
Meeting	Audit Committee
Date	29th April 2014
Subject	Risk Management Framework
Report of	Assurance Director
Summary	The Risk Management Framework is reviewed on an annual basis. This report seeks to inform the Audit Committee of the minor revisions to the risk management framework.

Officer Contributors	Courtney Davis, Risk Assurance Manager
Status (public or exempt)	Public
Wards Affected	None
Key Decision	No
Reason for urgency / exemption from call-in	Not applicable
Function of	Council
Enclosures	Appendix A: Risk Management Framework
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1. RECOMMENDATIONS

- 1.1 That the Committee note minor amendments made to the Risk Management Framework.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Audit Committee March 2011 - That the revised Risk Management Policy Statement and Strategy be accepted as the policy and procedure by which the Authority will monitor and manage risk.
- 2.2 Audit Committee in April 2012 -That the revised Risk Management Policy Statement and Strategy be noted as the policy and procedure by which the Authority will identify, manage, monitor and report risks.
- 2.3 Audit Committee July 2013 - That the Committee note minor amendments made to the Risk Management Strategy, and to note the change in the arrangements from a Risk Management Strategy to a Risk Management Framework.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 All internal audit and risk management planned activity is aligned with the Council's objectives set out in the Corporate Plan 2013-2016, and thus supports the delivery of those objectives by ensuring the internal control environment is underpinned by a strong risk management processes and procedures and giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

4. RISK MANAGEMENT ISSUES

- 4.1 Without consistent guidelines surrounding the application of risk management appropriate mitigation strategies to minimise risk may not be used, exposing the Council to loss, damage or injury.
- 4.2 Without a risk management framework decisions could be made without due consideration to the risks involved to the various option proposed.
- 4.3 Policy and procedures require updating to ensure practice does not deviate from the approach approved by Members.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Effective systems of audit, internal control and governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 When used appropriately risk management can ensure that resources are used effectively within the organisation and effective decision making can take place. In addition, coupled with a rigorous assurance process to test the

controls identified within the individual risk registers it can foster a positive control environment that can assist the Council to self-regulate.

- 6.2 The management of risk should consider all use of resources implications for that particular risk to ensure the level of mitigating action is appropriate to the resource implications.

7. LEGAL ISSUES

- 7.1 None in the context of this report.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 The Constitution Part 2 Paragraph 3.3 recognises that the annual audit opinion plays an essential part in advising the Council that risk management procedures and processes are in place and operating effectively.
- 8.2 The Constitution Part 3 Responsibilities for Functions - the Audit Committee terms of reference 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 The Risk Management Framework is reviewed annually to ensure it remains aligned with current best practice and to demonstrate that risk management evolves with the organisation. There have been no significant changes; however, some changes to note are as follows:
- Language amended to align with the Committee System
 - Includes Board Governance in the roles and responsibility section.
 - A description of the key documentation comprising the risk management framework.
 - The commissioning service section, within the subject specific guidance has been updated as follows:
 - Refers to commissioning more broadly, rather than specifically relating to the major outsource projects.
 - Clarifies points around transferring, retained and joint risks.
 - Duplication removed
 - Made financial impact guidance more clear
 - Introduces the training and development plan as part of the intervention and support role of the risk assurance function.
- 9.2 The Risk Management Framework is available to all officers and management through the intranet alongside other key documents on the use of JCAD, the corporate risk management system.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.