

AGENDA ITEM: 13

Page nos. 241 - 244

Meeting	Audit Committee
Date	20 March 2007
Subject	Corporate Risk Management Strategy
Report of	Executive Director for Resources
Summary	This report seeks to inform the Audit Committee of the revised Risk Management Strategy

Officer Contributors	Mark Burgess - Head of Corporate Services Clive Medlam – Deputy Director for Resources & Chief Finance Officer Michael Bradley - Head of Internal Audit & Ethical Governance
Status (public or exempt)	Public
Wards affected	None
Enclosures	None
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Mark Burgess – Head of Corporate Services 020 8359 7014

1. RECOMMENDATIONS

- 1.1 That the revised Risk Management Strategy be accepted as the policy and procedure by which the Authority will monitor and manage risk.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 None.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The presence of strong risk management policies and procedures is paramount to the authority achieving all of its corporate priorities and as such impacts on all the corporate objectives.
- 3.2 The requirement of a Risk Management Strategy and strong risk management processes and procedures underpins our Use of Resources self assessment.

4. RISK MANAGEMENT ISSUES

- 4.1 Failure to identify a risk management strategy will have a significant negative impact on the Authorities ability to demonstrate embedded risk management process and procedure.
- 4.2 Without a strong risk management strategy within the Authority we will not be able to ensure consistent processes are in place for managing risk.
- 4.3 Poor risk management processes and procedures will have a direct negative impact on the Authority's CPA rating.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The council has made a commitment to ensuring equalities is integral to everything we do. The council's new Risk Management Strategy will support the council's approach to managing equalities performance and further demonstrate that the consistent approach to embedding equalities and diversity in service delivery reflects the framework outlined in the strategy.

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 Strong risk management processes and procedures protect the Authority from potential financial implications and enhance the control environment and governance requirements.

7. LEGAL ISSUES

- 7.1 None.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution part 3 responsibility for functions, section 2 responsibility for Council functions, details the terms of reference for the Audit Committee to provide independent assurance of the adequacy of the risk management framework.

9 BACKGROUND INFORMATION

- 9.1 As part of best practice and as recommended by External Audit, we have conducted a review of the Risk Management strategy and guidelines.
- 9.2 The Risk Management Strategy is an essential part of the Risk Management tool kit as it ensure a consistent approach to risk management across the Authority.
- 9.3 It will also be difficult to demonstrate an embedded approach to risk management without the existence of a comprehensive Risk Management Strategy.
- 9.4 The current Risk Management Strategy was developed in 2005 by the Chief Finance Officer and Head of Audit and Ethical Governance.
- 9.5 The current Risk management Strategy covers;
- Definitions
 - What risk management will achieve
 - Effective risk management
 - The benefits of risk management
 - Risk management and the Council
 - Responsibilities
- 9.6 The proposed Risk Management Strategy looks to enhance the current strategy and includes the following developments.
- Risk Management Policy Statement
 - Definitions which now includes reference to considering opportunities as well as threats
 - Risk Management Objectives
 - Achieving Risk Management Objectives
 - Risk monitoring and reporting
 - Actions required to mitigate risk
 - The Statement on Internal Control
 - Corporate Guidance & Support
 - A more extensive roles and responsibility matrix in risk management
- 9.7 There are also a comprehensive set of Risk Management guidelines that managers can refer to when managing risk.
- 9.8 Both the revised Risk Management Strategy and the Risk Management Guidelines will be available to all managers and Members via the Resources intranet web page.
- 9.9 The existence of the Risk Management Strategy will contribute to improving risk management processes and procedures across the Authority and will assist to improve our CPA assessment on Risk Management from a score of 3 to a score of 4.

- 9.10 Bases on the acceptance of the revised Risk Management Strategy a programme of activity focussed on further embedding risk management across the Authority will ensure compliance. This will include quarterly risk register reviews, further training to officers and Members, and assessments of the methodology and processes used to capture and record risk across the Authority.

10 LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: MM

CFO: CM