

**WYRE FOREST DISTRICT COUNCIL****AUDIT COMMITTEE****29<sup>th</sup> June 2009****RISK MANAGEMENT –QUARTER ENDED 31<sup>st</sup> MARCH 2009**

<b>OPEN</b>	
<b>Sustainable Community Strategy Theme</b>	Internal Organisational Theme
<b>Corporate Plan Aim:</b>	A well-run and responsive Council
<b>Cabinet Member:</b>	Councillor Nathan Desmond
<b>Report Prepared By:</b>	David Buckland, Director of Resources - 2100 David.buckland@wyreforestdc.gov.uk
<b>Appendix 1</b>	“Red” Risk Report for the Quarter ended 31 <sup>st</sup> March 2009

**1. PURPOSE OF REPORT**

- 1.1 To inform members of the Audit Committee of the “Red” Risks included within the Corporate Risk Register for the Quarter ended 31<sup>st</sup> March 2009, attached as Appendix 1.
- 1.2 The report also suggests that a review of the Risk Register be undertaken during 2009/10 to take account of the significant changes in the underlying economic conditions.

**2. RECOMMENDATIONS**

- 2.1 **The Audit Committee are asked to CONSIDER the “Red” Risks included within the Corporate Risk Register for the Quarter ended 31<sup>st</sup> March 2009 as detailed in the Appendix to the report, NOTE the current progress and make RECOMMENDATIONS on the actions identified.**
- 2.2 **The Audit Committee are asked to APPROVE the requirement to review the Corporate Risk Register.**

**3. BACKGROUND**

- 3.1 Council approved a Risk Management policy statement and strategy in February 2008. The approved Risk Management strategy requires that the risk register entries for the Council, both strategic and operationally are considered quarterly by CMT, six monthly by the Audit Committee and annually by Council. The risk register was reported to the Audit Committee on 10<sup>th</sup> November 2008 is the second such report to the Audit Committee.
- 3.2 The authority manages a corporate risk register for the significant organisational risks, and a more detailed register for Directorates to manage operational risks. The risk registers are held within the Covalent computer system. Arrangements are in place to ensure that access is available to those who require it.

#### **4. KEY ISSUES**

- 4.1 Risk Management has now been implemented and is in the process of being embedded. Risk Register entries have been developed through workshops with each division and for strategic risks by the Corporate Management Team identifying, prioritising and developing action plans to manage risks and ensure ownership.
- 4.2 All entries on the risk register have been categorised. The risks which are termed “Red” are those which are viewed as being above the agreed tolerance line. The tolerance line was determined by CMT at its meeting in December 2007. For some risks it could be that whatever actions are in place and the risk is being actively management that the risk is still viewed as being acceptable for the Council as being above the agreed tolerance line.
- 4.3 Attached at Appendix 1 are the Council’s strategic risks, along with commentary on the actions which are being taken to mitigate these risks and the progress with implementing these actions.
- 4.4 The Council’s Risk Management Working Group meets regularly to review both the strategic risks and the operational risks. Further updates will be provided to future meetings in relation to the Operational Risks.
- 4.5 During a recent Risk Management meeting it was agreed that given the recent impact upon the Council from issues arising from the Credit Crunch a fundamental review of the Corporate Risk Register should be undertaken. It is suggested that that Zurich Municipal who facilitated the original Risk Review should be invited back to undertake this exercise. The results of this exercise will be reported to the November meeting of the Audit Committee.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 There is a small earmarked reserve of c£5k which would be sufficient to fund the review of the Council’s Corporate Risk Register.

#### **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 17<sup>th</sup> 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.
- 8.2 It is recognised however, that there are new risks which are facing the Council which were not originally considered. It is therefore suggested that a further corporate review of the Council's Corporate Risk Register is required.

## **9. CONSULTEES**

- 9.1 Corporate Management Team.

## **10. BACKGROUND PAPERS**

- 10.1 Cabinet report - 20th December 2007 (i) Risk Management Policy statement.  
(ii) Risk Management Strategy.
- 10.2 Audit Committee – 10 November 2008 – Risk Management Quarter ended 30 September 2008  
17 March 2008 – Risk Management Position Statement  
19 November 2007 - Risk Management Position Statement