AUDIT COMMITTEE – 11th December 2013

RISK MANAGEMENT UPDATE REPORT 2013 / 14

Executive Summary

1. The role of the Risk Champion has been revised to align activities and tasks against expected competencies.

2. The first full review of the Strategic Risk Register (SRR) was completed in November 2013. An overview of the SRR has been provided to SMT, and the Audit Committee will consider the outcomes of that review on today's agenda.

3. The RMS continues to support significant projects and partnerships in the management of risk. This includes the Central Library Relocation and the visit of the Tour de France.

4. Revisions and improvements to the existing Risk Tolerance Model has resulted in the development of a 'Risk Acceptance' Model.

5. A strategic decision to move to a 'hosted' environment with regard to Morgan Kai Insight (MKI) is envisaged to deliver the anticipated benefits to the system, in terms of the look, the available functionality and the overall usability of the system.

6. The Risk Management training programme for 2013/14 has been developed, and it is intended to begin delivering this training in the early part of 2014.

7. Recent Benchmarking suggests the Authority's Risk Management Framework has been moderately improved in comparison to previous years.

AUDIT COMMITTEE – 11th December 2013

RISK MANAGEMENT UPDATE REPORT 2013/14

1.   Purpose of Report

1.1   The purpose of this report is to outline the progress made to date in 2013/14 towards the achievement of the goals set out in the Authority's Risk Management Policy, and to signpost further work to be undertaken in the year.

1.2   This report seeks to provide suitable assurances that the Risk Management Framework remains fit for purpose.

2.   Recommendations

2.1   It is recommended that the Audit Committee:

     I.   Considers the Risk Management Update Report, and the assurances provided as part of its overall consideration of the Authority's control framework for the purposes of the Annual Governance Statement;

     II.   Considers whether any aspect of this report requires a more detailed report at a subsequent meeting; and,

     III. Continues to receive periodic reports during the year to monitor the progress in achieving the actions identified for 2013/14.

3.   Risk Management Framework

3.1   The revised Risk Management Framework was presented and agreed by Audit Committee at their meeting dated 27th March 2013.

3.2   Following completion of a Risk Management benchmarking exercise (see section 11), undertaken in conjunction with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Association of Local Authority Risk Managers (ALARM), a number of improvements are planned as part of the review of the Risk Management Framework in 2014/15, including:

- Further development of Risk Appetite or Risk Acceptance model;
- Amendments to 'language' to include reference to opportunity management;
- A foreword by SMT;
- More quantifiable Policy Objectives;
- How to deal with conflicting interests within the Roles and Responsibilities section; and,
- A three year Strategic Plan.

3.3   Considerable progress has been made throughout the Authority in recent years in the introduction of Risk Management policies and procedures which have

contributed to the development of a Risk Management culture. However, in light of unprecedented changes to Local Government in recent years, it is envisaged that robust and embedded Risk Management systems are needed more than ever to support change and innovation. This revised Framework contributes to the overall Internal Control Framework, which provides assurances regarding the Authority's compliance and performance.

4.   Roles and Responsibilities

4.1   Risk Champions

4.2   The role of Risk Management Champions is essential to the development of a Risk Management culture within the Authority. In essence, the Risk Champions promote and support Risk Management within their own Directorates. Regular quarterly meetings are facilitated by the Risk Management Section (RMS) in which Champions are able to report on the effectiveness of the Risk Management activities within their own Directorates, report on progress and activities taken to further promote Risk Management and share experience and best practice in relation to Risk Management

4.3   The Risk Champions role has been the subject of a recent review and a revised role description has been agreed with the Risk Champions, which better aligns activities and tasks against expected competencies.

4.4   Risk Management Section Activity

4.5   The RMS benefits from an annual workplan, detailing the key tasks and activities for the year. This workplan is subject to programmed monthly reviews. The workplan is attached as Appendix One to this report.

5.   Risk Management Process

5.1   Strategic Risk Register (SRR)

5.1.1   A robust and dynamic SRR sets the culture and tone for Risk Management across and throughout the Authority. The engagement of the Senior Management Team (SMT) in the Risk Management process through the ownership and review of the SRR demonstrates a strong commitment to lead and champion Risk Management 'from the top' and to further reinforce the continuing development of a Risk Management culture.

