

	<b>Item no: 5</b>
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<b>SUBJECT:</b>	RISK MANAGEMENT POLICY AND STRATEGY
<b>DECISION-MAKER:</b>	AUDIT COMMITTEE
<b>DATE OF DECISION:</b>	28 <sup>TH</sup> MARCH 2007
<b>REPORT VERSION No:</b>	1

**FORWARD PLAN No:**

**KEY DECISION?** NO

**STATEMENT OF CONFIDENTIALITY**

Not applicable

**WARDS/COMMUNITIES AFFECTED:**

None

**SUMMARY**

The Comprehensive Performance Assessment (“CPA”) Use of Resources, key line of enquiry relating to Internal Control makes reference to the Council having “adopted a risk management strategy/policy that has been approved by members”.

A draft Risk Management Policy and Strategy was taken to, and subsequently approved by, Standards and Governance Committee in April 2006. There is however an expectation that the document is “reviewed and updated at least annually”.

The Risk Management Policy and Strategy has been reviewed and although there are no significant changes that need to be brought to members attention it is considered appropriate that the updated document be referred to the Audit Committee taking into account their responsibility for overseeing the adequacy of the Council’s risk management arrangements and that they did not have the benefit of seeing the original document.

**RECOMMENDATIONS:**

The Audit Committee is asked to:-

1. Approve the updated Risk Management Strategy (Appendix 1)
2. To approve the proposed arrangements in respect of the ongoing review of the Risk Management Strategy.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. The report is presented to the Audit Committee in their capacity as the member body with responsibility for providing independent assurance to the Standards and Governance Committee on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the statement of internal control.
2. The Audit Committee is also responsible for providing assurance to the Standards and Governance Committee that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.

## **BACKGROUND**

1. Effective risk management is a key element of corporate governance, and is recognised as such in:-
  - The CIPFA/SOLACE Corporate Governance Framework;
  - CIPFA's guidance on the Statement on Internal Control; and
  - The Audit Commission's Use of Resources assessment for "CPA".
2. The Accounts and Audit (Amendment) (England) Regulations 2006 also state that the Council is "responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions, and which includes arrangements for the management of risk".

## **CONSULTATION**

The updated Risk Management Policy and Strategy has been reviewed in consultation with the Council's 'Risk Management and Controls Assurance Group'.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

No alternative options have been considered.

## **DETAIL**

A Risk Management policy statement was formally adopted by the Council in 1997. This policy was presented to and formally approved by Members via the Performance and Resources Management Committee.

The original policy statement was subsequently reviewed and updated in

2002 and a copy of the document provided to the Chief Officers Management Team, which at the time included the Leader of Council, for noting.

In April 2006 a draft Risk Management Policy and Strategy was taken to, and subsequently approved by, Standards and Governance Committee with a commitment that the document would be reviewed and updated at least annually.

## **FINANCIAL/RESOURCE IMPLICATIONS**

### **Capital**

None

### **Revenue**

None

### **Property**

None

### **Other**

None

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

The Audit Commission Act 1998 and the Accounts and Audit (Amendment)(England) Regulations 2006 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

### **Other Legal Implications:**

None

## **POLICY FRAMEWORK IMPLICATIONS**

None

## SUPPORTING DOCUMENTATION

### Appendices

1.	Risk Management Strategy
2.	

### Documents In Members' Rooms

1.	None
2.	

### Background Documents

Title of Background Paper(s)

Relevant Paragraph of the  
Access to Information  
Procedure Rules / Schedule  
12A allowing document to be  
Exempt/Confidential (if  
applicable)

1.	None	
2.		

**Background documents available for inspection at:** Internal Audit Office, North  
Block Basement, Civic Centre

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