Report of the   Agenda Item No:
Director of Finance   Meeting: 17 April 2012

NORTH LINCOLNSHIRE COUNCIL

AUDIT SUB-COMMITTEE

RISK MANAGEMENT STRATEGY 2012/13

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1. OBJECT AND KEY POINTS IN THIS REPORT

1.1   To approve the Risk Management Strategy for 2012/13 and Terms of Reference for the Risk Management Group.

1.2   The key points in this report are as follows:

- The Risk Management Strategy is an important source of assurance for the Audit Sub-Committee as it describes the council's risk management framework, the work completed during the year and a comprehensive action plan for the forthcoming year.

- The Risk Management Group (RMG) has successfully achieved most of the action plan for 2011/12.

- RMG Terms of Reference have been updated and membership is being reviewed following the council restructure.

- It is important to maintain strong risk management arrangements and the Strategy for 2012/13 has been updated to reflect national and local economic and financial risks which may impact on the council as well as other internal risks resulting from significant changes to structure and service delivery. Included in the action plan is a rolling programme of service reviews to monitor progress on efficiency and budget reduction measures agreed as part of the 2012/16 financial plan.

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2.   BACKGROUND INFORMATION

2.1   Each year the council's Risk Management Strategy is reviewed and updated. A copy of the proposed Strategy for 2012/13 is given in Appendix A. It contains standing items to maintain and improve the risk management framework.

2.2   Good progress has been made on the council's risk management arrangements. The Risk Management Group (RMG) has been successful in achieving most of the action plan set for 2011/12 (Appendix B). Some of the areas covered include:

- Strategic and operational registers (to ensure controls are monitored and managed).
- Strategic risks were reviewed and updated in response to new and emerging risks and approved by the Sub-Committee in January
- Partnership governance arrangements
- Emergency planning arrangements
- Fraud risks
- Key procurement risks
- The management of risks associated with major projects and contracts; such as the waste contract
- Implementation of the risk management system; and
- A communication network to raise awareness through newsletters and a pocket guide (summarising the strategy).

2.3 The Risk Management Strategy and action plan helps to prioritise work to the areas of highest risk to the council and the proposed action plan for 2012/13 is structured to meet its priorities. The Strategy has been updated to reflect national and local economic and financial risks which may impact on the council along with significant change through major restructure, reshaping service delivery and operations and new legislation. Included in the action plan is a rolling programme of service reviews to monitor progress on efficiency and budget reduction measures agreed as part of the 2012/16 Financial Plan.

2.4 Risk Management Group membership will be reviewed following the council restructure. RMG's Terms of Reference have been updated for the Committee to consider and approve (attached at Appendix C).

2.5 The Audit Commission have given a positive VFM opinion in their Governance report (September 2011). This shows that there are proper arrangements in place for managing risk and a sound system of internal control is maintained.

2.6 The Risk Management Strategy and action plan and quarterly progress reports provide important sources of assurance to the Audit Sub-Committee that all significant risks to the council achieving its priorities are adequately managed. The council's high level commitment to corporate governance and risk management will inform the Annual Governance Statement that the Audit Sub-Committee will be invited to approve to accompany the Statement of Accounts.

3.   OPTIONS FOR CONSIDERATION

3.1 The Committee is asked to consider whether or not the Risk Management Strategy provides sufficient assurance on the adequacy of the council's risk management arrangements in 2011/12 and, whether the proposed work plan will deliver similar assurance in 2012/13. Members may wish to ask questions and seek clarification as necessary. If it concludes that it does provide sufficient assurance the

Committee is invited to approve the Risk Management Strategy and action plan 2012/13.

4. **ANALYSIS OF OPTIONS**

4.1   The Risk Management Strategy and action plan 2012/13 complies with professional guidance available and is designed to provide this Sub-Committee with the assurance required. Members should ask sufficient questions to ensure the strategy and action plan will provide sufficient assurance to fulfil their role as set out in the Sub-Committee's Terms of Reference.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1   Resources are met from the Internal Audit and Risk Management budget.

5.2   Sound risk management arrangements should help safeguard the council's assets and minimise unexpected costs associated with loss, waste or remedial action. There are no staffing, property or IT implications.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 – CRIME AND DISORDER, RISK AND OTHER)**

6.1   Robust risk management arrangements are vital to support the Chief Financial Officer to discharge his duties under the provisions of the section 151 of the Local Government Act 1972.

6.2   The evaluation of the council's arrangements will help to promote good corporate governance. Risk management work is a component of the council's internal control framework and a key source of assurance to support the Annual Governance Statement. The risk management framework addresses all key risks the council may face. It promotes appropriate action to manage risks to an appropriate level.

