

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee 29 June 2009
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RISK MATURITY ACTION PLAN UPDATE

Purpose

1. The purpose of this report is to inform Corporate Governance Committee of progress on implementing the action plan resulting from Internal Audit's risk maturity review.

Background

2. As part of their audit plan for 2008/09, RSM Bentley Jennison, the Council's internal auditors, carried out a risk maturity review, assessing "the extent to which a robust risk management approach has been adopted and applied as planned by management across the organisation, to identify, assess, decide on responses to, and report on opportunities and threats that affect the achievement of the organisation's objectives" (Institute of Internal Auditors).
3. RSM Bentley Jennison have initially assessed the Council's risk maturity as Risk Defined/Managed, on the scale Risk Naïve-Aware-Defined-Managed-Enabled¹. (Note: our own assessment was Risk Managed).
4. The risk maturity review's recommendations were taken into account in the annual review and revision of the Council's risk management strategy and process, reported to and agreed by Corporate Governance Committee on 30 September 2008.

Considerations

5. The risk maturity review's recommendations are given in **Appendix A**, together with management comments made at the time in response to the recommendations, suggested amendments to the risk management strategy agreed by Corporate Governance Committee in September 2008 and progress to date.
6. Of the nine recommendations, three were not accepted for the reasons given in management comments at the time, reproduced in Appendix A (recommendation reference numbers 5, 8 and 15). No amendments were required to the risk management strategy and there were no actions to implement.
7. A further recommendation (ref. no. 12) was subsequently considered not to enable any more effective management of risks by managers or Members. No amendment was required to the risk management strategy and there was no action to implement.
8. Another recommendation (ref. no. 11) did not require any amendment to the risk management strategy. The action is still pending, awaiting the implementation of the risk management module (CorRisk) of the new CorVu performance management

¹ "Defined" means 'Risk management strategy and policies in place and communicated across the organisation'; "Enabled" means 'Risks taken on an informed basis. Risk management is used to help manage the organisation'.
Source: RSM Bentley Jennison draft Risk Maturity report.

system. In the meantime, a standard risk assessment template form will be produced as part of this year's review of the risk management strategy (due September 2009).

9. The remaining four recommendations (ref. nos. 1, 10, 22/23 and 24) each required amendments to the risk management strategy; these were agreed as part of the review and revision of the risk management strategy in September 2008. There was no action to implement with regard to recommendation ref. No. 10; actions relating to the other recommendations have been implemented as follows:
- (a) ref. no. 1:
 - (i) Projects - Aligning the project risk log to the Council's risk register format is being discussed with the Applications and Information Manager;
 - (ii) Partnerships - Guidance has been added to the Partnership Toolkit and to the guidance for developing partnership terms of reference;
 - (iii) CorRisk - Awaiting implementation;
 - (b) ref. no. 22/23: Guidance to report writers has been updated;
 - (c) ref. no. 24: Communication of well managed / mitigated risks to the insurers to determine whether discounts can be gained on premiums has been discussed with the Council's insurance officer.

Options

10. In considering progress on the actions within the risk maturity action plan, the Committee could note the actions being taken.
11. Alternatively, the Committee could agree other actions.

Implications

12. Financial, Legal, Staffing	There are no immediate financial, legal or staffing implications resulting from this report.
Risk Management	Implementation of the actions in the risk maturity action plan will ensure that the Council has an effective risk management process in place.
Equal Opportunities	The Council's risk management process has no inherent equal opportunities implications.

Consultations

13. EMT and Corporate Governance Committee were involved in the review and revision of the risk management strategy in September 2008, which took the risk maturity review's recommendations into account.
14. The Applications and Information manager, Partnerships Manager, Performance Improvement Officer and insurance officer have been consulted regarding specific actions in the risk maturity action plan.

Effect on Strategic Aims

15.	Commitment to being a listening council, providing first class services accessible to all.
	Implementation of the actions in the risk maturity action plan contribute to the Council's corporate governance responsibilities.
	Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.

Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
Commitment to assisting provision for local jobs for all.
Commitment to providing a voice for rural life.

Conclusions/Summary

16. Implementation of the actions in the risk maturity action plan will enable the Council to further embed risk management in order to move towards a risk maturity status of Risk Enabled.
17. The remaining actions will be implemented as part of:
 - (a) the annual review of the Council's risk management strategy (due September 2009); and/or
 - (b) the implementation of the CorRisk risk management module (due September 2009, but dependent on the assistance of the supplier and the Policy and Performance Team).

Recommendations

18. Corporate Governance Committee is recommended to note progress on actions being taken to address recommendations from the risk maturity review.

Background Papers: the following background papers were used in the preparation of this report:

None unpublished

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