

AUDIT AND GOVERNANCE COMMITTEE

25 MARCH 2011

RISK MANAGEMENT PLAN 2011/2012

REPORT OF THE EXECUTIVE DIRECTOR OF COMMERCIAL AND CORPORATE SERVICES

1. Introduction

1.1 Effective risk management assists the Council to achieve its objectives by:

- reducing the likelihood of events that would have a negative consequence overall and reducing any negative consequences;
- increasing the likelihood of events that would have a positive consequence overall and increasing any positive consequences;
- identifying opportunities where taking risks might be beneficial;
- identifying, understanding and managing cross-organisation risks;
- executing change more effectively and efficiently and improving project management;
- protecting reputation and stakeholder confidence.

1.2 Whilst it is management's responsibility to effectively manage risks and opportunities the Council's Corporate Risk Management team plays a key role in supporting, regulating and challenging managers in this regard.

1.3 Whilst this plan sets out how the Corporate Risk Management team intends to fulfil its role within 2011/2012 it is important to recognise that it may need to be varied due to the level of change occurring at this time and in the context of the establishment of the new Commercial and Corporate Services Directorate. The committee will, of course, be consulted appropriately on any further reorientation of the plan.

2. Risk Management Objectives

2.1 The objectives of the Corporate Risk Management team will be:

Objective 1

Ensure there is an effective corporate risk profiling process in place to identify, assess, manage, review and report on strategic and corporate risks and opportunities.

Objective 2

Facilitate the Council to successfully identify, assess, manage, review and report on risks and opportunities at a service / operational, programme, project and partnership level.

Objective 3

Embed the effective management of risk into the culture, ethos, policies and practices of the Council.

3. Planned Activity - Objective 1

Ensure there is an effective corporate risk profiling process in place to identify, assess, manage, review and report on strategic and corporate risks and opportunities.

- 3.1 The Council's Corporate Risk Profile provides an overall picture of the strategic and corporate risks facing the whole organisation. It conveys the nature and level of risks the organisation faces, the impact and likelihood of risk incidents on the Council and its stakeholders and the actions to be taken to manage those risks.
- 3.2 During the period 1995 – 2004, the Council has, on 3 occasions, partnered with external risk management advisors Marsh to produce a completely 'new' Corporate Risk Profile. The current Profile was developed with Marsh in 2009.
- 3.3 The Corporate Risk Management Group, chaired by the Head of Audit, Risk and Procurement and which consists of a range of senior managers from across the Council, will carry out quarterly reviews of the Corporate Risk Profile. The results will be reported to the Executive Management Team, Cabinet and the Audit and Governance Committee on a half yearly basis, unless issues arise that need to be reported more frequently.
- 3.4 The Corporate Risk Management team will support the risk profiling process and provide expert knowledge, challenge and independent verification.
- 3.5 The half yearly reports will provide information in relation to:
 - the identified risks and any additions, changes or closed risks;
 - an analysis of the risk score movement and commentary;
 - an analysis of progress in relation to actions identified to mitigate the risks.

4. Planned Activity - Objective 2

Objective 2

Facilitate the Council to successfully identify, assess, manage, review and report on risks and opportunities at a service / operational, programme, project and partnership level.

Service Planning and Delivery

- 4.1 Risks in relation to planning and delivering services should be identified and assessed through the Strategic Service Improvement and Financial Planning Process 2011/2012. The performance management process, including performance clinics, will review progress against identified key actions.
- 4.2 The Corporate Risk Management team will support Executive Directors and Heads of Service and provide expert knowledge, challenge and independent verification, in relation to risk management within service planning and delivery.

Service Reviews

- 4.3 The Council has commenced a Service Review process that will consider services based upon good commissioning principles, through being clear about the outcomes the Council is seeking to achieve and focusing on the most effective ways to achieve this. It is expected that this will also deliver significant savings.
- 4.4 The Corporate Risk Management team will support the Service Review Leads in identifying and assessing the risks within the options that are being considered.

Programmes and Projects

- 4.5 The council's adopted project management methodology includes requirements and guidance in relation to managing risks within the delivery of programmes and projects.
- 4.6 The Corporate Risk Management team will provide expert knowledge, challenge and independent verification to all programmes (set out below) given their importance to the delivery of the Council's objectives and to a number of key projects based upon a risk assessment.

Programmes

- Business Transformation
- Reputation and Influencing
- Community Leadership
- Economic Regeneration

- Directorate Modernisation Programmes

The key projects within each programme will be appropriately supported.