7. **OUTCOMES OF CONSULTATION**

7.1   The draft strategy has been agreed by the Risk Management Group. The group is made up of representatives from each service and is therefore the outcome of a comprehensive consultation process.

8. **RECOMMENDATIONS**

8.1   The Audit Sub-Committee should consider the assurance provided by the Risk Management Strategy and action plan on the adequacy of the council's risk management arrangements in 2011/12, and whether the proposed work plan will deliver similar assurance in 2012/13.

8.2   That the Audit Sub-Committee approves the Risk Management Strategy for 2012/13.

8.3   That the Audit Sub-Committee approves the Terms of Reference for the Risk Management Group.

DIRECTOR OF FINANCE

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Date: 15 March 2012

Background papers used in the preparation of this report:

Risk Management Strategy and Action Plan 2012/13

Risk Management
Strategy & Action Plan
2012/2013

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One council: putting our customers first

Contents

North Lincolnshire Council

Risk Management Strategy and Action Plan 2012/13

1.   Introduction

Challenges ahead…

Prospects for the UK economy remain uncertain and a potential slow down in recovery could have a further impact.

The Public Sector faces challenging times. Financial settlements were significantly reduced and consequently difficult decisions have had to be made in setting the 2012/13 budget and developing the 2012/16 Financial Strategy.

The Strategy sets out significant changes to service delivery. For example Adult Services is already making radical changes to the way it operates. There is a greater emphasis on maintaining health and independence and ongoing support to give greater control over individuals' lives. Services to children and young people will also change radically and will prioritise services for the most vulnerable in the areas of greatest need. Other efficiencies proposed which are also about maintaining or improving service while spending less. These include:

- Service restructures which reduce staffing, including a reduction in senior manager posts
- Stream-lining back office services through re-engineering business processes and to serve a smaller council
- Improved energy management and the rationalisation of council buildings
- Rationalisation and retendering of waste collection arrangements
- Changes to the way library services are delivered.

The scale of budget cuts is substantial and it is imperative that services ensure they have clear implementation plans and monitor progress throughout the year. A lot of change needs to happen to achieve budget savings therefore directorates will need to monitor their budgets robustly. The current economic climate has increased the risk of fraud nationally therefore the council has strengthened its counter fraud arrangements to reduce the risk.

As part of its reform agenda the government is keen to strengthen the ability of local communities to make their own decisions, and to free them from central government prescription. Three fundamental objectives in particular have implications:

a) That local areas should be freed from central financial control and rely on their own ability to generate tax income to pay for local services
b) That schools should be freed to operate independently and that they should determine the level of support they want from the local authority, if any
c) That most benefits for working age claimants should be amalgamated into single Universal Credit, to be phased in from 2013/14.

The council also faces significant risks in the successful delivery of several major projects including the Waste Management contract – the largest in North Lincolnshire Council's history which also has a serious environmental impact.

This all means that risk will be more important than ever and therefore needs to be managed at Council Management Team (CMT) and member level.

The council has a duty to ensure it can deliver effective services in line with its statutory duties and priorities. There are a wide range of potential risks it can face: safeguarding children and vulnerable adults, ensuring health and safety for its workforce and the general public, or being prepared for emergencies which affect local people and disrupt local services. The council manages its risk through a Risk Management Strategy, ensuring appropriate controls are in place and responsibilities identified at all levels of the organisation.

Risk Management is as much about empowerment and innovation as it is about preventing adverse things happening – there are upside risks, or opportunities, as well as downside risks, or threats. This Risk Management Strategy, therefore, aims to achieve a cultural shift, from an organisation that has been risk averse to one that is risk aware. It is as much about supporting innovation and seizing opportunities through informed decision making as it is about defending against negative threats.

The aim is to manage risk rather than eliminate it. Inadequate control of risk could lead to waste, loss and poor performance. Excessive risk control can increase costs, stifle opportunities for developing effective partnerships, service delivery improvements and provides poor value for money. Successful risk management means 'getting the balance right'.

