

PLYMOUTH CITY COUNCIL

Subject:	Risk and Opportunity Management – Annual Report
Committee:	Audit Committee
Date:	29 June 2017
Cabinet Member:	Councillor Darcy
CMT Member:	Andrew Hardingham (Interim Joint Strategic Director for Transformation & Change)
Author:	Mike Hocking, Head of Assurance
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Ref:	CRM/MJH
Key Decision:	No
Part:	I

Purpose of the report:

This report summarises the work carried out during 2016/17 to develop the Council's approach to risk and opportunity management and covers:

- Corporate and Operational Risk Management Groups
 - Risk & Opportunity Management Strategy
 - Plymouth City Council/NEW Devon CCG Joint Risk Register
 - Finance Fit Project
 - Alarm/CIPFA Benchmarking Club 2016
 - Focus for 2017/2018
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The Corporate Plan 2016 - 19:

Maintaining sound systems of internal control and risk management enables the council to monitor and review the key risks that may prevent it from achieving its corporate and service objectives.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None arising specifically from this report.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

- The Risk and Opportunity Management Strategy specifically supports the council's overall governance arrangements
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Equality and Diversity

Has an Equality Impact Assessment been undertaken? Not required.

Recommendations and Reasons for recommended action:

The Audit Committee is recommended to note the Annual Report.

Alternative options considered and rejected:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Published work / information:

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off: Councillor Darcy

Fin	PI1718. 46	Leg	DVS2 8365	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member , Interim Joint Strategic Director for Transformation & Change													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

1.1 This report summarises the work carried out during 2016/17 to further develop the Council's approach to risk and opportunity management.

1.2 The review covers:

- Corporate and Operational Risk Management Groups
- Risk & Opportunity Management Strategy
- Plymouth City Council/NEW Devon CCG Joint Risk Register
- Finance Fit Project
- Alarm/CIPFA Benchmarking Club 2016
- Focus for 2017/2018

2.0 Corporate and Operational Risk Management Groups

2.1 The Corporate Management Team (CMT) acts as the Corporate Risk Management Group (CRMG) with responsibility for the strategic risk and opportunity register and the overall risk and opportunity management strategy.

2.2 Directors have engaged fully in the risk management process in taking ownership of the strategic risk and opportunity register both formally at CRMG meetings and throughout the year in proposing amendments to the register in line with changing circumstances and priorities for the Council.

2.3 Relevant Cabinet Members have also been engaged in considering and challenging risk management monitoring reports.

2.4 Matters of day to day operational risk management are the responsibility of the Operational Risk Management Group (ORMG) which is chaired by the Head of Assurance and comprises risk champions from each directorate and/or service.

2.5 The ORMG has met every 6-8 weeks to review and monitor operational risk and opportunity risk registers to promote and develop a consistent approach to risk and opportunity management and also to consider bids from departments for financial assistance from the risk management fund towards risk reduction initiatives.

2.6 The risk management fund is used as a pump-priming fund to enable departments to implement risk reduction initiatives in areas such as physical security improvements (fire/intruder alarms, CCTV etc.) training, health and safety improvements etc.

2.7 A list of those projects supported by the fund in 2016/17 is attached for information at Appendix A.

3.0 Risk and Opportunity Management Strategy

3.1 The Risk and Opportunity Management Strategy provides a comprehensive framework and process designed to support Members and officers in ensuring that the Council is able to discharge its risk management responsibilities fully.

3.2 The strategy is reviewed annually to ensure it remains current and fit for purpose. A copy of the latest version is attached at Appendix B.

4.0 Plymouth City Council/NEW Devon CCG Joint Risk Register

- 4.1** The Head of Integrated Finance presented the first joint integrated risk register to this Committee in March 2017.
- 4.2** The joint integrated framework is the first of its kind in the country and is the result of 18 months collaboration between both partners. The framework provides a common infrastructure for delivering, maintaining and governing risk management within the integrated commissioning function.
- 4.3** Future updates of the integrated risk register will be brought to this Committee together with the Strategic Risk Register update.