5.1.2   A full review of the 'zero-based' SRR has been undertaken in October and November 2013, and Audit Committee will consider the outcomes of this review on today's agenda.

5.1.3   The main outcomes of the review are as follows:

5.2   Key SRR Risks

5.2.1   The table below sets out the distribution of the SRR risks across the six 'concern rating' classifications, as at November 2013:

Concern Rating	Number of Risks	Percentage
1	0	0%
2	1	6%
3	9	53%
4	5	29%
5	2	12%
6	0	0%
Total	**17**	**100%**

5.2.2   The risk that has been allocated a red 'concern rating' relates to:

3026 – Failure to achieve a reduction in Health inequalities within the Borough:
It is important to note that despite this risk having been allocated a red concern rating, it does benefit from mitigation actions that are logged as either green or amber. The implication of this, is that despite the initial concern regarding the risk, the actions that are being taken to mitigate these risks are for the most part, on track and achievable.

Furthermore, it is also acknowledged that whilst structures and processes are in place to control this risk, time is required to gauge the overall effect and impact of these new controls on the overall level of concern for this risk.

5.3   Operational Risk Registers (ORR)

5.3.1   These Risk Registers relate to the key risks to the provision of Council services, and are formally reviewed on a half yearly basis, to ensure Risks are still relevant and Risk Mitigation actions are being implemented. The Risks contained within the ORR's are aligned to corporate processes, and in particular, Service Delivery Planning.

5.3.2   Following the completion of each review, there is a requirement to ensure 'red' risks are reported to Directorate Management Teams, in accordance with the Risk Tolerance and Escalation Model.

5.3.3   The RMS will continue with a rolling programme of detailed risk register reviews to ensure the approaches to risk identification and mitigation are consistent. In addition, these reviews will 'challenge' whether the registers do contain those risks which directly influence the achievement of service and corporate objectives. Furthermore, a small sample of risks are examined, post review to ensure consistency in terms of the application and the use of Morgan Kai Insight (MKI), the Authority's corporate Risk Management database.

5.3.4   Current ORR 'challenges' include:
- Children, Young People and Families (CYPF) – all risks reviewed and final elements of the challenge being progressed;
- Development, Environment and Culture (DEC) – all risks reviewed and final reports issues in November 2013. RMS to attend DEC DMT in November to finalise challenge.

5.3.5   It is envisaged that the RMS will begin a challenge of the Communications risk register in late November / early December 2013.

5.4 Projects and Partnership Risk Registers

5.4.1 The Authority continues to use the project and programme management system, P2.net, to record and manage a significant number of risks that do not appear in MKI. The RMS is planning to undertake a quality assurance review of risks logged in the P2.net system, relevant to the Key Lines of Enquiry (KLoE) or Future Councils processes later in 2013/14.

5.4.2 Direct liaison with a number of significant projects and partnerships by the RMS continues, and includes:
- Enterprising Barnsley;
- Trans Pennine Trail;
- Central Library relocations; and,
- Tour de France.

6. Risk Profile and Statistics

6.1 The Risk Management software system, MKI allocates a category score to each risk, based upon a combination of likelihood and highest scoring impact; Category One (red) being the most severe, and Category Six (green) being the least.

6.2 SRR and ORR Statistics

6.2.1 A breakdown of the SRR and ORR risks by Category, as at the 7th November 2013 is shown below:

SRR and ORR Risk Statistics								
Risk Category	November 2013		May 2013		May 2012		June 2011	
	No.	%	No.	%	No.	%	No.	%
1	73	17	85	17	119	18	172	21
2	78	19	139	27	168	26	206	25
3	59	14	61	12	72	11	98	12
4	101	24	100	19	129	20	139	17
5	105	25	126	24	151	23	193	24
6	3	1	2	1	5	1	11	1
Total	419	100	513	100	644	100	819	100
Ave. Risk Category	3.23		3.09		3.06		3.01	

6.2.2 An average risk category score has been added to demonstrate a direction of travel in increasing the average over the reported period (from June 2011 to November 2013) from 3.01 to 3.23, i.e. lowering the overall risk profile of the risks included on ORRs.