Approach to Risk
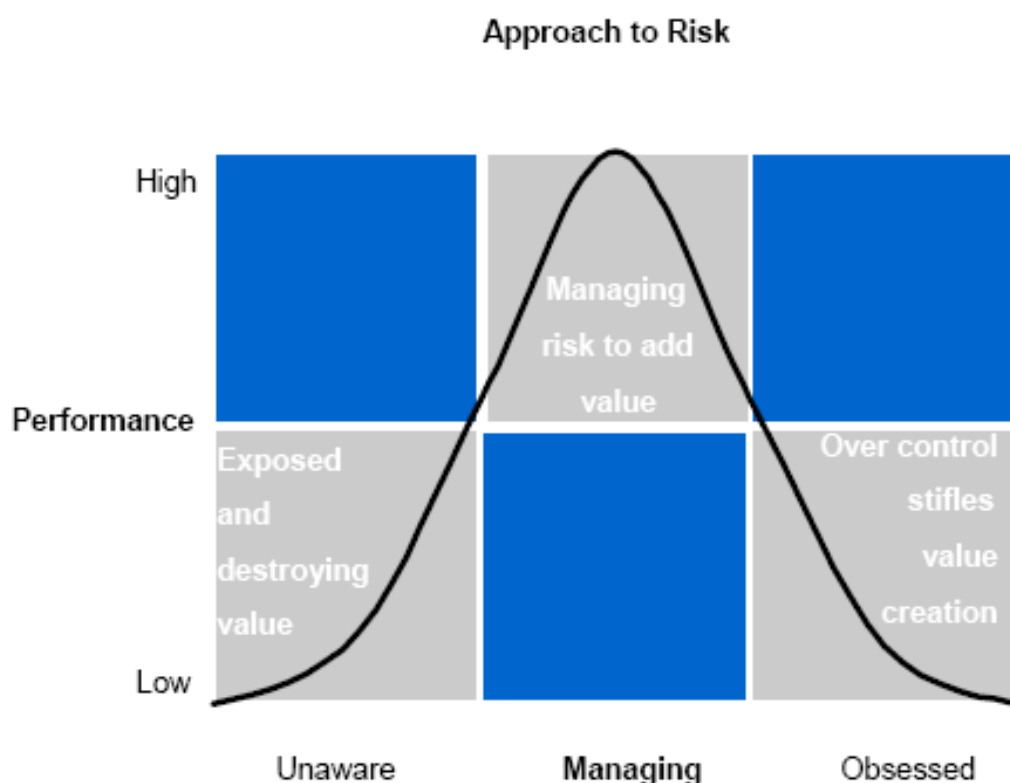
2. Aims and objectives

The aims and objectives of North Lincolnshire Council's risk management strategy are to:

2.1   Support the implementation of the council's Financial Strategy
2.2   Support the ambitions and priorities of the council
2.3   Integrate risk management into the culture of the council
2.4   Manage risks (both threats and opportunities) in accordance with best practice

2.5 Anticipate and respond to changing external and internal pressures so there are fewer surprises

2.6 Manage the risks associated with major projects that have a significant impact on the council's financial position and pose a reputational risk

2.7 Prevent injury, damage and losses and reduce the cost of risk

2.8 Raise awareness of the need for risk management by all those connected with the council's delivery of services, including partners, contractors, etc.

2.9 Maximise the rewards that can be gained through effective risk management

2.10 To embed risk management into the culture of all our key partners

2.11 Monitor outcomes that demonstrate that the risk management strategy is working and provides benefits to council tax payers.

These objectives will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within the council for risk management
- Embedding a clear framework for dealing with risk management issues within the council's key processes and procedures which will include promotion of good risk management practices and supports implementation of budget reductions, efficiencies and improved service delivery
- Offering a platform for identifying, reviewing, prioritising and managing risk areas (strategic and operational)
- Developing a framework to allocate resources to identified priority risk areas
- Incorporating risk management considerations into the transformation programme and efficiency reviews of services
- Monitoring risk management arrangements via the Directorate Performance Reviews (DPRs)
- Providing opportunities for shared learning on risk management across the council and with other councils through benchmarking and professional networks
- Horizon scanning for new and emerging risks with the support of risk management advice from professional advisers
- Measure performance of risk management activities in achieving the council's ambitions and priorities
- Reinforcing the importance of effective risk management as part of everyday work of all employees
- Making all partners and other providers aware of the council's risk management expectations

Delivering the council's aims and ambitions…

North Lincolnshire as clear priorities summarised as – 'One Council: Putting Our Customers First' which is characterised as:

'a dynamic, high performing, customer focussed council giving the best possible value for money and changing outcomes for all people living and working in the area'.

These priorities will be delivered in the following statements:

Excellence in Customer Service:

We will:

- Aim to provide High Quality Customer Focussed Services
- Respond in a timely manner to customer requirements
- Listen to our customers and provide them with value to money

Provide Value for Taxpayers Money

We will:

- Tender services to achieve best value
- Work in partnership with any organisation or individual who will enable us to deliver better service and increase value
- Manage our finances and balance our budget
- Keep our council tax as low as possible
- Manage our assets in the interests of the community

Make our Communities Stronger

We will:

- Raise aspirations and empower our young people
- Value and support independence for our older residents and those with special needs
- Promote equality and celebrate diversity
- Consult residents on important issues
- Tackle crime and the fear of crime
- Utilise Localism legislation to support our communities to define what they want for their area and to encourage more accountable democracy
- Encourage volunteering and support projects which reflect the Big Society

Regenerate our area and increase prosperity

We will:

- Attract business investment and create employment opportunities for all ages
- Support housing development where there is evidence of need
- Create and maintain effective roads and pavements

Our council will

- Spend only on core services and locally agreed priorities
- Function in a team environment and the senior management will be designed to provide high quality efficient and effective value for money services
- Work to improve the health and wellbeing of the residents of all of North Lincolnshire

3.   What is risk management?

Risk Management can be defined as: 'ensuring the achievement of outputs and outcomes having reliable contingency arrangements to deal with the unexpected which might put service delivery at risk'.

