FALKIRK COUNCIL

Subject: **CORPORATE RISK MANAGEMENT (CRM) WORK-PLAN UPDATE**
Meeting: **AUDIT COMMITTEE**
Date: **21 SEPTEMBER 2015**
Author: **DIRECTOR OF DEVELOPMENT SERVICES**

1.   INTRODUCTION

1.1   Members will recall that the Corporate Risk Management (CRM) Policy & Framework was reviewed and agreed earlier in 2015, and that a 6 monthly update is to be provided to the Audit Committee and Executive.

1.2   An update on the CRM work-plan is provided in Appendix 1 and is summarised below. This was considered by CMT in August 2015, and the actions were agreed.

1.3   The CRM Work-Plan was implemented in 2013 to monitor progress in embedding CRM arrangements.   This included monitoring progress with previous Local Area Network (LAN) and Internal Audit actions and, as requested by Audit Scotland, measuring the effectiveness (or maturity) of CRM arrangements against CIPFA's best practice model.

2.   SUMMARY OF PROGRESS AND OUTSTANDING ACTIONS

2.1   Stage 1: Developing the CRM Framework

2.1.1.   The following progress has been made:
   a)   A revised CRM Policy and Framework was agreed by CRMG, CMT and Audit Committee;
   b)   E-learning and project / partnership risk guidance and training was developed in 2014.   Service Unit Managers have still to complete the CRM e-learning course;
   c)   The Corporate Risk Register (CRR) was agreed by CRMG and submitted to CMT; and
   d)   Project risk training was delivered and partnership risk arrangements are being improved.

2.1.2.   The following actions will now be progressed:
   a)   Ensure that the CRM e-learning module is implemented within each Service and monitored via APDS;
   b)   Ensure that the CRM Policy & Framework is reviewed annually;
   c)   Ensure that the CRR is agreed and submitted to the Audit Committee, as soon as possible; and
   d)   Ensure that CRM training is monitored by CRMG and Service Management Teams, and is effective.

2.2   Stage 2: Reporting and Reviewing Risks

2.2.1.   The following progress has been made:
   a)   A summary of risks has been presented to Members but they also need to agree the Corporate Risk Register (covered by a separate report);
   b)   Service Management Teams, except Governance, have completed a review of their risks. These will however, be updated to reflect the new structure. Children's Services and the Health & Social Care Partnership are to assess their risks;
   c)   The majority of Management Teams have submitted Service Risk Updates to CRMG;
   d)   A template for Service Risk Updates to CRMG has been agreed but will now be reviewed to reflect Service risk profiles and provide a broader assurance;
   e)   A review of Corporate Working Groups (CWGs) has been completed and provides improved awareness of their role and a basis for improved risk reporting and assurance; and
   f)   Children's Services, the Health & Social Care Partnership (HSCP) and the Community Planning Partnership (CPP) are to review their service risk management arrangements during 2015, including developing risk registers.

2.2.2.   Actions:
   a)   Ensure that an update is provided to Members on a 6-monthly basis;
   b)   Ensure that CRM reports are submitted to CMT and Audit Committee at least 6 monthly;
   c)   Ensure that all Services, Partnership, Projects and CWGs complete a review of their risks, and that updates are included within 6-monthly Service Risk Updates to CRMG;
   d)   Ensure that Service Risk Updates better reflect risk profiles and provide comprehensive assurance. For example, include more details of partnership, people protection, change and information risks; lessons learnt from incidents; and approach to managing these risks; and
   e)   Ensure that risks are included within Service Plans and Performance Panel reports.

2.3   Stage 3: Embedding Key Risk Themes

2.3.1.   The following progress has been made in 2014-15:
   a)   CRMG receive regular reports on asset, HR and some governance risks, including improved reporting on lessons learnt and serious organised crime. There is an intention to improve reporting and scrutiny of information management, change and partnership risks;
   b)   Corporate Business Continuity Management (BCM) arrangements have been improved but some actions are outstanding, including developing a Corporate Business Continuity Plan (BCP); and
   c)   CRMG continue to receive comprehensive assurance on health and safety and insurance, including reports on absence, accidents, claims and lessons learnt. Premises management (PM) continues to be an area where there have been gaps in assurance in relation to implementation of the arrangements at an operational level. Improvements were agreed in 2014 and these will be monitored to ensure implementation of the corporate approach and ownership of actions.

