

AUDIT COMMITTEE

Risk Management Policy and Strategy 27 June 2007

Report of Head of Financial Services

PURPOSE OF REPORT

To seek Audit Committee's approval of the revised Risk Management Policy and Strategy.

This report is public.

RECOMMENDATIONS

- 1 That the revised Risk Management Policy and Strategy be approved.**

1 INTRODUCTION

- 1.0 Through the adoption of a Code of Corporate Governance, the Council has committed to ensuring that risk management plays an integral part in the sound governance of the Council, to support the achievement of its aims and objectives as set out in the Corporate Plan.
- 1.1 The Council's arrangements for managing risk are set out in its associated Policy and Strategy documents. These were last updated in June 2005 and were formally approved by Audit Committee at its meeting on 27 July 2005.
- 1.2 Since that date, the risk management programme has progressed significantly. As such the Policy and Strategy have both been updated to reflect where the Council is now, together with proposals for it moving further forward.
- 1.3 The Use of Resources assessment undertaken by the Audit Commission, and the recent internal audit report on risk management, also highlight the importance of regularly updating the Risk Management Policy and Strategy.
- 1.4 The attached draft revised Policy and Strategy have several alterations relating to how we deal with significant areas of potential risk such as in project management and in partnership dealings. It also recognises the importance of Business Continuity Planning.

2 MAIN PROPOSED CHANGES

- 2.1 The Strategy proposes a number of new/revised reporting lines and responsibilities. These have been developed so as to integrate with the reporting structure of the

existing performance management framework, thereby promoting better governance and management of performance, but also to avoid any duplication of effort. The main proposed alterations to the lines of reporting are that:

- Cabinet, through Performance Review Team (PRT) activity reports, will analyse and review high level strategic risks relating to portfolio holders' individual areas of responsibility.
- Audit Committee will receive reports on the effectiveness of the Risk Management strategy and will review assurances that corporate business risks are being actively managed. They will also report to full Council annually on the Committee's work and performance during the year, including the results of its consideration of Risk Management arrangements.
- Budget and Performance Panel, through Performance Review Team (PRT) reports and Corporate Financial Monitoring, will consider risk management issues in reviewing and scrutinising decisions and performance.
- Performance Management Group will ensure that managers implement and have regard to the Risk Management Policy and Strategy. They will promote and co-ordinate risk management activity within their Service areas. Also they will receive quarterly exception reports on strategic and other high impact risks and on Risk Treatment Action (RTA) progress (via Corporate Financial Monitoring).

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None directly arising from this report.

FINANCIAL IMPLICATIONS

No implications arising directly from this report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no comments to add.

LEGAL IMPLICATIONS

None arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

Risk Management Policy and Strategy
Audit Committee Terms of Reference (The Constitution)

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