4 Internal control *(How well does the Council's internal control environment enable it to manage it's significant business risks?)*

4.1 The Council manages its significant business risks

Issue	Ref	Self assessment comment	Planned actions	Status	RO
Level 2					
The council has adopted a risk management strategy/policy that has been approved by members.	103	Yes, approved in 2004 and reviewed on an annual basis. 2006 review reported to CMT on 23 August, due at Executive on the 12 September for Member consideration. <u>Working paper evidence</u> Risk Management Strategy & Policy Annual reports 2005, 2006	N/A	N/A	ERA/DW
The risk management strategy/policy requires the Council to: • **Identify corporate and operational risks;** • **Assess the risks for likelihood and impact;** • **Identify mitigating controls;** • **Allocate responsibility for the mitigating controls.**	104	Yes – see Risk Management Strategy & Policy documents. These requirements also mirrored in the new Risk Management system. <u>Working paper evidence</u> Risk Management Strategy & Policy New IT System documentation & exemplar screen prints etc	N/A	N/A	ERA/DW
The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigning ownership for each risk.	105	Yes. Register in place since 2002 and kept under regular in-year review. Fundamental review of all registered risks undertaken in April 2006 following introduction of new IT system. <u>Working paper evidence</u> Risk Register	N/A	N/A	ERA/DW

Issue	Ref	Self assessment comment	Planned actions	Status	RO
Level 2					
Member responsibility for corporate risk management is identified in the terms of reference of one or more committees as appropriate. (SLIGHTLY REVISED)	106	Yes. Executive Member responsibility assigned in the new Constitution. The Executive Member for Corporate Services is responsible for bringing matters of corporate risk management to the Executive for decision. Full Council also appointed a new Member Champion for Risk Management at the AGM in May 2006 (although this person had been acting in this role since autumn 2005 pending formal appointment at the AGM). Working paper evidence The Constitution (part 3)	Member responsibilities and reporting arrangements to be clarified as part of the Review of the Constitution.	Done	ERA
Reports to support strategic policy decisions, and project initiation documents, include a risk assessment.	107	Yes. Previously well-embedded into PID documents. New report writing protocol developed further to the Review of the Constitution has introduced formal requirements for an assessment of any relevant risk issues and mitigation to be included in all reports for Member decision along with officer guidance. Reports cannot go forward without inclusion of this information. Risk assessments also introduced into officer decision making processes – for example requests for waivers from financial regulations must be accompanied by a formal risk assessment (in place since early 2005) Working paper evidence The Constitution (Part 4) & guidance notes Exemplar decision making assessment for waiver applications Example Project Initiation Document	Reporting standards to be set out within corporate report writing protocol being developed further to the Review of the Constitution	Done	SH/DS/ DW

Issue	Ref	Self assessment comment	Planned actions	Status	RO
Level 3					
The risk management process is reviewed and updated at least annually	108	Yes, reviewed on an annual basis and reported (see 103 above). Processes, progress and efficiency of the function benchmarked as part of the annual review process. Working paper evidence Risk Management Strategy & Policy Annual reports 2005, 2006 Benchmarking exercise 2005/06	N/A	N/A	N/A
The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks. (SLIGHTLY REVISED)	109	Yes, risks included Risk Register and subject to standard monitoring and reporting arrangements as per 104 above. Guidance has been issued. Working paper evidence Risk Register New IT System exemplar screen prints etc	N/A	N/A	N/A
All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment. **(SLIGHTLY REVISED)**	110	Yes. Training has been targeted at key staff over 2005/06 and further roll out of training will take place later this year following the appointment of a new Risk Management officer to provide additional training and support capacity within the Risk and Insurances team. Working paper evidence Training notes & slides Diary of DMT/service manager events Training programme proposal Risk Mgt guidance & templates: Service & Financial Planning guidance	Training to be cascaded through DMTs following DMT and local champion training in 2005/06 Comprehensive training programme covering staff and Members to be devised	Done WIP	DW DW

Issue	Ref	Self assessment comment	Planned actions	Status	RO
Level 3					
The members with specific responsibility for risk management have received risk management awareness training	111	Yes. Key event held for all Members in June 2006. Previously 121 training with Executive Member for Corporate Services and the Risk Management Champion in light of their particular corporate responsibilities for risk management (see 106 above) and advice to Members of the new Audit & Governance Committee following their appointment by Full Council at 2006 AGM. Working paper evidence Training notes & slides	Members training events to be scheduled. Joint training event with AC in June 2006/07 Appointed Risk Management Champion to receive specific training support	Done Done	DW/AC DW
Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate. (REVISED)	112	Yes. Regular reports to be scheduled through the new Executive Member & Advisory Panel for Corporate Services in accordance with the requirements of the new Constitution. Previously reported through Resources EMAP, same basic arrangement to continue but enhanced through new IT system that allows Members and officers to view live risk status on a 'real-time' basis between monitoring reports. Working paper evidence Resources Forward Plan (reports to Committees) New IT System & exemplar screen prints etc	Reporting arrangements to be put in place further to the work of the Review of the Constitution	Done	ERA/SH
Level 4					
A senior officer and member jointly champion and take overall responsibility for embedding risk management throughout the council.	113	Yes. Set out in the new Constitution. Director of Resources, Executive Member for Corporate Services and Member Risk Champion in support of that (see 106 above)	Risk Management Champion to be formally appointed by Full Council	Done	ERA

Issue	Ref	Self assessment commentary	Planned actions	Status	RO
Level 4					
The council can demonstrate that it has embedded risk management in its corporate business processes, including: • strategic planning • financial planning • policy making and review • performance management	114	Yes, demonstrated through development of the Medium Term Financial Forecasting (MTFF) process, consideration of risk integral to the budget process, the planning and delivery of Corporate Strategy high level Improvement Statements. <u>Working paper evidence</u> MTFF Exemplar risk consideration matrix sent to all budget holders as part of the budget setting process Improvement Statement high level specification template Service & Financial Planning guidance and template	Further actions to: • fully embed risk management practice in service & financial planning processes; • Corporate performance monitoring cycle • 3 year financial planning & strategy process	Done Done Done	DW/PL SW/DW PS/DW
All members have received risk management awareness training.	115	Risk Management training provided for all Members to attend (see 111 above). Further training events to be programmed during 2006/07.	All Members to be trained by end of 2006/07	WIP	DW
The Council considers positive risks (opportunities) as well as negative risks (threats).	116	Yes. Key principle set out in the Risk Management Strategy & Policy and now being documented in the decision making process through the requirements of the new report writing protocol and new service & financial planning risk assessment requirements.	Accepted principle within Council RM Strategy, to be embedded through revised report writing protocol and service & financial planning processes as per actions above	Done & on-going	DW