6.2.3 Historically, there has been an overall decrease in the number of active risks which continues to be reflected in the latest statistics. This is in the main

attributable to the impact of Directorate restructures leading to the realignment of risks by Services. The work undertaken by the RMS in respect of ORR challenges continues to influence the resulting decrease in active risk numbers, as a number of Risks and Risk Registers have been archived following completion of service challenges.

6.2.4 The November 2013 statistics indicate that the proportional split between categories of Risk has seen some changes compared to May 2013; Category Two risks are down 8%, whilst Category 4 risks are up 6%, all other categories have seen only minor changes.

6.3   Project and Partnership Statistics

6.3.1 A breakdown of Project and Partnership risks by Category, as at the 7th November 2013 is shown below:

Project and Partnership Risk Statistics								
Risk Category	November 2013		May 2013		May 2012		June 2011	
	No.	%	No.	%	No.	%	No.	%
1	14	15	18	17	15	11	81	18
2	13	14	17	16	35	26	102	23
3	16	17	22	20	20	15	40	9
4	23	24	21	19	34	25	64	14
5	28	29	28	26	25	18	104	24
6	2	1	2	2	8	6	53	12
Total	96	100	108	100	137	100	444	100

6.3.2 The latest statistics continue to show an overall decrease in the number of partnership and project Risks, mainly as a result of a thorough review of MKInsight managed project Risk Registers, allied to the fact that the majority of new projects are now managed via P2.net rather than MKInsight (in accordance with the Project and Programme Risk Management Protocol).

6.3.3 The impact of this has seen a minor change in the overall Risk profile between May 2013 and November 2013, reflected in a slight reduction of both Category One Risks (down 2%) and Category Two risks (down 2%); and an increase in Category 4 Risks (up 5%) and Category 5 Risks (up 3%).

7.   Tolerance, Escalation and Reporting

7.1   The Risk Management Tolerance and Escalation Model has been significantly reviewed as part of the Internal Audit and Risk Management Division's efforts to comply with the Public Sector Internal Audit Standards (PSIAS), published on behalf of CIPFA and the Institute of Internal Auditors (IIA), and now forms part of the Authority's new 'Risk Acceptance Model'.

7.2   It is envisaged that the Risk Acceptance Model will be rolled out via Risk Champions in 2014. The main benefits of the Risk Acceptance Model include:

- Significant risks being escalated to DMT's, and where appropriate, SMT: Some risks that are traditionally 'out of tolerance' may not require immediate escalation, if it is felt that the Target Score is achievable with the current level of resources being applied to the risk / mitigation action(s). Both DMT's and SMT will be able to focus their attention on only the significant, unacceptable risks; and,
- Risk Owners and Risk Managers to be encouraged to manage the risk themselves: It is likely Risk Owners and Risk Managers will be able to deploy more innovative solutions to the management of significant risk.

8.   Risk Recording / MKInsight

8.1.   The envisaged transfer to a new version of MKI (which was due to take place in the summer of 2013) has not occurred. Due in part to technical issues relating to the hardware requirements of the new version of MKI, it has been agreed to move the hosting of this system from Authority control, to that of the supplier of the system, Morgan Kai.

8.2   Ongoing liaison with both the Authority's Information Services Division, Bull and Morgan Kai themselves is currently identifying workloads, costs and support resources to ensure the transfer to a hosted environment is completed in 2014.

8.3   Updates to the Authority's MKI users are undertaken on a regular basis to ensure that they are aware of the current situation relating to MKI.

8.4   Due to the above, no MKI evaluation has been undertaken in 2013.

9.   Guidance, Training and Facilitation

9.1   The revised Risk Management Framework includes the Risk Management Training Strategy, which details the exact offer the RMS makes in terms of training and overall awareness of Risk Management.

9.2   A revised Corporate Training package is being prepared, and is envisaged to be delivered later in 2014. The sessions focus of providing a reminder relating to:
- The Risk Management Framework and key changes / developments;
- The Risk Management Process; and,
- Risk Management outcomes / benefits.

9.3   It is envisaged that this training will be rolled out to individual Departmental Management Team meetings, the Barnsley Leadership Team, middle managers and other interested parties in 2014.

9.4   Consideration is to be given to ensuring the current e-learning offer relating to an 'Introduction to Risk Management' is maximised in terms of usage and outcomes. This may involve consideration of ensuring this training is made mandatory for all employees.