Risk Management is a strategic tool and an essential part of effective and efficient management and planning.

The Strategy encompasses all business risks into a robust and consistent process to ensure that the council can make the most of its opportunities and make informed decisions based on complete information.

4.   The Risk Management Framework

The council is committed to the principles of good corporate governance. Risk Management and Internal Control are vital components of a best practice Corporate Governance framework. The Annual Governance Statement (AGS) requires councils to include a statement on the adequacy of the internal control and governance arrangements. This is reported with the council's Statements of Accounts each year.

Risk Management is therefore a top-down process involving Members, all levels of staff and all partner organisations who contribute in any way to the delivery of our services. Only when this is fully understood and accepted will we succeed in embedding risk management within the working practices and culture of the organisation.

Having a robust and systematic risk management framework which is embedded throughout the organisation will;

- Help officers to fully understand the causes and impacts of the risks that they face, and in turn make more informed decisions on how best to manage risks.
- Allow officers to analyse and prioritise risks; helping inform decisions on the management, escalation and communication of risks.
- Create a management tool which promotes discussion and helps reinforce officers' understanding of risks and how they will be managed.
- Provide senior managers and members with the assurance that risks are being considered and managed across the council.

The Risk Management Group (RMG) has been instrumental in developing the council's risk management arrangements. This has resulted in the development of a Risk Management Framework, which comprises the following components:

Cabinet/Council	Receive an overview on the effectiveness of risk management arrangements.
Audit Sub-Committee	This is the member group that gives support and leadership for risk management arrangements. An assurance map and forward plan of reports is agreed with the committee. These include: • The annual approval of the Risk Management Strategy & Action Plan • Approval the terms of reference for the Risk Management Group; and • Regular progress reports on key risk management issues designed to provide assurance that all significant risk issues are being managed adequately including an annual review of strategic risks.
Risk Management Group	This is a council-wide group comprising senior officers, a member representative (Audit Sub-Committee chair) and chaired by the Director of Finance. The role of the group is to: • support the council and its services in the effective development, implementation and development of the risk management strategy • share experience and disseminate best practice on risk, management of risk and strategy implementation across the council • monitor action plan progress.

