



GA.31 12/13

Governance and Audit
Committee

21st March 2013

Subject: Governance Risk and Compliance Strategy

Report by:

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Purpose / Summary:

For members to consider and approve the
Governance, Risk and Compliance Strategy

RECOMMENDATION(S):

- 1) That Members approve the Governance, Risk and Compliance Strategy**

IMPLICATIONS

Legal:

Civil Contingency Act 2004

Financial :

Risk management is used to prioritise the allocation of resources.

Staffing :

Risk management is used to prioritise the allocation of staffing resources.

Equality and Diversity including Human Rights :

None

Risk Assessment :

Forms part of the strategy

Climate Related Risks and Opportunities :

None

Title and Location of any Background Papers used in the preparation of this report:

HM Treasury – Governance and Risk Management, Management of risks – Principles and concepts

Institute of Risk Management – Fundamentals of Risk Management, Risk appetite and risk tolerance.

Framework for corporate governance in local government – CIPFA

CIPFA delivering good governance in local government

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1. Introduction

- 1.1 Risk management is a statutory requirement for local government for business continuity, and an essential part of corporate governance.
- 1.2 By having good risk management practices in place, and embedded as part of every day working and decisions, the Authority can ensure that we are focussing on the right issues and using scarce resources on those areas that are most likely to have an adverse affect on achieving our strategic aims.
- 1.3 This is particularly important in the current economic climate, where efficient and effective use of resources is vital.
- 1.4 The existing strategy was approved in 2011 and requires updating to reflect the current structure and areas of responsibility.
- 1.5 This strategy has been designed to help us to meet the recommendations made by internal audit in 2012, to reflect good practice, and take account of the results of our risk appetite work.

2. Internal Audit Report

- 2.1 Internal Audit carried out an audit of our risk management arrangements in September 2012. Assurance was limited and their main recommendations were that:
 - The risk management strategy should be revisited in light of recent structural changes and the risk appetite work undertaken by the Council.
 - The Corporate Risk Register should only include the 'make or break' risks facing the Council - those risks that affect successful delivery of the Councils' strategic direction and priorities.
 - How risks are escalated should be clarified to help ensure that there are 'no surprises' but the focus is maintained on what is corporately important.

3. The Strategy

- 3.1 The strategy takes into account the new directorates' areas of responsibility and the programme boards that have been established to take forward the corporate plan activities, it also reflects the risk appetite of 'open and aware'.
- 3.2 Ensuring that risk management is embedded into the organisation and drives the decisions that we take is vital and this strategy makes clear where the responsibility for managing risk at different levels lies. This will be further strengthened by management codes of practice.
- 3.3 Training has been delivered to the core and wider management teams, stressing levels of responsibility and what constitutes a corporate risk.

4. Risk Champion

- 4.1 Best practice and internal audit recommend that there is a member risk champion to help embed the practice within the authority, to develop an understanding of risk and to promote risk management and its benefits throughout the Authority, ensuring that members take risk management into consideration when making decisions.