9.5   Elected Member training relating to Risk Management has previously been undertaken and   delivered via the 'Standard 'A' Elected Member Training programme'. Initial liaison with the Elected Member Development Team, within the Legal and Governance Division suggests that although no formal event is

planned, it is likely a Risk Management session will be offered for Elected Members in 2014

9.6 To date, over 200 employees have been trained to use MKInsight, and the programme of training officers continues during 2013/14. This training is assisted by the ongoing development and review of a bespoke User Guide, written by the RMS to ensure the training of staff is backed up with strong reference and guidance material.

9.7 The Risk Management intranet site continues to be updated on a no less than quarterly basis, to ensure the content, navigation and style is appropriate.

10. Assurance and Performance Management

10.1 Integration with other Processes

10.1.1 The RMS contributed towards the regular audit planning meetings, held between audit managers, and Executive and Assistant Directors. This included providing key risk information, issues relating to known area of non-compliance and key questions relating to individual services risks registers, learning, training and communicating issues relating to risk, and any opportunities to improve.

10.1.2 The RMS are currently planning to provide the Internal Audit division with a significant amount of risk information that will be used to inform and influence the 2014/15 internal audit plan.

10.2 Cabinet Reports

10.2.1 Appropriate consideration of Risk issues within Cabinet reports is an important indicator of the development of a Risk Management culture. The RMS undertakes periodic reviews of the level of compliance with published guidelines. The next programmed review will likely take place in early 2014, the outcomes of which will be included in a future Audit Committee report.

10.2.2 For 2013/14, revised Cabinet Report Risk considerations guidance has been circulated to report authors via Directorate Risk Champions, and Legal and Governance Division.

10.3 Annual Governance Review

10.3.1 The annual review of the Annual Governance returns identified no specific outcomes or improvement opportunities. However, these returns are used to inform and influence future risk management activity relating to the challenge of service risk registers for the remainder of 2013/14.

10.4 Performance Management

10.4.1 It is important that the success of the Risk Management Framework can be measured, and in order to do so, performance indicators have been included within the Policy and Strategy, to enable outputs to be measured against the indicators, as follows:

Indicator:	Measure of Success:
Risk Management assists in the achievement of Corporate objectives and priorities.	Un-identified risks do not impact on delivery; and, No deterioration against Corporate Risk indicators.
Further development of a Risk Management culture.	Robustness of Risk Registers; Compliance with review cycle for Risk Registers; Alignment of risk to service delivery objectives; Evidence of the consideration of risk within decision making reports; Annual Governance Statement returns; and, Delivery of RMS Workplan.
Awareness of Risk Management	Positive feedback from training events and surveys.
Benefits Realisation	Successful delivery of projects and programmes where the benefits outweigh the risks.
Risk is managed in accordance with best practice	Internal Audit reports; External Audit Reports; and, Compliance with ISO: 31110 Risk Management Principles and Guidelines – intended for any 'public, private or community enterprise, association or group or individual'.
Assurances as to the effectiveness of Risk Management arrangements	Acceptance of reports to Audit Committee and Cabinet; and, Annual Governance Review returns and analysis.
Assurances as to the effectiveness of Risk Management arrangements.	Acceptance of reports to Audit Committee and Cabinet. AGS returns and analysis.

10.4.2 As part of the future planned review of the Risk Management Framework, allied to the results and outcomes from recent Benchmarking activity, it is envisaged to provide more quantifiable policy objectives, and therefore, more robust assurances relating to the overall effectiveness of Risk Management within the Authority.

10.4.3 The annual independent review of Risk Management by Internal Audit (regarding activities undertaken in 2012/13) was completed in August 2013. Despite the level of assurance dropping from 'substantial' to 'adequate', the Audit identified no fundamental improvements, and only one significant improvement relating to the paperwork and reporting processes relating to the 'challenge' of risk registers.

11. Benchmarking

11.1 The Authority recently re-joined the CIPFA / ALARM Local Authority Benchmarking club for 2013/14.

11.2 Initial analysis of the benchmarking results (in comparison to 2011, when the Authority last participated in benchmarking) suggests moderate improvement in most areas. However, caution should be exercised when comparing with previous years results due to changes in both the questions themselves, as well as the scoring methodology.

