Lincolnshire
COUNTY COUNCIL
Working for a better future

Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection	

Report to:	**Audit Committee**
Date:	**21 November 2016**
Subject:	**Risk Management Report - Independent Evaluation of Risk Management maturity - November 2016**

Summary:

Following an external audit of risk management in 2014, a further independent review has been conducted. This is to ensure that risk management practices are in line with the principles of recognised risk organisations and documentation.

The Audit Committee have responsibility to monitor effective development and operation of risk management and corporate governance in the Council.

This report assists the Committee in fulfilling that role, by providing an update on how well the Council's risk management processes are fit for purpose and in line with industry best practice.

Recommendation(s):

That the Committee;

1) Note the Independent evaluation of risk management maturity as attached and what it tells the Committee about the quality of the risk management service
2) Are assured over the quality and effectiveness of the Council's risk management service.

Background

1.1 The role of the Audit Committee is to monitor the effective development and operation of risk management and corporate governance in the Council. This includes;

- Support and promotion of the importance of effective risk management
- That there are clear strategies and tools
- Council's processes incorporate effective risk management

1.2 Risk management practices is based on the principles of recognised organisations and documents which include;

- The international Standard ISO 31000
- The British Standard BS3100:2008
- HM Treasury
- The institute of risk management
- ALARM, the Public Risk Management Association

The review was based on a maturity levels are described as follows[1];

Maturity Level	Descriptor
1	Risk management is engaging with the organisation
2	Risk management is happening within the organisation
3	Risk management is working for the organisation
4	Risk management is embedded and integrated within the organisation
5	Risk management is driving the organisation

1.3 The assessment was undertaken in July / August 2016 and included;

- Discussions with key stakeholders in the risk management process which included the Chief Executive, Directors, Heads of service and Risk management Champions.
- Review of a wide variety of documentary evidence including the risk management toolkit, strategy and relevant templates relating to risk management.
- Comparisons against other recognised practices.

---

[1] The Alarm National Performance Model for Risk Management in Public Services

Conclusion

2.1   The outcome of the review showed a level of 4. Overall, this review confirmed that there are strong risk management processes in place that work and the Council is well supported in risk management going forward.
.
2.2   In response to the overall assessment, the Assessor stated:-

"*We were particularly impressed by the clear risk leadership from the very top level of the organisation. As risks facing the Council become more complex senior leaders recognise the continuing importance of risk management and are supporting the role of risk management specialists, and others with risk leadership roles, throughout the organisation. This is essential for risk management to be successful, and is not a feature that we observe consistently at all local authorities we work with.*"

2.3   Risk management is really pleased with the outcome of the independent review carried out by Kerberos Risk Services Limited. We pride ourselves on being experienced, competent and innovative when it comes to risk management ideas and practices. We strive to maintain and develop its service by embedding quality in all elements of risk management.

2.4   A detailed outcome of the levels is noted as follows;

Strand	Assessment of maturity	
Leadership & Management	5	Driving the organisation
Strategy & Policy	4	Embedded and integrated
People	4	Embedded and integrated
Partnerships, Shared Risks & Resources	3	Working
Processes and Tools	3	Working
Risk Handling & Assurance	4	Embedded and integrated
Outcomes & Delivery	4	Embedded and integrated

2.5   A copy of the Independent evaluation of risk management maturity report is attached in **Appendix A**.

2.6   A copy of the risk management action plan is attached in **Appendix B**.

Consultation

 a) **Policy Proofing Actions Required**

 N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Independent evaluation of risk management maturity - August 2016
Appendix B	Risk management action plan - November 2016

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Debbie Bowring, who can be contacted on 01522-553772 or debbie.bowring@lincolnshire.gov.uk.