2.3.2. Actions:
   a) CRMG agendas and reporting will be amended to reflect the full range of Corporate risk categories;
   b) CMT should ensure that risk is embedded within strategic reviews – including Health & Social Care integration, Community Planning Partnership, transformational change and budgeting / service plan reviews;
   c) CMT to consider and approve the Corporate BCM Policy and Plan, as soon as possible;
   d) Once the Corporate BCM Policy has been agreed by CMT, a Corporate BCP is to be developed as soon as possible and, a BCM Test Program will be progressed;
   e) A short life working group has been established to consider the possible responses to public protest, should this occur, in connection with proposed Shale Gas extraction by INEOS;
   f) Services should continue to report and implement actions from lessons learnt reviews; and
   g) CRMG and CMT should continue to monitor and improve Premises Management arrangements.

2.4   Stage 4: Reviewing the Effectiveness of CRM Arrangements

2.4.1. The following progress has been made:
   a) CRMG agreed to use the ALARM/CIPFA benchmarking model to monitor the Council's level of risk maturity against other Council's. This model identifies 5 stages to achieving CRM maturity, and the targets and progress for the period 2013-15 are shown below:

Maturity Level	Benchmark Score	Target Date	Current Position
Level 5 – Driving	85%+		
Level 4 - Embedded and integrated	70%+	2015	
Level 3 - Working	45%+	2014	⟵
Level 2 – Happening	20%+	2013	
Level 1 – Awareness	0%+		

   b) Appendix 1 provides an updated self-assessment, against the benchmarking model. This confirms that the Council has achieved 'Level 4 – Embedded and Integrated' in all but 3 areas – those being, information management, service risk updates and change/partnership risks.
   c) The 2014 benchmarking resulted in a score of 66%. This was slightly below the average for other participants. CRMG agreed that discussions would take place with risk managers in other Scottish Local Authorities to review the results. These confirmed that our CRM arrangements now meet good practice, and results should improve by Dec 2015. A further area highlighted through this review is to improve is reporting risks to CMT and Members. This report and other associated reports help the Council to meet this criteria.

2.4.2. Actions:
   a) Good progress has been made and the benchmarking results are improving, and continue with such arrangements;
   b) Ensure that more progress is made in relation to change, information and partnership risks; and
   c) Note that a further self-assessment and audit will be undertaken at the end of 2015.

3.   RECOMMENDATIONS

Members are asked to:

3.1 **Note the progress outlined above and the actions agreed by CMT and CRMG members;**

3.2 **Note that good progress has been made and CRM benchmarking results are improving;**

3.3 **Note that further work will be undertaken with CRMG and services to ensure that future risk management arrangements and reports are adapted to reflect the restructure; and**

3.4 **Agree to receive a further CRM work-plan update in 6 months, including the audit findings.**