11.3 Further analysis of the benchmarking results has enabled an action plan to be drafted that is specific to the Authority. This plan takes into account particular areas for improvement, and identifies proportionate opportunities to improve the

various elements of the Risk Management Framework. This action plan has subsequently been built into the existing RMS Workplan for 2013/14, which is monitored by, and regularly reported to the Audit Committee.

11.4 Due to the subjective nature of the exercise, the benchmarking outcomes should be used as a guide only, and therefore, whilst an action plan has been developed, only actions that will add a tangible value for services or corporately will be pursued.

11.5 In lieu of further opportunities to undertake benchmarking (the ALARM / CIPFA benchmarking club will reconvene later in 2014), it may be appropriate to consider re-running the benchmarking exercise, on a more collaborative approach, including liaison with Risk Champions and other interested parties.

11.6 An Executive Summary of the benchmarking outcomes was predicted for the Finance Departmental Management Team, and is attached as Appendix Two.

12. Risk Improvement Fund

12.1 The main objective of the Risk Improvement Fund is to provide financial assistance where appropriate for the development and implementation of risk improvement measures across all Council activities. As part of ongoing budget saving processes, the fund has been reduced from £34,000 (2012/13), to £17,150 in total for 2013/14.

12.2 For 2013/14, the fund application and guidance forms have been reviewed and updated, acting upon recommendations from the recent corporate audit of risk management report.

12.3 Bids to the Fund are initially examined by the RMS to ensure that they address significant corporate or service risks, and propose effective treatment. A maximum of up to 33% of the total cost of a successful bid is normally reimbursed. Where appropriate, a Risk Management Officer will undertake a fact finding visit as part of the approval process.

12.4 Bids that are approved by the Assistant Executive Director of Finance (Internal Audit and Risk Management) are subject to monitoring via regular RMS meetings with Finance Officers to ensure that the appropriate reimbursement is progressed.

13. Schools Risk Management

13.1 Ongoing training and support is provided to Authority schools on an 'as and when' basis. Analysis of recent Schools Financial Value Statements (SFVS) returns has identified no obvious trends relating to the application of Risk Management within school settings.

13.2 Those schools transferring to academy / trusts status are contacted and reminded of the 'external' offer the RMS (in conjunction with Internal Audit) can provide. Meetings have been arranged with a number of such schools to ensure they are aware of the services offered by the division

14. Culture

14.1 The prime objective of the Authority's Risk Management Framework is to facilitate the management of Risks (and benefit or opportunities arising) in accordance with best practice, through a culture where responsible, informed and controlled Risk taking is encouraged. In order to achieve this objective, the activities detailed below have formed the main thrust of work for this year:

Activity or Task:	Output or contribution to overall Culture:
Ongoing liaison and development of the Authority's Risk Champions	Evidence of further embedment of Risk Management policies and procedures within individual Services and Directorates
'Zero-based' review of SRR and subsequent bi-annual reviews	Demonstrates the engagement of SMT in the Risk Management process, through the ownership and review of the SRR, which evidences a strong commitment to lead and champion Risk Management 'from the top', and to further reinforce the continuing development of a Risk Management culture
Operational Risk Register reviews and 'challenges'	The Challenge process contributes towards the provision of assurance that operational risk register comply with the Risk Management Policy and Strategy
Development and application of MKI	Provides a consistent and uniform platform for the recording and reporting of Risks within the Authority
Provision of guidance, training and facilitation	An essential element of embedding Risk Management within the Authority is to ensure that an appropriate programme of training and awareness is developed and implemented to enable employees to receive appropriate and clear messages regarding the benefits of being aware of, and managing risk
Further integration with other processes	Enables Risk Management to be perceived as something that adds value, and is an essential part of planning and managing, rather than being perceived as an 'add-on'
Analysis of Cabinet Reports	Demonstrates the application of Risk Management within the decision making processes of the Authority

15. Risk Management Considerations

15.1 Clearly the most significant and obvious risk to the Authority is failing to embrace Risk Management as a vehicle to help process and help deliver objectives in a cost effective and efficient manner. Adopting and constantly improving the Risk Management arrangements for the Authority is a clear mitigation against risk.