Partnerships

- 4.7 The Council is involved in a range of partnerships in order to deliver its priorities. Guidance on managing risks within partnerships is included within the Council's Code of Practice on Partnerships. Thirty partnerships have been assessed as 'significant'. A prioritisation exercise has been undertaken to identify those Partnerships that could have the most significant impact upon the delivery of the Council's objectives or where the risk management arrangements may be less well developed, and the Corporate Risk Management team will work with those Partnership Leads within the year. Support will also be available for other partnerships where deemed appropriate.

Schools

- 4.8 Each year 50% of schools within the city will be provided with direct support from the Corporate Risk Management team to develop Risk Management Action Plans, based on a good practice template of suggested risk areas. The template is updated each academic year to reflect new and emerging risks which schools face, i.e. new initiatives, working practices and dealing with change.
- 4.9 Those schools who are not scheduled to be visited by the Corporate Risk Management team will have access to support them in undertaking their annual reviews, where requested. The team will liaise with newly appointed head teachers to offer them support.
- 4.10 The Corporate Risk Management team will also provide training to Governors, Head teachers and school staff where requested and deemed appropriate.

General advice, guidance and support

- 4.11 The Corporate Risk Management team will assess all other requests for support as to its importance and impact on the planned work, and where it is considered appropriate will provide assistance.

5. **Planned Activity - Objective 3**

Embed the effective management of risk into the culture, ethos, policies and practices of the Council.

Corporate Risk Management Framework

5.1 The Corporate Risk Management team will continue to develop and maintain the Corporate Risk Management Framework to ensure it remains fit for purpose, given changes within and affecting the Council and developments within the profession. It includes:

- Risk Management Policy and Strategy
- Risk Management Manual including:
 - Process Guide
 - Tools and Techniques for managing risks
 - Roles and Responsibilities
 - Reporting Mechanisms
- Guidance within the Code of Practice on Partnerships
- Guidance within the Corporate Project Management methodology

5.2 The Corporate Risk Management team will provide input to the Annual Governance Review.

Building Capability

5.3 It is important that councillors and staff have an awareness of the need to consider the risks associated with their roles and activities they are involved within. Specific training may also be required in relation to undertaking specific roles, e.g. Project Manager.

5.4 An awareness and training programme will be developed and commenced within the year.

6. Risk Management Plan 2011-12

A summary of the planned activity is shown below.

Objective 1

Ensure there is an effective corporate risk profiling process in place to identify, assess, manage, review and report on strategic and corporate risks and opportunities.

Activity	Estimated Days
Annual Review of Corporate Risk Profile	50
Quarterly Review of Corporate Risk Profile (x 3)	60
Total	110

Objective 2

Facilitate the Council to successfully identify, assess, manage, review and report on risks and opportunities at a service / operational, programme, project and partnership level.

Activity	Estimated Days
Supporting Executive Directors and Heads of Service with Service Planning and Delivery	70
Service Reviews	40
Specified Programmes / Projects (List at Appendix 1)	214
Unspecified Projects (e.g. Implementation of Service Review recommendations)	120
Partnerships (List at Appendix 2)	63
Advice and support to other Partnerships	30
Schools (x 60)	45
Emergency Planning / Business Continuity Planning	10
General Advice and Support	40
Total	632

Objective 3

Embed the effective management of risk into the culture, ethos, policies and practices of the Council.

Activity	Estimated Days
Review and develop the Corporate Risk Management Framework (including Policy and Strategy) to reflect changes in the Council and best practice.	15
Further develop and communicate detailed risk management guidance, tools and best practice, e.g. Risk Manual, guidance on projects.	15
Develop and commence awareness and training	15

programme.	
Provision of information and support to the Annual Governance Review.	5
Total	50

7. Recommendation

7.1 The Committee is asked to consider and agree the Plan.

Appendix 1

Projects

Area	Directorate	Estimated Days
HHAS Delivery Programme	HHAS	12
Risk, Choice & Safeguarding	HHAS	4
Safeguarding Programme	Childrens'	20
Reengineering the Retained Organisation	Corporate	24
Community Leadership Programme	Corporate	12
Transport Governance	City Services	10
Sunderland Strategic Transport Corridor (SSTC)	City Services	24
Economic Masterplan	OCX	24
Reputation and Influencing	OCX	12
Business Transformation Programme	Corporate	12
Customer Service Project	City Services	12
OD & HR	OCX	12
SWIFT Enhancements	HHAS	12
ICT	OCX	12
Smarter Working	Corporate	12
Total		214

Appendix 2

Partnerships

Area	Estimated Days
Housing	5
Adult Social Care	5
Attractive & Inclusive City (LSP Delivery Partnership)	5
Waste Management Partnership	5
Culture Partnership - LSP Cross Cutting	5
Community Equipment Services	5
Mental Health - Rehabilitation & Recovery	5
Children's Trust	5
Child Poverty Board	5
Sunderland Learning Partnership	5
Ad-hoc advice to other Partnerships	13
Total	63

