
| | | | |
|-------------------------|---|--------------------|------------------------|
| Report To: | Audit Committee | Date: | 23 August 2016 |
| Report By: | Corporate Director Environment, Regeneration & Resources | Report No: | AC/12/16/AF/APr |
| Contact Officer: | Andi Priestman | Contact No: | 01475 712251 |
| Subject: | Annual Review of Risk Management Activity 2015/2016 | | |

1.0 PURPOSE

- 1.1 The purpose of this report is to present to the Committee progress made in 2015/2016 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.

2.0 SUMMARY

- 2.1 During 2015/2016 the Council continued to value the importance of maintaining the momentum on risk management and progress has been made in the following areas:-
 - Ongoing review and update of strategic and operational risk registers by Services;
 - Maintaining 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;
 - Maintaining risk management as a key aspect of the Strategic Planning and Performance Management Framework. The CDIPs for 2016-2019 were refreshed and included a risk register as an Appendix;
 - Continuing the advancement of emergency planning, crisis management and business continuity within the Council and fulfil the Council's legislative requirements under the Civil Contingencies Act 2004, in conjunction with the Joint Civil Contingencies Service;
 - Promoting the e-learning module on Risk Management for employees as part of the Brightwave corporate training platform; and
 - On 1 February 2016, the Council established a Corporate Fraud Team within Internal Audit. A number of fraud risk reviews have been included in the 2016/2017 Internal Audit Plan and progress will be reported on a regular basis to the Audit Committee.
- 2.2 It is considered important to actively progress the risk management process to achieve further improvement. We continue to review progress against the Audit Scotland BV toolkit relating to Risk Management and a number of initiatives will be undertaken in 2016/2017 to ensure the Council meets the requirements of the guidance.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that members note the progress made in 2015/2016 in developing, implementing and monitoring a coherent corporate approach to managing risks faced by the Council.

Aubrey Fawcett
Corporate Director Environment, Regeneration & Resources

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.
- 4.2 The responsibility for managing risk lies not with Internal Audit but with service management, with corporate consistency being supported through the Corporate Management Team by the Chief Internal Auditor.

5.0 CURRENT POSITION

- 5.1 During 2015/2016 the Council continued to value the importance of maintaining the momentum on risk management and progress has been made in the following areas:-
- Ongoing review and update of strategic and operational risk registers by Services;
 - Maintaining 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;
 - Maintaining risk management as a key aspect of the Strategic Planning and Performance Management Framework. The CDIPs for 2016-2019 were refreshed and included a risk register as an Appendix;
 - Continuing the advancement of emergency planning, crisis management and business continuity within the Council and fulfil the Council's legislative requirements under the Civil Contingencies Act 2004, in conjunction with the Joint Civil Contingencies Service;
 - Promoting the e-learning module on Risk Management for employees as part of the Brightwave corporate training platform; and
 - On 1 February 2016, the Council established a Corporate Fraud Team within Internal Audit. A number of fraud risk reviews have been included in the 2016/2017 Internal Audit Plan and progress will be reported on a regular basis to the Audit Committee.
- 5.2 It is considered important to actively progress the risk management process to achieve further improvement. We have reviewed the Audit Scotland BV toolkit relating to Risk Management and a number of initiatives will be undertaken in 2016/2017 to ensure the Council meets the requirements of the guidance.

6.0 IMPLICATIONS

- 6.1 There are no direct financial implications arising from this report.

Financial Implications:

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|-------------|----------------|--------------|----------------------------|---------------|----------------|
| N/A | | | | | |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|-------------|----------------|------------------|-------------------|-------------------------------|----------------|
| N/A | | | | | |

Legal

6.2 There are no direct legal implications arising from this report.

Human Resources

6.3 There are no direct HR implications arising from this report.

Equalities

6.4 There are no direct equalities implications arising from this report.

Repopulation

6.5 There are no direct repopulation implications arising from this report.

7.0 CONSULTATIONS

7.1 Not applicable. This report summarises the work carried out during 2015-2016 which have been included in separate progress reports to Audit Committee.

8.0 LIST OF BACKGROUND PAPERS

8.1 Risk Management Progress Report to Audit Committee in April 2015.