

Item no

Report to: **Audit Committee**
Date: **22nd May 2008**
Report of: **Governance and Risk Manager**
Subject: **Risk Management Progress Report**
Ward: **All**

1 **Purpose of Report**

- 1.1 To provide a progress report to the Audit Committee on the Council's approach to managing risk and the implementation of the Council's Risk Management Strategy to provide assurance that the Council effectively manages its risks.

2 **Consultation**

- 2.1 In preparing this report I have consulted with the Executive Member for Improvement, and Director of Finance and Corporate Services.

3 **Background**

- 3.1 This report is one of a quarterly series of reports to Audit Committee and provides an update on how the Council's Risk Management Strategy is being developed and highlights progress utilising the Risk Management performance Work Plan.

4 **Risk Management Performance Workplan**

- 4.1 The attached Risk Management Performance Workplan (**Appendix 1**) forms the basis of quarterly reports to Audit Committee. The Workplan is used as a tool to measure performance and progress on initiatives and actions within the Risk Management function. In addition it reviews progress corporately across the Council to comply with the Council's adopted Risk Management Strategy and Policy.
- 4.2 The updated Workplan includes relevant action plans, measurable outcomes, progress monitors and a traffic light status indicator for all areas of work. It also includes the relevant action plans required to meet the level 4 judgement criteria under the Use of Resources – Key Lines of Enquiry (4.1) – “The Council manages its significant business risks”.
- 4.3 The Council's Annual Audit and Inspection letter 2008 has confirmed that *“Risk management arrangements have been further strengthened by embedding arrangements whereby risks relating to significant partnerships are considered about the management of those risks”*

5 **Corporate Risk Review 2007/08**

- 5.1 A “desktop” corporate risk review is still to be undertaken involving Executive and Management Team to re-profile existing corporate risks and to consider new and emerging risks that have arisen from the Service Plans and to take account of Local Government Review implications. The majority of the risks and actions have been captured and are waiting formal updating and profiling by Management Team & Executive. It is hoped that this can be arranged and completed over the next 4 - 6 weeks and can effectively be used as the basis for going forward and having taken into account the risks and implications arising from the Local Government Review.
- 5.2 Most risks are being effectively managed and risk management is well embedded. A comprehensive range of support continues to be provided to ensure that risks are managed effectively.

6 **Risk Management Training Programme**

- 6.1 The new Staff and Member Induction Manuals were formally released on February 2008 as part of the current risk management training programme. An “in house” risk management training session dedicated for new Members of the Audit Committee was completed on 24th January 2008 as part of the Audit Committee’s training programme.

7 **Local Code of Governance**

- 7.1 A new Local Code of Governance for the District Council is almost finalised and will replace the existing Statement of Internal Control and provide a wider assurance mechanism for the Council’s governance arrangements. The Audit Committee will have a role in ensuring compliance and appropriate training/briefing sessions will be provided for Members of the Audit Committee.

8 **Implications**

8.1 **Financial**

There are no financial implications arising directly from the report. Any cost implications have been dealt with under existing budgets.

8.2 **Legal**

There are no direct legal implications arising from this report however there is a legal obligation on the Council to ensure it effectively identifies and manages its risks.

8.3 **Policy**

There are no direct policy implications arising from this report.

8.4 **Local Government Review**

The Risk Management Performance Workplan is continually updated to take account of risk and developments arising from Local Government Review. In addition, the ongoing Corporate Risk Review 2008, includes specific reference to risks and risk implications arising from LGR to the District Council.

In dealing with and managing the developing emerging risks, the Council has adopted a transitional plan that is used to determine priorities during the transitional period.

The Council’s Governance and Risk Manager is involved within the LGR Work-stream Finance (Risk Management Sub-stream) and arrangements are

being effected to ensure the new Authority has adequate risk management arrangements in place.

8.5 **Risk**

There are no specific risks arising from the report.

8.6 **Corporate Plan and Priorities**

These proposals are consistent with the Council's Mission, Priorities and Objectives. In particular the proposals are consistent with:-

Priority 2	Striving for Excellence in the Workplace
SFE2	To develop the capacity to achieve in the organisation
SFE3	To ensure the corporate health of the Council through sound and prudent financial management

8.7 **Equality and Diversity**

There are no direct equality and diversity issues arising from the report.

8.8 **E-Government**

There are no direct e-government issues arising from this report. The successful implementation and roll out of risk management software supports the e-government agenda.

8.9 **Procurement**

The procurement of the facilitated training sessions complies with the Council's procurement code of practice and Standing Orders for Contracts.

8.10 **Communication**

The relevant issues arising from this report will be communicated to all appropriate parties.

9 **Conclusion**

9.1 The report updates Audit Committee on the Council's approach to managing risk and how it intends to comply with the adopted Policy and Strategy. In addition, the report identifies progress made and updates the Performance Workplan for the Risk Management function.

10 **Recommendation**

10.1 Audit Committee is requested to:

- Consider and note the content of the report;
- Consider and note the progress made with the Risk Management Performance Workplan

Background Papers and Documents

Unit files
Risk Management Strategy Steering Group
2006/07 Corporate Risk Review
Risk Register
Risk Management Training file
Unit Workplans (Risk Management)
Local Code of Governance
LGR Transitional Plan

