

## **AUDIT COMMITTEE**

**2<sup>ND</sup> OCTOBER 2007**

<b>RISK MANAGEMENT – ANNUAL REVIEW AND UPDATE 2007</b>
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<b>PRINCIPAL CORPORATE DEVELOPMENT OFFICER</b>
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### **PURPOSE OF THE REPORT**

1. For the Audit Committee to consider the updated Risk Management Strategy.

### **BACKGROUND AND COMMENTS**

2. Nationally recognised good practice and Audit Commission Key Lines of Enquiry criteria require that risk management strategies are reviewed at least annually. The 2007 annual review of the Council's Risk Management Strategy and Risk Management Toolkit has now taken place and the processes and documents have been updated.
3. This annual update has taken into account the Audit Commission Revised Key Lines of Enquiry for Use of Resources 2008 and the SOLACE / CIPFA 'Delivering Good Governance in Local Government' guidance.
4. Many of the changes are minor, with the majority relating to:
  - the 2007 change of Deputy Mayor
  - the introduction of the computerised performance and risk management system – Covalent
  - strengthened governance arrangements (including the creation of an Audit Committee)
  - additional guidance relating to opportunity management (the upside of risk management)

The changes do not alter the Council's risk management philosophy or fundamental approach.

5. Draft revised document is included as Appendix 1.

## **IMPLICATIONS**

6. The proposed changes to risk management are minor and can be achieved within existing budgets.
7. Strengthened risk management processes will contribute to improved CPA results leading to raised reputation locally and nationally.

## **RECOMMENDATIONS**

8. It is recommended that Audit Committee:
  - notes the contents of this report
  - comments on the updated Risk Management Strategy (version 3).

## **REASONS**

9. To raise awareness of Audit Committee members.  
To ensure the Council's Risk Management Strategy remains current and valid.  
To ensure compliance with recognised good practice.

## **BACKGROUND PAPERS**

10. The following background papers were used in the preparation of this report:
  - Risk Management Strategy – a sense of proportion, version 2.0
  - Risk Management Toolkit version 2.0
  - Audit Commission's Key Lines of Enquiry for Use of Resources
  - Delivering Good Governance in Local Government Framework (SOLACE / CIPFA)

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