…………………………………...
DIRECTOR OF DEVELOPMENT SERVICES

Date: 13 August 2015
Ref: AAT210915 – CRM Work Plan
Contact Name: Hugh Coyle

Appendix 1 – CRM Work Plan – July 2015 Progress Review

LIST OF BACKGROUND PAPERS

Nil

Appendix 1: CRM Work-Plan – July 2015 Progress Review

	Current Level of Risk Maturity	Status, Progress and Actions
Stage 1: Developing the CRM Framework		
Identify CRM Resource	Embedded & Integrated	· CRM appointed, on a secondment basis.
Develop CRM Policy, Framework & Training: · Review CRM Policy and Develop Risk Reporting Framework; · Review Corporate Working Groups (CWGs) & External · Awareness Training: Deliver SUM and Member Training; · Ongoing Training: Develop Training & Competency Matrix. · Review external appointments and conflicts of interest.	Embedded & Integrated	· CRM Policy reviewed and Framework developed. Review annually. · CWG review completed. Update to be provided to the Audit Committee. · People Protection CWGs to be reviewed by Children's Services & HSCP · Training and e-learning developed. To be completed by SUMs. · Partnership training is planned. Monitor training needs as part of APDS. · Review completed. Review at least annually.
Stage 2: Reporting and Reviewing Risks		
Develop Covalent and Risk Registers: · Risk Module (including upload of Risk Schedules & Reports); · Align risk reports with Audit, Planning & Performance Reports; · Support Services with updating & reporting risks on Covalent; · Identify & develop further enhancements that will add value.	Working Target - Embedded & Integrated by Dec 2015	· Risk, actions & PI data is to be maintained on Covalent by Services. · Servies to include risk within 6-monthly CRMG & Scrutiny Panel reports. · Services have received user access & training - more support available. · Continue to improve the system and reports e.g. links to actions.
Service Risk Reporting and Support for CRMG **Corporate Risk Schedule reporting to CMT and Audit Committee** **Partnership Risk Reporting (on risks to Partnership and Council)**	Working Target - Embedded & Integrated by Dec 2015	· 6-monthly report 'template' developed. · All services, except Children's Services, have provided CRMG updates. · All services to provide 6-monthly updates to CRMG. And the template is to be adapted to reflect each Service's risk profile and include lessons learnt from broader types of incident eg fraud, litigation & people protection. · As per the CRM Policy & Framework, the CRS should be reported at least 6 monthly. The current CRS is developed on from each service's perspective and this creates a risk that it is incomplete and / or inconsistent. · HSCP to review develop a risk register and provide CRMG updates. · Ensure the CRS captures partnership risks to the Council, eg FCT.
Stage 3: Embedding Key Risk Themes		
Partnerships and Change risk management, including:- · Procurement Board risk reports; · Partnership Board risk reports; · Corporate Working Group risk updates.	Working Target - Embedded & Integrated by 2015+	· The Procurement Board have developed a risk register and monitor this. · Project risk management guidance & training developed. Monitor. · Further Partnership risk management training is to be developed. · Services to monitor and report on risks to Portfolio Holders & CRMG.
Information risk management*, including:- · the quality of risk assessments within Info Asset Register; · the quality of Privacy Impact Assessments.	Happening* Target - subjec to IM Review	· IM review actions to be implemented - including IM Governance WG. · IMG WG will develop IM risk strategy, including CRMG updates.
Health and Safety risk management, in terms of:- · the quality of the risk assessments; · the quality of accident investigations and lessons learnt; · targeted reductions in work-related accidents and absence; · the quality and completeness of Annual SOAs, inc Premises, Gas and Fleet. · the outcomes of Service Management Reviews.	Embedded & Integrated	· Service H&S risk assessments are reviewed on a continuous basis. · Service's provide 6 monthly CRMG udpates, including lessons learnt. · D/SMTs review absence, accidents & claims at least quarterly. · PMH, Fleet and Gas Statements of Assurance are reviewed annually. PMH assurance continues to be an issue requiring close monitoring. · Service H&S Management and Risk Assessment reviews are ad hoc.
Insurance risk management, in terms of:- · targeted reductions in claims; · the quality of claims investigations, including lessons learnt; · the outcomes of reviews by insurance and risk suppliers.	Embedded & Integrated	· Complete various Gallagher Bassett reviews eg RMEQ & CNS Liability. · Monitor and improve lessons learnt & HR14/ incident investigations. · Continue to review insurance updates 6 monthly.
Business Continuity and Resilience, in terms of:- · Service & Corporate BCPs - reviews of plans and tests; · Key Supplier BCP Plans – reviews of plans and tests; · Emergency Plans - reviews of plans and tests.	Embedded & Integrated	· Complete BCM audit actions to be to completed - inc Policy & Plan. · Improve supplier BCPs - including waste, care homes and high schools. · BCM Test Program agreed and to be implement and monitored.
Stage 4: Reviewing Effectiveness of CRM Framework		
Reviewing effectiveness of CRM arrangements: · CRMG Self Assessment: Work-Plan and KPI Reviews · CRMG Self Assessment: 2-Yearly CIPFA Benchmarking · CRM Audit (reciprocal): 3 yearly · Audit Scotland Progress Review (against LAN) · Internal Audit Updates (inc Outstanding Actions)	Embedded & Integrated	· CRM 2013-15 Work-Plan developed and reviewed 6-monthly. · Benchmarking to be undertaken 2-yearly and self assessment annually. · Audit to be undertaken by West Lothian Council by Dec 2015. · Audit Scotland and Audit Committee to receive 6 monthly CRM updates. · IA Outstanding Actions are reviewed by CRMG regularly.