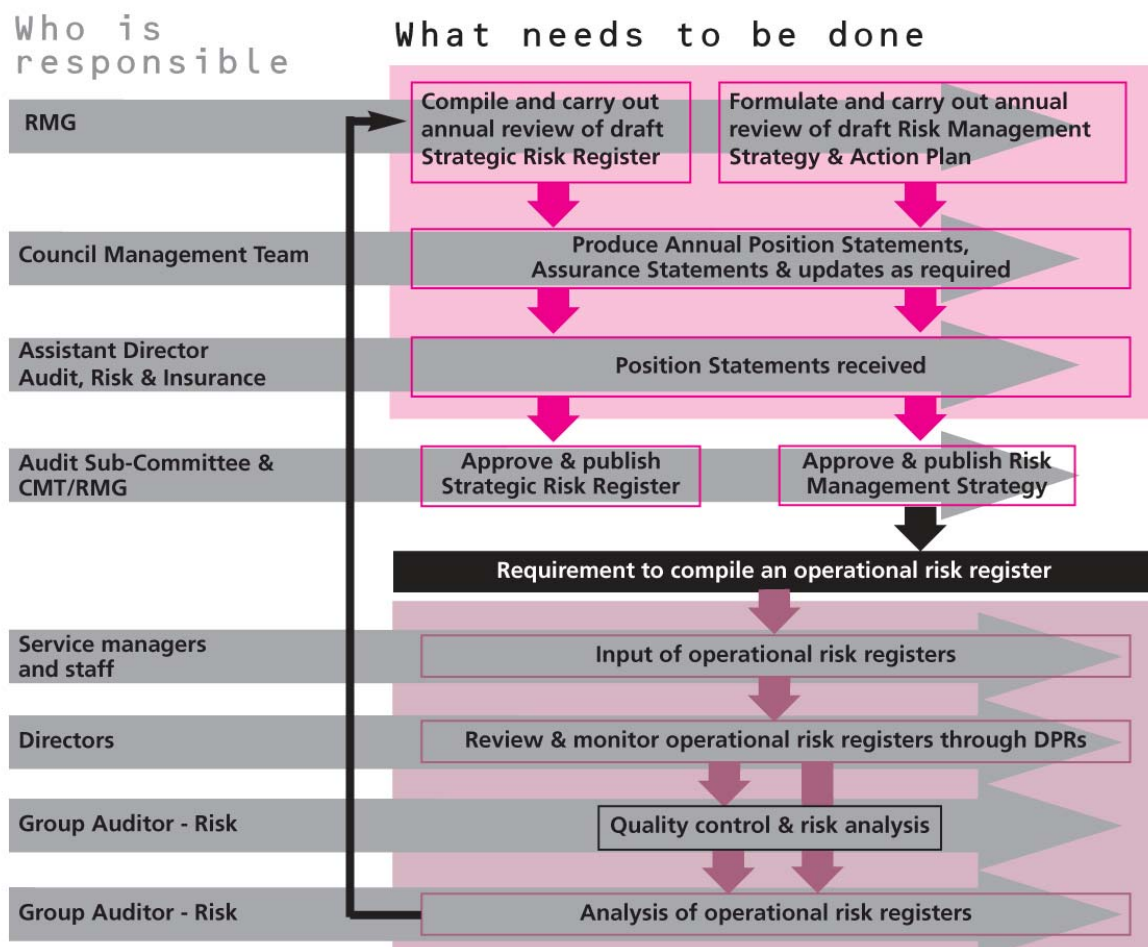|	
Risk Management Strategy (including Annual Action Plan and Framework)	This describes the council's approach to risk management. The Strategy is reviewed each year and sets out an action plan of work to maintain and develops, through continuous improvement, the council's risk management arrangements. Plan progress is reported regularly to the Audit Sub-Committee and RMG.
Strategic Risk Register (SRR)	This is a list of significant risks which may prevent the council achieving its priorities. The key features are: • responsible officers to lead on the management of strategic risks are assigned to CMT members. • the controls in place and the resultant risks are evaluated along with improvements to controls • the register is regularly updated as new risks are identified • the outcome of an annual review is reported to the Audit Sub-Committee.
Risk management in decision-making.	An appraisal of threats and opportunities of various options is undertaken to support cabinet/cabinet members decisions.
Budget setting and monitoring	Potential risks are considered in developing the Finance Strategy for the council to ensure: • that levels of estimates are adequate • the implication of budget reductions is considered • efficiency plans are robust • that levels of reserves are adequate • that regular budget monitoring takes place to give early warning of potential overspends
Operational Risk Registers (ORR)	Operational Risk Registers (ORRs) identify the risks which may impact on delivering service area. The key features include: • registers are regularly updated on the risk management system as new risks are identified • risk impact and likelihood is scored using a 4x4 risk matrix system • the controls in place and the resultant risks are evaluated along with improvements to controls
Performance - Reviews/ Performance Management System (PMS)	Regular reviews of service delivery performance include the adequacy of risk management arrangements and strategic and operational risk register updates.
Strategic partnerships	The governance framework in place for all key partnerships includes the adequacy of risk management arrangements.
Major projects	Significant projects risks are identified and managed by the respective project boards. Regular reports and updates to project risk registers are presented to RMG for monitoring purposes.
Emergency planning	There are links between the Humber Local Resilience Forum (LRF) and the council's Emergency Planning & Business Continuity Steering Group. The groups are responsible for identifying, developing and monitoring emergency and business continuity plans. The Steering Group will contribute to the Humber LRF Community Risk Register (CRR) to review the adequacy of business continuity or emergency plans against the CRR.
Annual Governance Statement (AGS)	A governance statement is prepared and published with the council's accounts annually. The AGS describes the adequacy of the council's internal control framework and governance arrangements. The culmination of Risk Management work is a key component. Directors provide a statement on the adequacy of

	internal control and governance arrangements within their service area (including partnership working). These include sources of assurance and risks faced by the service.
Internal Audit	Internal Audit has adopted a risk based approach to audit planning which simply means targeting high risk areas and making the best use of resources available. Assurance mapping is carried out and the Risk Management Framework is used to inform this process. Internal Audit independently evaluates the Risk Management Framework and the adequacy of controls identified.

Although the above components exist separately most, if not all, of them interact with each other.

Risks, whether operational or strategic, can identify work for the RMG and therefore inform the Risk Management Strategy and Action Plan as well as the Internal Audit Plan.