15.2 The Internal Audit and Risk Management Section benefit from and Operational Risk Register that is reviewed on a bi-annual basis. The following risks are of note:

Risk Title	Current Score	Mitigations	Target Score
Failure to prepare and develop the Risk Management Framework to	5 (Green)	Delivery of RMS Workplan (13/14) including delivery of IA recommendations and Benchmarking Improvements and reference to Periodic Task List Ensure Policy and Strategy are approved by	6 (Green)

Risk Title	Current Score	Mitigations	Target Score
ensure it is fit for purpose.		Cabinet 13/14 Maintain awareness of industry best practice via liaison with ALARM and IRM (13/14 Maintain liaison with Risk Champions within BMBC to ensure new and emerging risk areas are appropriately covered off (13/14)	
Failure to ensure that the appropriate application, embedment and support mechanisms are in place to provide assurances regarding the Risk Management Framework.	5 (Green)	Delivery of RMS Workplan (13/14) including delivery of IA recommendations and Benchmarking Improvements and reference to Periodic Task List Development and implementation of Risk Appetite model for Authority Ensure corporate training offer is revised annually and offered to BLT (13/14) Ensure Operational Risk Register reviews are undertaken (13/14) in accordance with Corporate Timeline, including sampling of registers and reporting back to owners/managers Liaison with Morgan Kai regarding the development of MKI v8 Undertake analysis (13/14) of Cabinet Reports and provide feedback to Champions and BLT	6 (Green)

16. Financial Implications

16.1 Whilst there are no direct implications from this report, the impact of Risk Management should be recognised as a major contributor to overall value for money and the effective use of resources.

17. Employee Implications

17.1 Again, whilst there are no direct implications from this report, the Risk Management process relies entirely on all employees having a good awareness of their responsibilities for Risk Management and for those specifically tasked with Risk Management functions, it is essential they are trained and supported to fulfil that role.

18. Appendices
Appendix One: Risk Management Workplan 2013/14
Appendix Two: Executive Summary of the Benchmarking outcomes

19. Background Information

Previous Audit Committee Reports
Risk Management Framework
MKInsight – Risk Registers
Training Records and Feedback

Contact Officer: **AED (Audit and Risk Management)**
Telephone: **01226 77 3241**
Date: **28/11/2013**

Risk Management Workplan 2013/14

Description	Action	End Date	Comment
Lead in the development, implementation and continuous improvement of a Risk Management Framework which encourages the embedding of a culture of effective and efficient management of significant risk and in doing so provides assurance in relation to the corporate governance and internal control responsibilities of the Council.	Review of Risk Management Framework.	31/03/2014	Full review and re-branding required for 2013 / 14. Schools Risk Management framework reviewed October 2013.
	Provision of reports to SMT as appropriate, including publishing 'top ten' risks	31/03/2014	Major changes planned for Annual Report in 2014.
	Provision of reports to Cabinet as appropriate, including publishing 'top ten' risks	31/03/2014	SRR due to be considered by Cabinet January 2014.
	Provision of reports to Audit Committee, as per Audit Committee Workplan, including publishing 'top ten' risks and the identification of a 'lead' Member for Risk Management	31/03/2014	11/12/2013 – RM Update Report, SRR Report and SRR Awareness Training
	Provision of RMS Satisfaction survey, and analysis of results	Completed	RMS Survey undertaken April / May 2013 and included in Annual Report 2012 / 13.
The integration of Risk Management into the corporate business processes of the Authority and its Partners, including the regular review of risk registers including the escalation of risks falling outside agreed tolerance levels.	Review of Operational Risk Registers in accordance with published review cycles	31/03/2014	In hand – ongoing.
	Quality Assurance sampling of ORR's following service review	31/03/2014	In hand – ongoing.
	Detailed Risk Register review 'Challenges' and review of processes themselves.	31/03/2014	CYP&F – small amount of chasing to be undertaken by CYPF Risk Champion. Revised Challenge Options paper drafted following review of first draft 29/10/2013.
	Bi-annual review of the Strategic Risk Register and subsequent reports to SMT, Audit Committee and Cabinet	31/03/2014	SRR due to be considered by AC December 2013 & Cabinet January 2014.
	Analysis of Cabinet Reports and feedback to Directorates and review	Completed	Guidance disseminated via Directorate Risk Champions 15/10/2013.

