

## AUDIT COMMITTEE – 1 July 2016

<b>Title of paper:</b>	<b>Update on the Review and Improvement of the Delivery of Strategic Risk Management</b>	
<b>Director(s)/ Corporate Director(s):</b>	Report of the Director of Strategic Finance	<b>Wards affected:</b> All
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<b>Other colleagues who have provided input:</b>		
<b>Recommendation(s):</b>		
<b>1</b>	To provide a progress report on the Review and Improvement of the delivery of Strategic Risk Management project.	

### **1 REASONS FOR RECOMMENDATIONS**

1.1 The project to review and refresh the existing risk management process has been approved by CLT and Audit Committee. The review of the existing process has been completed. The report sets out the findings of the benchmarking exercise which will inform the 2016/2017 Strategy.

### **2 BACKGROUND**

2.1 A report and recommendation was agreed at Audit Committee on the 27 November 2015 to undertake a root to branch review of the current risk management process with the objective of providing an improved processes that achieves a greater guarantee and assurance that the identification, assessment and mitigation of strategic risk is effective.

2.2 The benchmarking and risk management health check has been completed, having conducted a series of confidential meetings with senior managers and councillors. The following areas were considered in the exercise:-

- Review of policies, procedures and framework
- Review the corporate risk register
- Assess current risk maturity
- Obtain view on current processes
- Suggest areas for improvement and offer a suggested strategy/action plan

2.3 The Alarm National Performance Model for Risk Management in Public Services has been used as the tool to measure the maturity of risk management processes at the council. The model allows an assessment to be made around the extent to which risk management is having a positive effect on the organisation.

2.4 Based on the outcomes of the review and benchmarking exercise, the risk management strategy to accompany the risk management framework is being developed. It is to include objectives, milestones and implementation plan.

### **3 FINDINGS OF THE BENCHMARKING EXERCISE**

- 3.1 The current Strategic Risk Register is being reviewed by CLT and updated to adequately reflect the current risk profile and risk appetite. CLT are reviewing all the departmental risk registers and are to agree what constitutes a corporate risk and what the escalation process is to be.
- 3.2 There is confidence that risks are being identified and understood at departmental level. With support from the risk team during 2016/2017 there will be further assurance that the framework is used robustly to support service delivery.
- 3.3 The use of Covalent as a method of recording risk is under review with alternative software under consideration.
- 3.4 There is confidence that larger projects and partnerships are managed well with risk registers.
- 3.5 Risk reporting and escalation requires more consistency and the training of departments leads and risk owners will form part of the 2016/2017 Strategy.
- 3.6 In general the scoring of the exercise showed that there was engagement in the risk management process across the council and that the Strategy will reflect the need to focus resources on improvements across
- Leadership and Management
  - Strategy and Policy
  - People
  - Partnership, Shared Risk and Resources
  - Processes
  - Risk Handling and Assurance
- 3.7 The findings of the exercise have been presented to CLT, with the future approach discussed.
- 3.8 From these discussions the Strategy for 2016/2017, Policy and Process is being re-written into one overarching document.
- 3.9 An Action Plan (for agreement with CLT) of agreed improvements and implementation is in draft.
- 3.10 In six months there should be a review of further exercises that need to be undertaken such as a review of risk appetite; risk management in contracts and business continuity audit.

### **5 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

- 4.1 None

### **5 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 5.1 None