5. Roles and responsibilities

The roles and responsibilities of all individuals/groups involved in the risk management process can be summarised as follows:

	Role
Elected Members (Audit Sub-Committee and Lead Member)	• To approve the Risk Management Strategy and oversee the effective management of risk by council officers. • Champion risk management throughout the council. • Seek sufficient assurance that strategic risks that may affect the council's ambitions and objectives are being properly managed. • Be aware of the risk implications of decisions being made.
Council Management Team (CMT)	• Drives the implementation of the council's risk management strategy • Collective responsibility for the identification management of strategic risks • Ensure council wide implementation of the risk management framework
The Risk Management Group (RMG)	Through CMT delegation: • To support the council and its services in the effective development, implementation and review of the Risk Management Strategy. • To share experience on risk, risk management and strategy implementation across the council. • Promote and raise awareness on risk management issues within their services and across the council. • Monitor and contribute to the implementation of the annual action plan.
Service division managers	Ensure that the council manages risk effectively in each service division within the agreed framework.
Assistant Director Audit, Risk & Insurance/Group Auditor – Risk	• Spread the ethos of effective risk management throughout the council • Supporting the activities of RMG • Assisting Directorates in identifying, analysing and controlling the risks that they encounter • Providing guidance and support to Directorates in relation to risk management generally • Organising and promoting risk management awareness and development
Employees and volunteers	To manage risk effectively in their job and comply with the council's Risk Management Strategy.
Partners and contractors	To manage risk effectively and comply with the council's Risk Management Strategy.

Risk Management Process

Implementing the Strategy involves identifying, analysing, managing and monitoring risks. The overall process followed for risk management is set out below:
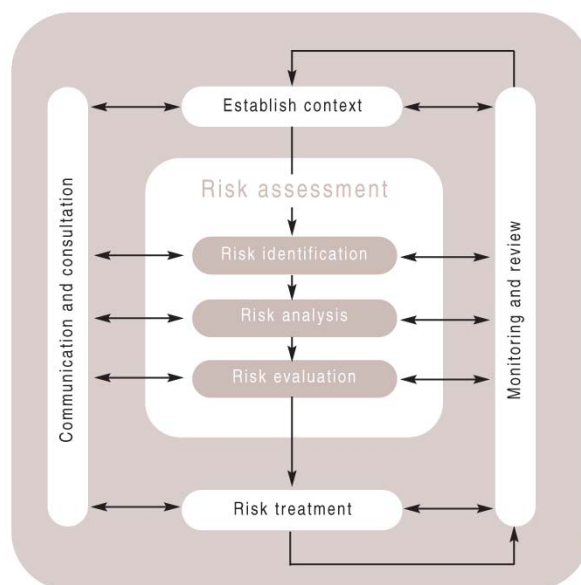
The process above provides a systematic, effective and efficient way by which risks can be managed at different levels throughout the organisation.

6.   Embedding and communicating the process

Risk management is a top-down process involving all stakeholders.

The Risk Management Strategy is underpinned by:
- An annual action plan
- Appropriate training opportunities for members and officers of all levels
- Risk awareness survey and generic competencies evaluation
- RMG Intralinc site and documentation
- RISK roundup quarterly newsletter and other council- wide communications

Other mechanisms further support the embedding process:
- Integration of risk assessment into the financial and service planning processes
- Integration of risk management and performance management
- Ensuring risks associated with all major projects and significant partnerships are managed effectively
- Developing staff training programmes to address high risk areas
- Risk issues formally considered on all committee papers and member decision - taking reports
- Consideration of risk management issues at CMT and council meetings as appropriate
- Developing links with other quality/improvement initiatives where they exist e.g. ALARM/CIPFA benchmarking clubs
- A booklet and poster has been provided and widely distributed to help raise awareness on the council's approach to risk management and the role everyone has in managing risks

7. Training

All staff has a role to play in risk management and the RMG have responsibility for developing the necessary training or advice for service managers to implement the measures contained in this strategy throughout the council. Risk management forms part of the corporate training programme at various levels:
- Corporate induction
- Induction for new managers
- Risk management is also included in the generic skills set in the workforce plan for all employees and will be supported by a suite of corporate training courses
- More advanced training needs will be identified through the 'Leadership and Management Development Framework'.
- Member training opportunities

8. Targets/Milestones

The aim of the Strategy is to drive forward risk management to be fully embedded in all processes and activities throughout the council and within all key partnerships. This requires ongoing commitment and continual development of arrangements to meet changing circumstances.

It is important to be able to measure what success will look like to ensure the right approach is adopted and aims and objectives are being met.

Each year RMG agree an action plan of work to:
- Maintain an effective risk management framework
- Identify new/emerging risks which may impact on the risk management strategy
- Provide an effective challenge to ensure compliance with the strategy
- Evaluate arrangements against best practice and identify areas for improvement.

The Action Plan for 2012/13 is shown in appendix A

9. Performance

Where are we now?

Benchmarking

Performance measures were difficult to develop until the 'National Performance Model for risk management in public services' was established in 2010. This was used to develop ALARM/CIPFA benchmarking. The benchmarking club is used to track the progress of the council's performance against peer organisations.

