

GOVERNANCE AND AUDIT COMMITTEE
29 JUNE 2009

RISK MANAGEMENT UPDATE
Borough Treasurer

1 PURPOSE OF REPORT

- 1.1 Risk management forms a key part of the Council's corporate governance and internal control framework and should form part of all decision-making and policy-making. The purpose of this report is to provide the Governance and Audit Committee with an update on the progress on risk management at the Council.

2 RECOMMENDATION

- 2.1 **The Governance and Audit Committee to note the progress on risk management at the Council.**

3 ADVICE RECEIVED FROM STATUTORY OFFICERS

Borough Solicitor

- 3.1 There are no legal implications to this report.

Borough Treasurer

- 3.2 Nothing to add to this report.

Strategic Risk Management

- 3.3 A robust Risk Management Strategy and Toolkit provides a solid basis for effective risk management. Risks recorded in registers support risk assessment for the decision making process and it is therefore vital to ensure that the Strategic Risk Register is reviewed and updated on a regular basis and reported to Members and that there are action plans in place to address risks.

Equalities Impact Assessment

- 3.4 Not applicable.

4 SUPPORTING INFORMATION

Strategic Risk Register

- 4.1 The 2007/08 Internal Audit review of the Council's risk management arrangements reported weaknesses prior to 2008 in procedures for reviewing strategic risks and reporting these to Members. The Strategic Risk Register has been updated, reviewed by the Strategic Risk Management Group (SRMG) and agreed by the Corporate Management Team (CMT) on a quarterly basis since January 2008. The Executive now reviews and approves the Register twice a year and the approved Register is available on the Council's intranet for staff to refer to when making risk assessments.

- 4.2 The Register was last updated in April 2009 and following review by SRMG on 29 April was considered by CMT on 20 May 2009 before being approved by the Executive on 16 June 2009.
- 4.3 During 2008/09, the risk register for the Bracknell Forest Partnership was updated with the assistance of a strategic risk consultant from Zurich and actions plans to address the risks identified were agreed in early 2009.

Strategic Risk Action Plans

- 4.4 To ensure effective risk management, once risks above our tolerance level have been identified we need to consider how we can respond to manage these risks, develop plans to set out proposed actions and responsibilities and monitor progress on actions. Risks may be managed by:
- Controlling the risk
 - Transferring the risk
 - Modifying the risk
 - Avoidance; or
 - Acceptance
- 4.5 The need to develop and document action plans for our strategic risks over the tolerance level determined by CMT was included in Zurich Municipal's report on the development of the Strategic Risk Register and in the 2007/08 Internal Audit report on risk management. Risk owners first completed documenting their action plans for the strategic risks assigned to them in October 2008 with the assistance of the Head of Audit and Risk Management and these were reviewed at CMT on 26th November and by the Executive on 16th December 2008. Service Plans for 2009/10 now include an annexe with each risk owner's strategic risk action plans.
- 4.6 Risk owners were asked to provide details of the progress on their risk action plans as at 31 December 2008. These were reported to the Overview and Scrutiny Commission on 19 March 2009. Quarterly Performance Monitoring Reports have included updates on progress against strategic risk action plans since quarter 4 of 2008/09.

Risk Management Strategy and Toolkit

- 4.7 The Risk Management Strategy incorporating the Risk Management Policy has been revised and a Risk Management Toolkit has been developed to assist managers in identifying, evaluating and managing risks. Both documents were reviewed by SRMG on 5th January 2009 and by CMT on 25th March 2009 and were amended to take on board suggested amendments. The Risk Management Strategy was approved by the Executive on 14 April 2009 and together with the Toolkit was publicised in the June edition of Forest News.

Risk Management Training

- 4.8 During 2008/09, risk management training was provided to Group Accountants from all Directorates in October 2008 and at the Corporate Services Senior Managers Away Day in November. Following the issue of the revised Risk Management Strategy and the development of the Risk Management Toolkit, a training session for

surveyors has been arranged for August 2009 and further training sessions to other officer groups will be provided during 2009/10.

Background Papers

Zurich Municipal Strategic Risk Management Report
Risk Management Internal Audit Report

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