

AUDIT COMMITTEE

8 DECEMBER 2008

RISK MANAGEMENT – ANNUAL REVIEW AND UPDATE 2008

HEAD OF CORPORATE PERFORMANCE

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 be reviewed at least annually. The 2008 annual review of the Council's Risk Management Strategy 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 2009 and the SOLACE / CIPFA 'Delivering Good Governance in Local Government' guidance.
4. Many of the changes are minor, with the majority relating to:
 - explicit instructions regarding the approval process for rare cases where risks remain high, despite the best control measures being put in place;
 - additional guidance relating to low-probability risks with potentially high impacts;
 - updates of dates and terminology; and
 - strengthened wording to emphasise alignment with recognised best practice.

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

5. A draft revised Risk Management Strategy 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 Corporate Assessment results, and raised reputation locally and nationally.

RECOMMENDATIONS

8. It is recommended that Audit Committee:
 - notes the contents of this report; and
 - comments on the updated Risk Management Strategy (version 4).

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 3.0
 - Risk Management Toolkit version 3.0
 - Audit Commission's Key Lines of Enquiry for Use of Resources
 - Delivering Good Governance in Local Government Framework (SOLACE / CIPFA)

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