The Model provides an assessment framework to evaluate risk management activity and maturity. The council's arrangements have been evaluated using this model. Data was analysed over seven factors and scored on a scale 1 to 5 (1 being lowest and 5 highest). The results show that arrangements are evaluated as level 4 (Embedded and Integrated) or level 5 (Driving).
Some areas for targeted improvements have been identified and these include:
- Better documentation of partnership risks
- Delivery of outcomes
- Improved reporting to CMT

Performance Measures

We currently measure and monitor that risk registers are reviewed regularly. In 2011/12 100% of Operational Risk Registers were reviewed.

External Endorsement

The Audit Commission have given a positive VFM opinion in their Governance report (September 2011). This shows that there are proper arrangements in place for managing risk and a sound system of internal control is maintained.

Where do we want to be?

During the year targets and performance measures will be developed to demonstrate that the strategy is effective and helps to achieve the council's aims and priorities. These include:

- Achieve the Financial Strategy and meet service budget reductions
- Defined outcomes, e.g.:
    - Effective delivery of significant projects such as Waste Management; within budget, on time, with the desired service delivery and customer experience improvements.
    - Effective insurance risk management to drive down claims experience make realise savings on policy excess payments.
    - SMART performance indicators for risk management
- Embedded risk management arrangements integrated within all key processes with full compliance with the framework across all service areas
- Contribution to a positive VFM opinion

Appendix A

Risk Management Action Plan 2012/2013

Aims and objectives	Action required to achieve objective	Responsibility	Report due date	Progress to date
2.1 Support the implementation of the Financial Strategy				
	2.1.1 Schedule of reviews to confirm implementation of actions to achieve key budget reduction targets.	C. Wilson (CW)	Throughout the year	
2.2 Support the ambitions and priorities of the council				
	2.2.1 Annual review of Risk Management Strategy and Action Plan, and Framework for 2012/2013 and approval thereof.	C. Andrews (CA)	March 2013	
	2.2.2 Annual review of RMG membership.	CA	March 2013	
	2.2.3 Annual review of Terms of Reference.	CA/CW/ALL	March 2013	
	2.2.4 Review of strategic risks	CA/ CW/ALL	September 2012	
	2.2.5 Analysis of strategic risk controls and actions arising from Position Statements provided by Directors to support the achievement of The Strategic Plan Ambitions.	CA	December 2012	
	2.2.6 Completion of the Annual Governance Statement.	CA	June 2012	
	2.2.7 Regular reports to CMT and Audit Sub-Committee on key risk management issues.	CA/CW	Quarterly	

2.3 Integrate risk management into the culture of the council				
	2.3.1 Annual review of operational risk controls and analysis of operational risks.	CW/SMTs	September 2012	
2.4 Manage risks (both threats and opportunities) in accordance with best practice				
	2.4.1 Review Criminal Liability issues for officers arising from legislation such as • Corporate Manslaughter Act • Bribery Act	J. Rennison (JR) CA	September 2012 September 2012	
	2.4.2 Evaluate the risk of fraud and controls in place.	CA	December 2012	
2.5 Anticipate and respond to changing external and internal pressures so there are fewer surprises				
	2.5.1 Develop a programme of targeted operational risk mgt. actions arising from changes in legislation, government guidance/initiatives, etc.	ALL	As required	
2.6 Manage the risks associated with major projects that have a significant impact on the council's financial position and pose a reputational risk				
	2.6.1 Review arrangements for major projects/ initiatives. • Youth Service Transformation • Adult Service Transformation • Emergency Planning	B. McIntyre ? G. Wilkinson		
2.7 Prevent injury, damage and losses and reduce the cost of risk				
	2.7.1 Report on last three years accident statistics for trends, showing direction of travel. Ensure action is taken by management to minimise costs/service disruption.	JR	March 2013	

	2.7.2 Report on last three years insurance claims data for trends, showing direction of travel. Ensure action taken by management to minimise costs/ service disruption.	CA	March 2013	
2.8 Raise awareness of the need for risk management by all those connected with the council's delivery of services, including strategic partners, contractors, etc.				
	2.8.1 Provision of risk management training identified through Leadership and Management Competencies, generic competencies and induction programme delivered through the corporate training plan.	HR corporate training plan	As required	
	2.8.2 Additional training and development programme in response to emerging risks for the year not met through the corporate programme. This can include member training as required.	ALL	As required	
	2.8.3 Risk Management Consultant presentation - emerging risks and national perspective. Risk & Insurance Consultant presentation – emerging risks and industry perspective.	B.Sulman T.Courtney	As required	
	2.8.4 Communication network of newsletters and reports to the Audit-Sub Committee etc.	CA /CW	June 2012 Sept ember 2012 December 2012 March 2013	
	2.8.5 Produce Risk Management Guidance.	CW	June 2013	
2.9 Maximise the rewards that can be gained through effective risk management				
	This aim and objective will be carried out as part of other aims and objectives – see 2.5 and 2.10.	N/A	N/A	

