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| <b>Report To:</b>       | <b>Audit Committee</b>   | <b>Date:</b>       | <b>26 August 2014</b>  |
| <b>Report By:</b>       | <b>Acting Corporate Director Environment,<br/>Regeneration &amp; Resources</b> | <b>Report No:</b>  | <b>AC/85/14/AP/APr</b> |
| <b>Contact Officer:</b> | <b>Andi Priestman</b>  | <b>Contact No:</b> | <b>01475 712251</b>    |
| <b>Subject:</b>         | <b>Annual Review of Risk Management Activity 2013/2014</b>                     |                    |                        |

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### 1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Committee progress made in 2013/2014 in developing and monitoring a strategic approach to managing risks faced by the Council.
- 1.2 This approach forms part of the Council's overall Corporate Governance Framework and will be integral to the approach for BV2.

### 2.0 SUMMARY

- 2.1 During 2013/2014 the Council continued to value the importance of maintaining the momentum on risk management and progress has been made in the following areas:
  - Ongoing review and update of strategic and operational risk registers and the development of Directorate Heatmaps;
  - Maintaining a risk register for the Financial Strategy which allows management to consider the risks to the overall financial position arising from matters contained within the Financial Strategy;
  - Maintaining risk management as a key aspect of the Strategic Planning and Performance Management Framework;
  - Continuing the advancement of emergency planning, crisis management and business continuity within the Council and fulfil the Council's legislative requirements under the Civil Contingencies Act 2004 in conjunction with the Joint Civil Contingencies Service;
  - Developing Service Risk Registers for the Inverclyde Community Health and Care Partnership;
  - Developing an e-learning module on Risk Management for employees as part of the Brightwave corporate training platform; and
  - Facilitating insurance awareness sessions for employees across all Directorates, which were well attended. More focussed sessions will be organised during 2014/2015.
- 2.2 It is considered important to actively progress the risk management process to achieve further improvement. We continue to review progress against the Audit Scotland Best Value toolkit relating to Risk Management and a number of initiatives will be undertaken in 2014/2015 to ensure the Council meets the requirements of the guidance.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Members note the progress made in 2013/2014 in developing, implementing and monitoring a coherent corporate approach to managing risks faced by the Council.

**Alan Puckrin**

**Acting Corporate Director Environment, Regeneration and Resources**

## 4.0 BACKGROUND

- 4.1 The role of Internal Audit in Risk Management is defined as contributing to the management of risk by evaluating and providing assurance on risk management processes. The assurance extends principally to two main areas, firstly that major business risks are being managed and secondly that the Risk Management and Internal Control Framework is operating effectively.
- 4.2 The responsibility for managing risk lies not with Internal Audit but with service management, with corporate consistency being supported through the Corporate Risk Management Group.
- 4.3 Internal Audit allocated time within the 2013/2014 Internal Audit Plan to undertake detailed Risk Management work in the undernoted areas:-
- Progression of Council Wide Risk Management Initiatives; and
  - Continuous development work on Risk Registers and Business Continuity Plans.

## 5.0 CURRENT POSITION

- 5.1 During 2013/2014 the Council continued to value the importance of maintaining the momentum on risk management and progress has been made in the following areas:
- Ongoing review and update of strategic and operational risk registers;
  - Ongoing training of members in Corporate Governance arrangements, including risk management;
  - Maintaining a risk register for the Financial Strategy which allows management to consider the risks to the overall financial position arising from matters contained within the Financial Strategy;
  - Maintaining risk management as a key aspect of the Strategic Planning and Performance Management Framework;
  - Continuing the advancement of emergency planning, crisis management and business continuity within the Council and fulfil the Council's legislative requirements under the Civil Contingencies Act 2004 in conjunction with the Joint Civil Contingencies Service.
  - Service Risk Registers have been developed for the Inverclyde Community Health and Care Partnership;
  - An e-learning module on Risk Management has been developed for employees as part of the Brightwave corporate training platform; and
  - Insurance awareness sessions, facilitated by Zurich, were organised for employees across all Directorates and were well attended. More focussed sessions will be organised during 2014/2015.
- 5.2 It is considered important to actively progress the risk management process to achieve further improvement. We have reviewed the Audit Scotland BV toolkit relating to Risk Management and a number of initiatives will be undertaken in 2014/2015 to ensure the Council meets the requirements of the guidance.

## 6.0 IMPLICATIONS

- 6.1 There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A         |                |              |                            |               |                |

Annually Recurring Costs/ (Savings)

| <b>Cost Centre</b> | <b>Budget Heading</b> | <b>With Effect from</b> | <b>Annual Net Impact</b> | <b>Virement From (If Applicable)</b> | <b>Other Comments</b> |
|--------------------|-----------------------|-------------------------|--------------------------|--------------------------------------|-----------------------|
| N/A                |                       |                         |                          |                                      |                       |

**Legal**

6.2 There are no direct legal implications arising from this report.

**Human Resources**

6.3 There are no direct HR implications arising from this report.

**Equalities**

6.4 There are no direct equalities implications arising from this report.

**Repopulation**

6.5 There are no direct repopulation implications arising from this report.

**7.0 CONSULTATIONS**

7.1 Not applicable. This report summarises the work carried out during 2013-2014 which have been included in separate progress reports to Audit Committee.

**8.0 LIST OF BACKGROUND PAPERS**

8.1 Risk Management Progress Reports to Audit Committee in August and October 2013, and April 2014.