5.0 Finance Fit Project

- 5.1** The Finance FIT project was launched with the objective of managing delivery of a modern, fit for purpose, cost efficient, cost effective and customer focused Finance Service. The Assurance work stream formed part of the project and included the following two outcomes:
- Improve assurance processes that meet business objectives effectively and deliver efficiency improvements.
 - Review of risk approach to drive better value from risk management activities.
- 5.2** A review of risk management activities and processes was undertaken during the summer in collaboration with Devon Audit Partnership. A risk management questionnaire was developed to assess the perceived risk culture within the organisation, followed by Directors interviews.
- 5.3** Two of the common themes raised by participants of the review were the need for 'real time' risk information and alignment with other corporate functions such as performance and financial management.
- 5.4** A project plan is being drafted by Delt to implement Office 365 which is a Microsoft service that consists of a number of products and services which can be managed through an online portal. One of the services supported by Office 365 is Sharepoint which is a highly configurable document management and storage system.
- 5.5** Sharepoint allows for storage, retrieval, searching, archiving, tracking, management and reporting on of electronic documents and records and will allow for real-time editing.
- 5.6** A trial of the system to record risk information will take place once the project plan has been agreed. If the trial is successful, training will be rolled out across the organisation.
- 5.7** A Risk Management eLearning course has also been developed as part of the Finance Fit work package and this was launched on 24 May 2016.

6.0 Alarm/CIPFA Benchmarking Club 2016

- 6.1** The benchmarking club is collaboration between Alarm (Association of Local Authority Risk Managers) and CIPFA (The Chartered Institute of Public Finance and Accountancy). The question set is based on Alarm's National Performance Model for Risk Management in Public Services and developed by a steering group of club members.

- 6.2** The questionnaire was completed during August and September 2016 and was largely informed by the Directors interview responses that were undertaken as part of the risk management review described in paragraph 5.2 above.
- 6.3** The Council's overall comparison results were evaluated at 'Embedded and Integrated' which is the second highest score. We also had the fourth highest results score out of nineteen comparator organisations.
- 6.4** Development of a risk software solution will help to increase our results in the future.
- 7.0 Focus for 2017/18**
- 7.1** Develop and roll out risk management software across the organisation.
- 7.2** Continue to support the Integrated Assurance Service which will see risk management formally aligned and working alongside other compliance functions to promote a joined-up approach to all aspects of governance as per the three lines of defence model.
- 8.0 Conclusion**
- 8.1** There is good evidence of the development of a risk management culture within the Council with proactive engagement of Members, Directors and Heads of Service, and senior operational managers.
- 8.2** The Council has well-developed and proven risk management processes in place which have been integrated into business planning, budget, transformation and project management.
- 8.3** The Annual Report should therefore give Audit Committee members assurance as to the adequacy and effectiveness of the internal control arrangements and, in particular, the contribution of risk and opportunity management to the overall governance framework.

RISK MANAGEMENT BIDS APPROVED 2016/17

- 1. HROD (Health, Safety & Wellbeing) – Audit and review of schools health and safety compliance**
Audit to determine the level of compliance with statutory health & safety obligations including recommendations for future action/input required
£7,500
- 2. HROD (Health, Safety & Wellbeing) – Development and review of policies for facilities management and health and safety**
Review and update the Council's current policies and procedures to ensure they are compatible with the future introduction of an electronic Health, Safety & Wellbeing system.
£7,500
- 3. ODPH (Public Protection Service) – CCTV at 4a Derriford Business Park**
Replace outdated CCTV cameras to meet current standards and link to a secure digital storage with downloadable format.
£5,000
- 4. Environmental Services (Bereavement) – Development of welfare facilities at Weston Mill Cemetery**
Provision of new showers , toilets and a drying area for the Bereavment Service outdoor workers.
£7,500
- 5. Finance (Facilities Management) – Survey of West Hoe cliffs**
Cost of rope access survey of West Hoe Cliffs to ensure the safety of members of the public using the park area and playground facilities in West Hoe Park.
£7,500
- 6. Customer Services (Libraries) – Panic alarms for staff at Tothill & Ernesettle Libraries**
Mobile panic alarms for lone working staff.
£530
- 7. Finance (Facilities Management) – Lockable console bins**
Purchase of secure console bins to hold sensitive documents prior to shredding.
£3,713
- 8. Customer Services (Register Office) – Heating/cooling unit in ceremony room**
Installation of heating/cooling units in one of the ceremony rooms to regulate the temperature.
£7,500
- 9. HROD (Health, Safety & Wellbeing) – Licence for HSE Climate Tool**
Purchase of HSE Safety Climate Tool which is an on-line web-based questionnaire which anonymously explores employee's attitudes and perceptions to health and safety then generates a report with guidance and allows development and maintenance of a regular survey and reporting on continuous improvement.
£7,500

10. HROD (Health, Safety & Wellbeing) – Purchase of hand-arm vibration wear (HAVWEAR)

Purchase of a fully electronic system which accurately records operator’s exposure to vibration when operating vibrating machinery via a watch-like monitor from which data can be extracted to a cloud based reporting platform.

£7,500

Total £61,743

(Total includes amount carried over from the previous year)