2.10 To embed risk management into the culture of all our key partners				
	2.10.1 Update on risk management arrangements in procurement of key services, works contracts and projects.	Jason Whaler	September 2012	
	2.10.2 Annual review of governance arrangements for partnership and collaborative working.	Director of Corporate and Community Services	March 2013	
	2.10.3 Respond to work requested by academies.	CW	As required	
2.11 Monitor outcomes and measures that demonstrate that the risk management strategy is working.				
	2.11.1 Use benchmarking data to measure performance on risk management both internally and externally and propose actions.	CA/CW	Dec 2012	
	2.11.2 Develop SMART performance indicators for risk management.	CA	March 2013	
	2.11.3 Risk management reviews e.g. motor risk management, informing the Insurance tender and maximising integration with Internal Audit.	CW	Throughout the year	
	2.11.4 Internal Audit review of risk management arrangements.	Internal Audit	April 2012 (2011/12) March 2013 (2012/13)	
	2.11.5 Internal Audit assurances e.g. Corporate Governance, Partnerships, Emergency Planning reviews.	Internal Audit	Throughout the year	

Appendix B

Risk Management Group (RMG).

The role of the RMG is crucial to the implementation of a successful risk management programme. The RMG is a facilitating group and will enable and empower all aspects of the programme. Its terms of reference are agreed and reviewed annually by the Sub -Audit Committee. The RMG is the focal point for reviewing all aspects of risk management including Health and Safety, Emergency Planning, and Business Continuity. **It concentrates on strategic, not operational issues.**

The membership of the RMG is as follows:
*   Cllr.William Eckhardt   (Member representative)
*   Cllr Trevor Foster   (Member representative)
*   Mike Wedgewood   (Finance Services and Chair)
*   Becky McIntyre   (Children and Young People - Resources)
*   Kay Myers   (Adults Social Care)
*   Keith Ford   (Neighbourhood and Environmental Services)
*   Helen Reek   (Infrastructure)
*   John Rennison   (Corporate and Community Services)
*   Carol Andrews   (Finance Services)
*   Caroline Wilson   (Finance Services)
*   Bill Sulman   Risk Management Consultant, Public Sector Risks (JLT)
*   Terry Courtney   Risk & Insurance Consultant, Zurich Municipal
*   Graham Wilkinson   Humber Emergency Planning Service

Each of the members of the RMG will be responsible for co-ordinating the risk management programmes within their own service areas. This will include;

*   Co-ordinating the operational risk assessment programme
*   Disseminating risk management information and best practice
*   Providing advice on risk management methodology and processes
*   Ensuring that work assigned to the group is completed within the agreed timescale and report progress to RMG as required.

There is also co ordination with the emergency planning team: Appropriate representation spans both groups, particularly with regard to business continuity planning.

The RMG will itself, where necessary, make recommendations on key strategic risks (or cross-directorate operational risks) to Council Management Team or for comment/approval.

The Terms of Reference for the Group are published on Intralinc.

NORTH LINCOLNSHIRE COUNCIL

RISK MANAGEMENT GROUP

TERMS OF REFERENCE

1. To develop a Risk Management Strategy as a key part of the council's Corporate Governance arrangements, to:-

   a) Identify, prioritise and assess the key risks/threats to achieving the Council's key strategic business goals/objectives.

   b) Identify any proposed areas of strategic change and prioritise and assess the key risks/threats that may be significant arising out of that change.

   c) Ensure that ownership of particular risks is defined through the council's process of delegations and accountability.

   d) Assess the action taken/to be taken to deal with the strategic risks identified in (a) and (b) above and initiate any further action where necessary.

   e) Determine the council's approach to the management or transfer of risk.

   f) Encourage the development of business continuity and contingency plans where necessary.

   g) Provide a framework for the identification and management of operational risks

   h) Monitor the delivery of the Risk Management Group Action Plan

2. To link the council's Risk Management Strategy with relevant corporate processes such as financial planning & budget monitoring, vfm/ efficiency agenda, service planning, performance management, and strategic commissioning & procurement together with Internal Audit's annual plan and the work of other relevant bodies e.g. Health and Safety, External Audit, school governors, etc.

3. To research and identify best practice in risk management and provide guidance and support, including relevant training, in order to create a focal point for risk management and risk reduction awareness within the council.

4. To raise awareness of risk management issues throughout the council and with external partners and to encourage members, employees and partners to manage risks effectively.

5. To present quarterly reports to provide assurance to the Audit Sub-Committee on the adequacy of risk management arrangements within the council.

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