and Audit/Risk Technical Officer (ARA Shared Service)	March 2017
Update the risk management user guide / toolkit to align with the requirements of the revised strategy. To include the introduction of opportunity management and the application of a risk appetite model within key operational business processes, performance and project management arrangements.	Democratic and Electoral Services Manager (Gloucester City Council) Senior Risk Management Advisor and Audit/Risk Technical Officer (ARA Shared Service)	March 2017

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Action	Action Owner(s)	Target Date
Delivery of risk management refresher training / awareness briefings / drop in sessions provided to staff (both existing and new) and Members (as per the communication plan).	Democratic and Electoral Services Manager (Gloucester City Council) Senior Risk Management Advisor and Audit/Risk Technical Officer (ARA Shared Service)	April - June 2017
Ongoing operational risk management support, advice and guidance to management in applying the principles of effective risk management within business planning, programme and project management arrangements	Democratic and Electoral Services Manager (Gloucester City Council) Senior Risk Management Advisor and Audit/Risk Technical Officer (ARA Shared Service)	Ongoing

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Action	Action Owner(s)	Target Date
To develop and maintain a Risk Management information page on the Council's intranet to support the implementation and application of risk management principles.	Democratic and Electoral Services Manager (Gloucester City Council) Senior Risk Management Advisor and Audit/Risk Technical Officer (ARA Shared Service)	April-June 2017