WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
MONDAY 19TH NOVEMBER 2007

Corporate Risk Management - Position Statement

OPEN	
COMMUNITY STRATEGY PLAN:	
CORPORATE THEME:	Improving Corporacy & Performance
KEY PRIORITY:	Risk Management
STRATEGY:	Risk Management
CABINET MEMBER:	Councillor John Holden
RESPONSIBLE OFFICER:	Head of Financial Services
CONTACT OFFICER:	Keith Bannister, Ext 2100 keith.bannister@wyreforestdc.gov.uk

1. **PURPOSE OF REPORT**

1.1 To provide Members with an updated position statement on Risk Management within the organisation.

2. **RECOMMENDATION**

    The Audit Committee is asked to DECIDE:

2.1 **The latest position statement on Risk Management be noted.**

2.2 **An update of the work to progress Corporate Risk Management be reported back to the Audit Committee in April 2008.**

3. **BACKGROUND**

3.1 Terms of Reference for the Audit Committee as approved by Council on 15th November 2006 included receiving reports on developments and enhancements to the risk management process corporately.

3.2 A report entitled "Risk Management - Position Statement" was considered by the Audit Committee at its meeting on 27th March 2007, when it resolved that an update of work undertaken to progress Risk Management be reported back later in 2007.

3.3 The post of Corporate Risk Officer within the Financial Services Division was approved at Council on 28th February 2007 and was filled on the 1st October 2007. This post is the Council's lead officer on Risk Management and is currently:-

- Updating the Risk Management Strategy and Policy documents in line with best practice principles. These will then be considered by Cabinet in December 2007, in line with the Council's Improvement Plan.

- Collating the results of the strategic risks assessment process following the delivery of two workshops on risk identification and prioritisation for the Corporate Management Team, provided by our external risk management consultant.

- Organising a final workshop on strategic risks mitigation and action planning for the Corporate Management Team on 6th December 2007. This will close the risk management loop at a strategic level which will then facilitate the next stage in the process which is described in Key Issues 4.3 below.

- Co-ordinating the provision of risk management awareness training for Managers.

- Researching the use of the Covalent computer software system which is currently used throughout the Council for Performance Management to assess how the programme can best be used as a 'risk register' to store key Corporate Strategic and Operational risk information. Similarly assessing the use of this system to more effectively performance manage key risks, as an aid to achieving the corporate objectives of the Council.

- Leading and co-ordinating enhancements to the Risk Management Process.

4. <u>KEY ISSUES</u>

4.1 An updated Risk Management Policy and Strategy in line with the Council's improvement Plan is due to be considered and approved by the Cabinet by the end of 2007.

4.2 Work is on-going in relation to the provision of 'awareness training' for senior managers, this is programmed for January 2008.

4.3 The next key phase of Implementation will be the running of workshops on Divisional risk identification, prioritisation, mitigation and action planning for senior managers in early 2008. Action planning will include consideration of mitigating factors and identification of internal controls to commence the preparation of an Assurance framework for all of the Council's services and operations. The outcome of these actions will provide the foundation for embedding risk management principles and practices within the everyday considerations of management planning and delivery processes across the organisation. The results of these activities will be reported in due course.

4.4 Once the risk assessment process described above has been concluded, the next phase will be to provide training on how to manage the risk registers as an aide to the essential ongoing management, monitoring and review of risk. It is intended that we will utilise the existing 'Covalent' computer software programme for this purpose.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising from this Report

6. LEGAL AND POLICY IMPLICATIONS

6.1 The Accounts and Audit Regulations 2003 (Amended 2006) Section 5 Accounting Records and Control Systems paragraph 4 require that :-

"The accounting control systems determined by the responsible financial officer shall include – (d) measures to ensure that risk is appropriately managed.

7. RISK MANAGEMENT

7.1 Risk Management processes are required to effectively manage and evidence the management of key risks as an aid to achieving Council corporate objectives.

8. CONCLUSION

8.1 Further progress and actions on taking forward the corporate risk management process have been made. The current programme for embedding effective risk management processes within the organisation is on target for enabling the Council to achieve a minimum score of 2 for Risk Management in the Use of Resources assessment by 31st March 2008.

9. CONSULTEES

9.1 Corporate Management Team.

10. BACKGROUND PAPERS

11.1 Executive Committee - 8 January 2004 Risk Management Policy.

11.2 Audit Committee - 27 March 2007 - Risk Management Position Statement.