

Subject: Risk & Opportunity Management Update : The Performance & Risk Management Framework

Date of Meeting: 28 June 2011

REPORT OF: Director of Finance

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Wards Affected: All

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Audit Committee has a role to provide assurance on the Risk Management and the associated control environment.
- 1.2 Risk management is integral to the council's new Performance & Risk Management Framework (PRMF) which will influence delivery of services and functions of the council, including in its partnership work.

2. RECOMMENDATIONS:

The Audit Committee are requested to:

- 2.1 Note the framework diagram (Appendix 1) which sets out the risk management aspects of the council's Performance & Risk Management Framework.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The council's PRMF has been developed as part of the implementation methods for Intelligent Commissioning which will be operational from 1 July 2011.
- 3.2 Risk Management has been formally practised by the council since its inception in 1997, the current Risk & Opportunity Management Strategy 2008- 2011 sets out the principles, the methodology and roles and responsibilities.
- 3.3 At the April 2011 meeting of the Audit Committee it was reported that a new Performance and Risk Management Framework for council service delivery was in development with risk management at its core with the aim of integrating risk and performance at all levels.

- 3.4 The council already uses the CAMMS software “Interplan” for city partnership performance management and for its own risk management. It is planned that that Interplan will be “rolled out” for business planning, risk management and performance management across the council to further integrate the PRMF with risk and business planning.
- 3.5 The PRMF has been consulted on and presented to the Overview & Scrutiny Commission in February and June 2011, to the city’s Public Sector Board and the Local Strategic Partnership, culminating in a report to be presented to the council’s Cabinet in July 2011.
- 3.6 Further planned work includes:
- Working on the integration of risk management into Commissioning Decisions; and
 - Development of a new Risk Management Standard for 2012 and beyond to succeed the current Risk & Opportunity Management Strategy 2008-11.

4. CONSULTATION

- 4.1 The work to develop the new PRMF involved cross-discipline work by officers on the Performance & Intelligence Project Board, chaired by the Strategic Director Place, and has involved consultation with external partners on the outcomes and indicators for the City Performance Plan. Discussion was also held with the Third Sector Reference Group for Intelligent Commissioning and the three political groups within the council, as part of Commissioning and Partnership Commissioning Strategies. In addition Lead Commissioners and Heads of Delivery were given opportunity to contribute and clarify the outcomes and indicators relevant to their responsibilities.
- 4.2 Consultation will take place on the new Risk Management Standard 2012 and beyond during 2011.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Performance & Risk Management Framework supports the identification of all potential financial impacts of risks for the Council and partner organisations. The financial risks are then reflected in medium term financial plans and budget strategies; these are continually updated to reflect changing assumptions and likelihood of risk.

Finance Officer consulted : Anne Silley

Date : 14 June 2011

Legal Implications:

- 5.2 Under the council's new operating structure the role of the Audit Committee is unchanged. It therefore continues to be responsible for monitoring and providing an opinion on the effectiveness of risk management and internal control.

Legal Officer consulted: Oliver Dixon

Date: 13 June 2011

Equalities Implications:

- 5.3 The new operating model for the council puts customers at the heart of our activities and there will be an Equalities Impact Assessment of the new PRMF.

Sustainability Implications:

- 5.4 The risk management methodology includes identification and management of sustainability issues. Sustainability of service delivery will form part of the considerations in the PRMF.

Crime & Disorder Implications:

- 5.5 There are no direct implications.

Risk and Opportunity Management Implications:

- 5.6 The better incorporation of risk management into the council's new PRMF extends the influence of and accountability for the management of risks and opportunities.

Corporate / Citywide Implications:

- 5.7 There are no direct implications.

SUPPORTING DOCUMENTATION

Appendices

1. Performance & Risk Management Framework MAP diagram

Documents in Members' Rooms

1. None

Background Documents

1. None

