

ITEM NO: 14

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	RISK MANAGEMENT STRATEGY AND ACTION PLANS		
DATE OF DECISION:	24 th June 2009		
REPORT OF:	Carolyn Williamson – Executive Director of Resources		
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

In accordance with the Council's 'Risk Management Strategy' document the 'Corporate Risk Management Champion' shall present an annual report to the Audit Committee summarising achievements and outlining the planned activities for the forthcoming year.

In addition, this document states that 'the Risk Management Strategy will be reviewed at least annually and any significant changes reported to the Audit Committee'.

RECOMMENDATIONS:

The Audit Committee is asked to:-

- (i) Note and approve the Risk Management Action Plan for 2009-10 (Appendix 1).
- (ii) Note the Risk Management Action Plan 2008-09: Status Report (Appendix 2).
- (iii) Note and approve the revised 'Risk Management Strategy' document (Appendix 3).

REASONS FOR REPORT RECOMMENDATIONS

1. This 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 annual governance statement.
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.

CONSULTATION

3. The Action Plan has been developed in consultation with the Resources Board.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. No alternative options have been considered.

DETAIL

5. 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 Annual Governance Statement; and
 - The Audit Commission's Use of Resources assessment (as part of the Comprehensive Performance Assessment)
6. 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".
7. The Risk Management Strategy document has been amended so that it provides a more appropriate description of the council's strategic approach to managing risk and details how the strategy integrates with other key processes. It is considered that the revised format will provide a more useful reference document for officers, members or other parties seeking to understand the council's approach to managing risk.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

8. NONE

Revenue

9. NONE

Property

10. No specific property implications have been identified in this report.

Other

11. NONE

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

12. The Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 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:

13. NONE

POLICY FRAMEWORK IMPLICATIONS

14. NONE

SUPPORTING DOCUMENTATION

Appendices

1.	Draft Risk Management Action Plan 2009-10
2.	Risk Management Action Plan 2008-09: Status Report
3.	Risk Management Strategy 2009-10

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.		
2.		

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

E-mail: peter.rogers@southampton.gov.uk

FORWARD PLAN No: N/A

KEY DECISION?

N/A

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WARDS/COMMUNITIES AFFECTED:

NOT APPLICABLE