

Date of meeting:	23 September 2019
Title of Report:	Risk and Opportunity Management – Annual Report
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Julie Hosking
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Your Reference:	SM/JKH
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report summaries the work carried out during 2018/19 to develop the council's approach to risk and opportunity management and covers:

- Risk and Opportunity Management Strategy
- Corporate and Operational Risk Management Groups
- Integrated Assurance
- Risk Management Fund
- Focus for 2019/2020

Recommendations and Reasons

That Audit and Governance Committee:

- Discuss and note the Risk and Opportunity Management Annual Report
- Approve the Risk and Opportunity Management Strategy 2019-21

Reason: As part of the Committees responsibility for monitoring the implementation and ongoing processes for identifying and managing key risks of the authority.

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.

Relevance to the Corporate Plan and/or the Plymouth Plan

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 the Medium Term Financial Plan and Resource Implications:

Due to the financial challenges the Council faces, the £50,000 budget for the risk management fund has been removed with no plans to reinstate it in future years.

Carbon Footprint (Environmental) Implications:

None arising specifically from this report.

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

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

The Risk and Opportunity Management Strategy specifically supports the council's overall governance arrangements.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable)						
		1	2	3	4	5	6	7
A	Risk and Opportunity Management Strategy 2019-21							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											

Please confirm the Strategic Director(s) has agreed the report? Yes
Date agreed: 14/08/2019
Cabinet Member approval: <i>Councillor Mark Lowry Approved verbally</i>
Date approved: 03/09/2019

1.0 Introduction

1.1 This report summarises the work carried out during 2018/19 to further develop the council's approach to risk and opportunity management.

1.2 The review covers:

- Risk and Opportunity Management Strategy
- Corporate and Operational Risk Management Groups
- Integrated Assurance
- Risk Management Fund
- Focus for 2019/2020

2.0 Risk and Opportunity Management Strategy

2.1 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.

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

2.3 The revised strategy was presented to the Corporate Management Team (CMT) on 20 August 2019.

3.0 Corporate and Operational Risk Management Groups

3.1 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.

3.2 Service 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.

- 3.3** Matters of day to day operational risk management are the responsibility of the Operational Risk Management Group (ORMG) which comprises of risk champions from each directorate and/or service and representatives from the oversight functions that support the council's internal control assurance framework.
- 3.4** The ORMG met twice during 2018/19 to review and monitor operational risk and opportunity risk registers in line with the risk monitoring timetable and to promote and develop a consistent approach to risk and opportunity management.
- 4.0 Integrated Assurance**
- 4.1** Risk information is included within the Corporate Plan Performance Report to add value to the quality of information provided.
- 4.2** Risk identification has been further enhanced by the business planning process implemented across the organisation in March 2018 and Operational Risk and Opportunity Registers were updated during February and March 2019 as part of this year's business planning process.
- 4.3** In addition, risks are reviewed at quarterly (in some cases monthly) department management team meetings in line with guidance provided in the Risk and Opportunity Management Strategy.
- 4.4** Risks that are deemed to have a health and safety element which present a risk to either staff or members of the public are also reviewed by the Health, Safety and Wellbeing Steering Group and quarterly meetings are chaired at Director-level.
- 4.5** Performance scorecards continue to be reviewed against risk registers to identify any gaps in reporting.
- 5.0 Risk Management Fund**
- 5.1** In previous years, a risk management fund of £50,000 per annum was available for departments to bid for funding to implement risk reduction initiatives in areas such as physical security improvements (fire/intruder alarms, CCTV etc.) training and health and safety.
- 5.2** Unfortunately, the financial challenges the Council faces has necessitated the funds removal, with no plans to reinstate it in future years.
- 5.3** Business plans are aligned to the budget and resources for each service and consideration and evaluation of risk controls and associated costs will continue to be made during the planning stage.
- 6.0 Focus for 2019/20**
- 6.1** Continue to support departments to identify risks to achievement of objectives contained within their business plans.

6.2 Continue to review and develop risk management processes and work with performance colleagues to improve the quality of information being provided to managers.

7.0 Conclusion

7.1 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.

7.2 The council has well-developed and proven risk management processes in place which have been integrated into business planning, budget and project management.

7.3 As reported to this Committee in [July](#), following a review in April, Devon Audit Partnership's audit opinion of the Council's risk management arrangements improved this year from 'Working' to 'Embedded and Integrated'.

7.4 This improved opinion reflects the work implemented to embed risk management arrangements within formal business planning processes and the closer alignment of risk and performance processes.

7.5 The Risk and Opportunity Management Annual Report should therefore give Audit and Governance 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.