
Report To:	Audit Committee	Date:	7 June 2022
Report By:	Interim Director Finance and Corporate Governance	Report No:	AC/10/22/AP/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251

Subject: UPDATE ON RISK MANAGEMENT MONITORING AND REPORTING PROCESS

1.0 PURPOSE

- 1.1 The purpose of this report is to provide an update to Members on the risk management monitoring and reporting process which was approved by Members on 11 January 2022 and further actions to be undertaken.

2.0 SUMMARY

- 2.1 A report was presented to the Audit Committee on 11 January 2022 setting out the proposed approach for risk monitoring and reporting which would include elected member engagement in the risk management process.
- 2.2 The proposed approach was approved and it was agreed that a further report would be presented to the June 2022 Audit Committee outlining the progress made in implementing the new process and further actions being undertaken.
- 2.3 Progress has been made in the following areas:
- Reviewing and updating service risk registers as part of the Annual Governance Statement exercise for 2021-2022. This will provide a baseline for reporting to Directorate Management Teams and escalation of corporate risks to the Corporate Management Team with reporting to the relevant Committees thereafter.
 - The review of the risk management strategy is underway to reflect the new process and also review other key aspects of the strategy including the risk appetite and scoring methodology.
 - Work on developing Pentana risk management module has started with a view to moving all risk registers to the Pentana system once finalised.

- 2.4 A timeline of the process implementation is attached at Appendix 1.

Appendix 1

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Audit Committee:
- Notes the progress made to date and the timeline for fully implementing the process.

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Interim Director
Finance and Corporate Governance

4.0 BACKGROUND

- 4.1 There have been increasing pressures for public sector bodies to adopt formalised approaches to risk management.
- 4.2 In its Code of Practice, Audit Scotland makes it clear that the audited bodies are responsible for developing systems of internal control, including risk management, and for conducting annual reviews of the effectiveness of the system of internal control.
- 4.3 The Council has developed a Risk Management Strategy which delivers a consistent, effective framework and approach for managing risks across the organisation at all levels and support the achievement of the corporate outcomes.
- 4.4 Strategic risks in relation to the implementation of corporate plans and objectives are monitored by the corporate management team and service/operational risks relating to the delivery of service objectives and plans are monitored by Heads of Service.
- 4.5 Annual reports are submitted to Audit Committee highlighting exercises undertaken by the Council in relation to risk management.
- 4.6 The Corporate Risk Register was last formally reviewed by CMT in 2017 as part of the Best Value audit of Inverclyde Council.

5.0 CURRENT POSITION

- 5.1 A report was presented to the Audit Committee on 11 January 2022 setting out the proposed approach for risk monitoring and reporting which would include elected member engagement in the risk management process.
- 5.2 The proposed approach was approved and it was agreed that a further report would be presented to the June 2022 Audit Committee outlining the progress made in implementing the new process and further actions being undertaken.
- 5.3 Progress has been made in the following areas:
 - Reviewing and updating service risk registers as part of the Annual Governance Statement exercise for 2021-2022. This will provide a baseline for reporting to Directorate Management Teams and escalation of corporate risks to the Corporate Management Team with reporting to the relevant Committees thereafter.
 - The review of the risk management strategy is underway to reflect the new process and also review other key aspects of the strategy including the risk appetite and scoring methodology.
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- 5.4 A timeline of the process implementation is attached at Appendix 1.

Appendix 1

6.0 IMPLICATIONS

Finance

- 6.1 There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

Legal

- 6.2 There are no direct legal implications arising from this report.

Human Resources

- 6.3 There are no direct HR implications arising from this report.

Equalities

- 6.4 There are no direct equalities implications arising from this report.

Repopulation

- 6.5 There are no direct repopulation implications arising from this report.

7.0 CONSULTATIONS

- 7.1 The Corporate Management Team has been consulted in the preparation of this report.

8.0 LIST OF BACKGROUND PAPERS

- 8.2 Report AC/03/22/AP/Apr – Risk Management Monitoring and Reporting Process – 11 January 2022

Risk Management and Reporting Process – Update Implementation Timeline

Appendix 1

	Action	Responsibility	Date	Status
1	Develop process for risk monitoring and reporting on service, project, directorate and corporate risks.	CMT Supported by Chief Internal Auditor	31.01.22	Complete
2	Review and update service risk registers as part of the Annual Governance Statement exercise.	Heads of Service	31.03.22	Largely Complete
3	Review and update directorate risk registers.	Directors/Heads of Service	30.06.22	
4	Review and update corporate risk register.	CMT	31.07.22	
5	Develop and implement risk management functionality and reporting templates on Pentana.	CMT Supported by Chief Internal Auditor	31.07.22	
6	Upload service, directorate and corporate risk registers onto Pentana.	CMT Supported by Chief Internal Auditor	31.08.22	
7	Incorporate risk management into committee reporting templates.	Head of Legal and Democratic Services	31.08.22	
8	Implement risk management monitoring and reporting to relevant service committees (as part of CDIPs).	CMT	31.08.22	
9	Review and update risk management strategy to incorporate new risk monitoring and reporting process and other updates required.	Chief Internal Auditor	31.10.22	