Description	Action	End Date	Comment
	of Cabinet Report Writing Guidance.		
	Review of AGS question set, and responses	Completed	AGS returns examined.
	Provision of Risk information to assist in Audit Planning	Completed	Meetings booked August / September 2013. Half yearly meetings to be arranged.
	Analysis of Internal Audit reports.	31/03/2014	Audit Reports up to date as per Audit Manager.
	Analysis of Fraud and Corruption related issues for consideration in ORRs	Completed	Action plan analysed – no significant outcomes.
	Provision of support to Project and Programme managers (including workshops etc)	31/03/2014	Ongoing.
	Provision of assurance as to the Risk Management arrangements of key partners.	31/03/2014	All register reviewed and comments provided, other than Bull.
	Review of Risk Champion Activity and review of roles and responsibilities	31/03/2014	12th December 2013; and 20th March 2014. Full review of Risk Champion Role undertaken.
	Provision of Risk Management support to SYJS	Completed	SYJS Deputy Clerk (Policy) will contact RMS when further input is required.
	Provision of Risk Management support to SY Police, SY Fire etc	Completed	Papers passed to PCC for approval.
	Provision of Risk Management support to Academy Schools	Completed	Update meeting scheduled 08/08/2013 (PA & SAM).
The support and encouragement of Risk Management activity throughout the Council, and the provision of practical guidance to assist in developing best practice and core competencies, including the development and delivery of training schemes in Risk awareness for all appropriate	Development of 'Think Risk 4' - Officers	Completed	Package developed.
	Delivery of 'Think Risk 4' - Officers	31/03/2014	To be booked via DMT's in 2014.
	Development of 'Think Risk 4' - Elected Members	31/03/2014	Liaise with Member Development in 2014.
	Delivery of 'Think Risk 4' - Elected Members	31/03/2014	Liaise with Member Development in 2014.
	Development of E-Learning packages and consideration of	31/03/2014	Introduction to RM completed. RM Processes on track.

Description	Action	End Date	Comment
employees and Elected Members.	providing 'mandatory' training for new starters		
	Review of RM intranet site	31/03/2014	11 December 2013 and 5 March 2014.
	Provision of communications material to include in appropriate 'bulletins'	31/03/2014	Winter 2013 and Spring 2014.
Provision of an effective platform for the uniform and consistent recording and management of risks.	Implementation of new versions of MKI as they become available	31/03/2014	Revised TAB request has subsequently been submitted. IS undertaking diligence exercise.
	Provision of user guides and support to MKI users	31/03/2014	Awaiting resolution as above.
	Provision of MKI Satisfaction survey, and analysis of results	**Completed**	This activity can be parked until v8.1 is embedded.
	Provision of assurance regarding the risk information contained in other systems, such as P2.net	31/03/2014	To discussed at Risk Champion update meeting with ACE FP&IS.
Effective sectional management to ensure a productive well governed and quality service is delivered.	Administration of the Risk Management Fund.	31/03/2014	Scheduled to meet with Financial Services 18/12/2013 to agree latest bids.
	Equality and Diversity actions / tasks	31/03/2014	PCRMO updated E&D Action Plan 20/06/2013.
	Annual PDR process	**Completed**	
	Bi-annual review of PDRs	31/01/2014	PDR AED Finance (IA&RM) and PCRMO 26/11/2013; PDR PCRMO and RMO booked for 03/12/2013.
	Bi-annual review of Racking / Shortwood filing	31/03/2014	Reviewed 01/08/2013.
	Delivery of IA recommendations following CRM Audit 2012/13	**Completed**	Significant issues completed.
	Delivery of Benchmarking Improvements	31/03/2014	Now built into RMS Workplan.

Risk Management Benchmarking 2013/14
Summary Report to FDMT – October 2013

1   Introduction

1.1   A risk management benchmarking exercise was carried out in August 2013 in conjunction with the Association of Local Authority Risk Managers (ALARM) and CIPFA. The results of this exercise have been received and are detailed below. Some 35 other Local Authorities have also participated in this exercise for 2013/14.

