

WYRE FOREST DISTRICT COUNCIL

AUDIT COMMITTEE
TUESDAY 22nd APRIL 2008

Corporate Risk Management - Position Statement

| OPEN | |
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| 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: | David Buckland, Ext 2100 David.buckland@wyreforestdc.gov.uk |
| APPENDIX 1 | Terms of Reference - Risk Management Working Group |

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 That the latest position statement on Risk Management be noted.**

3. BACKGROUND

- 3.1 The 'Terms of Reference' for the Audit Committee include: To monitor and evaluate the development and operation of risk management by the Council.
- 3.2 A "Position Statement" on risk management was considered by the Audit Committee at its meeting on 19th November 2007, when it resolved that an update of work undertaken to progress Risk Management be reported back in April 2008.
- 3.3 Since the last update to the Committee and in line with the Council's Improvement Plan, the following progress has taken place:-
- An updated Risk Management Strategy and Policy Statement, in line with best practice principles, were approved by the Cabinet on the 20th December 2007 and Council on 27th February 2008.

- A strategic risks assessment identification and prioritisation process has been carried out and a workshop on strategic risk mitigation and action planning for the Corporate Management Team, have been undertaken.
- For each of the Council's operating Divisions workshops have taken place during January and February, 2008 to facilitate risk identification, prioritisation, mitigation and action planning for senior managers.
- The outcome of these actions 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 in accordance with the approved Risk Management Policy and Strategy.
- The use of the Council's existing Performance Management computer software system (Covalent), has been evaluated and it has been possible for this programme to be used for the electronic recording of risk management information.
- To-date, all of the information on key Corporate and Divisional risks faced by the Authority, as identified through the CMT/Divisional risk identification process described earlier, has been entered onto the system and are being managed.
- The Council's Risk Management Working Group has been re-established and held its first meeting on 5th March 2008. A key aspect of the Group, are the risk management 'champions' who represent each of the divisional operations. A copy of the Group's 'Terms of Reference' is attached for Members information.
- Information/guidance on risk management is available on the Intranet to assist all employees. Similarly details of the Strategy and Policy Statement have been included on the Internet for public information.

4. KEY ISSUES

- 4.1 The next phase of this work, is to further embed risk management within the broad range of the Council's business activities and in so doing, it will be able to demonstrate good Corporate Governance as measured by the Audit Commission 'Use of Resources' external assessment process. Details of further work planned are set out below.
- 4.2 Work continues on the provision of 'awareness training' for managers and other employees with direct responsibility for risk management issues, in line with the Risk Management Strategy.
- 4.3 Work continues on enhancing the use of the Intranet and Internet as a means of providing up to-date guidance/support to employees in managing risks and opportunities, in parallel with the delivery of corporate objectives.

- 4.4 Work will be undertaken to ensure that key risk management procedures also includes important specific risks associated with partnership working; project management and procurement.

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.

- 6.2 The Council’s corporate Governance Framework considered by the Audit Committee on 17th March 2008, includes Core Principle 4 - Taking informed transparent decisions which are subject to effective scrutiny and management of risk.

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 the Council’s corporate objectives and demonstrating good Corporate Governance.

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 progress our score for Risk Management in the ‘Use of Resources’ assessment by the Audit Commission, for the year 2008 - 2009.

9. CONSULTEES

- 9.1 Corporate Management Team.

10. BACKGROUND PAPERS

- 11.1 Cabinet report - 20th December 2007 (i) Risk Management Policy statement.
ii) Risk Management Strategy.
11.2 Audit Committee - 19 November 2007 - Risk Management Position Statement.

APPENDIX 1

TERMS OF REFERENCE **Risk Management Working Group**

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| PURPOSE | <p>To promote and monitor all Risk Management matters complementing the Authority's Corporate Themes and Priorities.</p> <p>To provide a forum for representatives from all Divisions and specialist professionals, to discuss issues pertaining to any risks to the Authority which prevent it from meeting it's Corporate objectives.</p> |
| ROLE | <p>The role of the Group is to:</p> <ul style="list-style-type: none">a) Provide a Central Consultative Group of various professionals to which all risk management issues across the Authority can be communicated, for advice and guidance.b) Assist in the development of policies and procedures in accordance with best practice risk management principles that allow for effective control of identified risk.c) Monitor the implementation of policies and procedures to;<ul style="list-style-type: none">i. Identify if there are any present failings in current systems.ii. Identify and communicate best practice.iii. Evaluate reports and data for trends to enable recommendations to be made to managers to terminate or control risks.d) Examine audit reports containing relevant references to risk management.e) Consider any reports and other information provided by the Authority's insurance provider, external and internal auditors and professional bodies, which will assist in improving greater understanding and the application of risk management within the Authority.f) Assist managers in providing positive support in the implementation of the Authority's Risk Management Policy and Strategy, including the use of the 'Covalent' risk management software. |

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| <p>ACTIONS</p> | <p>The Group will:</p> <ul style="list-style-type: none"> a) Make recommendations through the Head of Financial Services Division to the Corporate Management Team on matters relating to the implementation of the Corporate Risk Management Policy and Strategy, compliance with relevant legislation, and any other matters relevant to the effective management of the Authority's Corporate risks. b) Supply to the Chief Executive and Divisional Heads, minutes of each meeting. c) Act as the Council's Risk Management 'Champions' in helping to embed risk management within the culture of the organisation's business management processes. |
| <p>WORKING ARRANGEMENTS</p> | <p><i>Meetings:</i></p> <ul style="list-style-type: none"> a) The whole Group will have two pre-set meetings a year, on dates to be agreed at the beginning of each calendar year. b) In exceptional cases, additional meetings can be called to deal with urgent specific risk management issues. Attendance may include the whole Group, or selected individuals dependant on the issue for discussion. Generally most issues will be addressed at the next scheduled meeting. <p><i>Membership:</i></p> <ul style="list-style-type: none"> c) The Chief Executive and members of the Corporate Management Team will be ex officio members. d) One Management representative from each Division. e) The Corporate Risk Officer. f) The Councils Chief Auditor. g) The Councils Insurance Officer. h) Management substitutes at Meetings should be the exception and should be at least third-tier level. i) Attendance of advisers to the Group will only take part in discussions pertinent to their attendance. j) The quorum for meetings will be five regular members of the Group including the Corporate Risk Officer. <p><i>Chairperson:</i></p> <ul style="list-style-type: none"> k) Will be the Corporate Risk Officer. |

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| | <p>l) Vice-Chair is the Chief Auditor.</p> <p><i>Minutes:</i></p> <p>m) Will be taken at all meetings and will subsequently be made available as soon as practicable but in any case, no later than two weeks before the next scheduled meeting date.</p> <p><i>Group Decisions:</i></p> <p>n) Should be reached by consensus of all the Group members.</p> <p>o) When consensus cannot be reached, the matter will be decided on majority vote, the Chairperson will carry an additional deciding vote.</p> <p><i>Amendments to Terms of Reference:</i></p> <p>p) The Terms of Reference can only be varied with the agreement of the Group and the Corporate Management Team in consultation with the Senior Consultation Group.</p> |
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