

**RISK MANAGEMENT UPDATE AND ACTION PLAN 2012/13**

---

**1. INTRODUCTION**

- 1.1 This report updates the Audit Committee on progress and issues related to risk management and highlights the progress made in relation to the action points within the 2011/12 Risk Management Action Plan (RMAP) and details the proposed 2012/13 RMAP.
- 1.2 The proposed 2012/13 RMAP which has still to be approved by the Strategic Risk Group is influenced by the result of the Alarm CIPFA Risk Management Survey results, any current internal audit recommendations, and any recommendations arising from the annual review of Risk Management Strategy, Policy and Framework documentation. There is also reference to Corporate Improvement programme recommendations. It is intended that the plan will be monitored via the Strategic Risk Group.
- 1.4 This report also summarises the outcome of the review of year end risk assurance statements and these have also been used in developing the draft 2012/13 RMAP.

**2. RECOMMENDATION**

- 2.1 Audit Committee to note Argyll & Bute risk management systems are assessed as 'working', the draft 2012/13 RMAP and the outcome of the year end risk assurance review.

**3. DETAIL**

- 3.1 The 2011/12 RMAP is shown in appendix A. Considerable progress has been made in relation to a number of the outcomes and actions points. Where action has been delayed or not progressed this will be addressed in the revised 2012/13 RMAP.
- 3.2 Argyll and Bute Council is part of the ALARM CIPFA risk management benchmarking club and took part in a survey which is designed as a performance tool to assist in raising the standards of risk management within organisations. The survey is based on ALARM's National Performance Model for Risk Management in Public Services.
- 3.3 The survey breaks downs risk management activity into seven strands:

- Leadership and management
- Strategy and policy
- People
- Partnership, shared risks and resources
- Processes and tools
- Risk Handling and assurance
- Outcomes and delivery

- 3.4 Under each strand, a series of questions have been developed. Responses to these questions are weighted to reflect their relative impact on performance and collated into a final “score” for each section. This identifies the level of maturity the organisation has reached. Appendix B shows the current assessed level for each of the themes identified in 3.3.
- 3.5 The 2012/13 RMAP incorporates the seven strands and will attempt to maintain or improve current assessed levels. The plan incorporates the outstanding 2011/12 actions under the appropriate theme. It also details actions arising from the Corporate Governance Improvement plan 2012/13 (Appendix C) which align with planned RM activity. There are no outstanding Internal Audit recommendations to be considered. The detail of the 2012/13 RMAP is shown in appendix D.
- 3.6 The Risk Management Policy, Framework and Guidance documentation was revised during 2011/12. These revisions included the development of an annual risk assurance statement for each service.
- 3.7 The risk assurance statements for services have been based on the following statements:
- Senior managers promote the importance of risk management.
  - Risk management is embedded within the service.
  - Risk management is applied to all key business activities within the service.
  - Mitigating plans and actions are considered in respect of identified risks.
  - Risk registers are regularly updated.
- 3.8 Heads of Service were requested to indicate whether they fell into one of three categories, non –compliance, partial compliance or full compliance for each of the statements. Heads of Service were further requested to evidence their selection and where appropriate give further detail of actions to be taken.
- 3.9 Services have indicated that they were partially compliant or fully compliant with existing guidelines. No Service indicated a failure to comply or reported any significant issue. It is envisaged that as Risk Management protocols mature and develop as part of the 2012/13 Risk Management Action plan, responses will indicate a greater assurance in future years.
- 3.10 Returns were subject to a random evidence testing exercise. Evidence suggests that Risk Management is being regularly discussed by Departmental Management Teams and by Service Management Teams. Risk registers are

being reviewed and updated where appropriate and consideration is given to mitigating plans and actions.

3.11 A summary of the overall position against the 6 service risk assurance statements is given below.



3.12 The key improvement areas identified from the risk assurance statements are incorporated in the updated risk management action plan within the undernoted themes.

- Leadership & Management – Senior managers promote the importance of Risk Management
- Policy & Strategy – Clear Policies and Strategies in Place
- Processes – Effective Risk Management

#### 4. CONCLUSION

4.1 The report advises that progress has been made in relation to outstanding action points and that Risk Management processes and protocols are developing. It also advises that a revised action plan is in place to further develop and improve Risk Management.

Bruce West  
 Head of Strategic Finance  
 21 June 2012