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<b>Report To:</b>	<b>Audit Committee</b>	<b>Date:</b>	<b>25.08.09</b>
<b>Report By:</b>	<b>Corporate Director Improvement and Performance</b>	<b>Report No:</b>	<b>AC/16/09/PW/APr</b>
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<b>Subject:</b>	<b>ANNUAL REVIEW OF RISK MANAGEMENT ACTIVITY 2008/09</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to present to Committee (a report on progress made in 2008/09 in developing and monitoring a strategic approach to managing risks faced by the Council.
- 1.2 This approach forms part of the Council's overall Corporate Governance Framework and will be integral to the approach for BV2.

## **2.0 SUMMARY**

- 2.1 During 2008/09 the Council recognised the importance of maintaining momentum on risk management and significant progress has been made in the following areas:

- Ongoing review and update of strategic and operational risk registers and provision of summary information to Audit Committee.
- Ongoing training of members in Corporate Governance arrangements, including risk management.
- Developing a Risk Assessment and Prioritisation Framework to allow management to better appreciate their role in managing the strategic and operational risks in their particular area of responsibility.
- Developing a risk register in conjunction with partners in relation to the Single Outcome Agreement.
- Developing a risk register for the Financial Strategy which allows management to consider the risks to the overall financial position arising from matters contained within the Financial strategy.
- Developing a corporate framework for Project Management which will allow management to ensure that a consistent, proportionate approach is in place to ensure the successful delivery of projects. The framework includes risk management as a key requirement for all projects.
- Forming the Crisis and Resilience Management Team to facilitate the advancement of emergency planning, crisis management and business continuity within the Council and fulfill the Council's legislative requirements under the Civil Contingencies Act 2004.
- Developing a Strategic Business Continuity Plan for the Council through facilitated workshops.

- 2.2 It is considered important to actively progress the risk management process to achieve further improvement, and key actions to be taken include:-

- Embedding a regular review and update process within Services on their Risk Registers and, in particular, how planned mitigations are being implemented and when they are due to be implemented.

- Reviewing corporate, directorate and service risk registers to determine the overall approach to risk management ensuring strategic and operational risks are correctly aligned and appropriate reporting mechanisms are in place to fully embed the process in the wider strategic planning and performance management framework.

### **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that Members note the progress made in 2008/09 in developing, implementing and monitoring a coherent corporate approach to managing risks faced by the Council, and the actions required to maintain this level of progress during 2009/10.

**Paul Wallace**  
**Corporate Director**  
**Improvement and Performance**

#### **4.0 BACKGROUND**

- 4.1 The role of Internal Audit in Risk Management is defined as contributing to the management of risk by evaluating and providing assurance on risk management processes. The assurance extends principally to two main areas, firstly that major business risks are being managed and secondly that the Risk Management and Internal Control Framework is operating effectively.
- 4.5 The responsibility for managing risk lies not with Internal Audit but with service management, with corporate consistency being supported through the Corporate Risk Management Team.
- 4.6 Internal Audit allocated time within the 2008/09 Internal Audit Plan to undertake detailed Risk Management work in the undernoted areas:-
- Progression of Council Wide Risk Management Initiatives.
  - Review of Risk Management within Key Business Initiatives.
  - Continuous development work on Risk Registers and Business Continuity Plans.

#### **5.0 IMPLICATIONS**

- 5.1 Legal: None  
Finance: None  
Personnel: None  
Equalities: None

#### **6.0 CONSULTATIONS**

- 6.1 None

#### **7.0 LIST OF BACKGROUND PAPERS**

- 7.1 Risk Management Progress Reports to Audit Committee in August, October and December 2008, and January, March, April and August 2009.