2   Benchmarking Process

2.1   The Authority was required to answer over 40 qualitative questions relating to 'Enablers' (Leadership, Policy and Strategy, People, Partnerships and Resources and Processes) and 'Results' (Risk Handling and Assurance and Outcomes and Delivery). The result of these question sets are detailed below. It is important to note the subjective nature of this benchmarking exercise, in so far as there are few, if any, 'hard' metrics that allow for a quantative benchmarking assessment to be carried out.

2.2   A number of more quantative questions were also included as part of the benchmarking exercise, relating to 'Resources', which are also included below.

2.3   In order to obtain the outcomes of the benchmarking exercise within an appropriate timescale, the question set has been completed by the Risk Management Section (RMS) (and moderated by the AD Finance (Audit and Risk) with little reference to colleagues involved in the Risk Management process, such as SMT members, Risk Champions and risk owners and managers. It is envisaged that future benchmarking exercises will involve a greater level of consultation and collaboration with stakeholders to provide an opportunity to analyse a representative cross section (or diagonal slice through the organisation), rather than what is perhaps a more one dimensional view.

3   Benchmarking Results

3.1   The results of the benchmarking exercise for the Authority are detailed below:

Area		Level				
Enablers	**Leadership and Management**	Awareness	Happening	Working	*Embedded and Integrated*	Driving
	Policy and Strategy	Awareness	Happening	Working	Embedded and Integrated	***Driving***
	People	Awareness	Happening	Working	Embedded and Integrated	***Driving***
	Partnerships and Resources	Awareness	Happening	***Working***	Embedded and Integrated	Driving
	Processes	Awareness	Happening	Working	*Embedded and Integrated*	Driving
Results	**Risk Handling and Assurance**	Awareness	Happening	***Working***	Embedded and Integrated	Driving
	Outcomes and Delivery	Awareness	Happening	***Working***	Embedded and Integrated	Driving

3.2 A more detailed breakdown of the results for the Authority are as follows, with comparisons relating to the average scores provided by other participating Local Authorities:

Area		BMBC Score	Average Score	Deviance
Enablers	Leadership and Management	77%	76.4%	+ 0.4%
	Policy and Strategy	85%	78.1%	+ 6.9%
	People	85%	76.3%	+ 8.7%
	Partnerships and Resources	65%	70.1%	- 5.1%
	Processes	72%	77.5%	- 5.5%
Results	Risk Handling and Assurance	49%	70.3%	- 21.3%
	Outcomes and Delivery	50%	67.7%	- 17.7%

3.3 The results relating to the quantative 'Resources' questions are as follows:

Employee Structure (FTE)	Number	Per 1,000 FTE	Average	Deviance
Formal Risk Management Role	2.00	0.44	0.44	0
Support Risk Management Role*	1.6	0.36	0.25	+ 0.11

(* - support roles for BMBC estimated on directorate risk champions, MKI users and other employees involved in the delivery of the Risk Management Framework)

4 **Benchmarking Outcomes**

4.1 Initial analysis of the benchmarking results (in comparison to 2011, when the Authority last participated in benchmarking) suggests moderate improvement in most areas. However, caution should be exercised when comparing with previous years results due to changes in both the questions themselves, as well as the scoring methodology.

4.2 Further analysis of the benchmarking results has enabled an action plan to be drafted that is specific to the Authority. This plan takes into account particular areas of weakness, and identifies proportionate opportunities to improve the various elements of the Risk Management Framework. A copy of this action plan is attached as appendix one, and has subsequently been built into the existing RMS Workplan for 2013/14, which is monitored by, and regularly reported to the Authority's Audit Committee. Due to the subjective nature of the exercise, the benchmarking outcomes should be used as a guide only, and therefore, whilst an action plan has been developed, only actions that will add a tangible value for services or corporately will be pursued.

4.3 In lieu of further opportunities to undertake benchmarking (the ALARM / CIPFA benchmarking club will reconvene later in 2014), it may be appropriate to consider re-running the benchmarking exercise, on a more collaborative approach, as detailed in section 2.3.

5   Actions Required / Recommendations

5.1   It is recommended that FDMT approve the outcomes of the benchmarking exercise, and authorise the RMS to deliver the actions detailed in the Risk Management benchmarking action plan.

5.2   It is recommended that FDMT consider running the benchmarking exercise, on a more collaborative approach, in lieu of further benchmarking opportunities.

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Date: **11th October 2013**