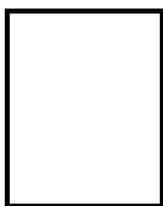
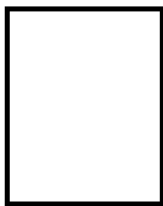
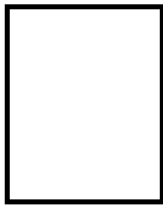
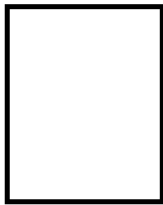
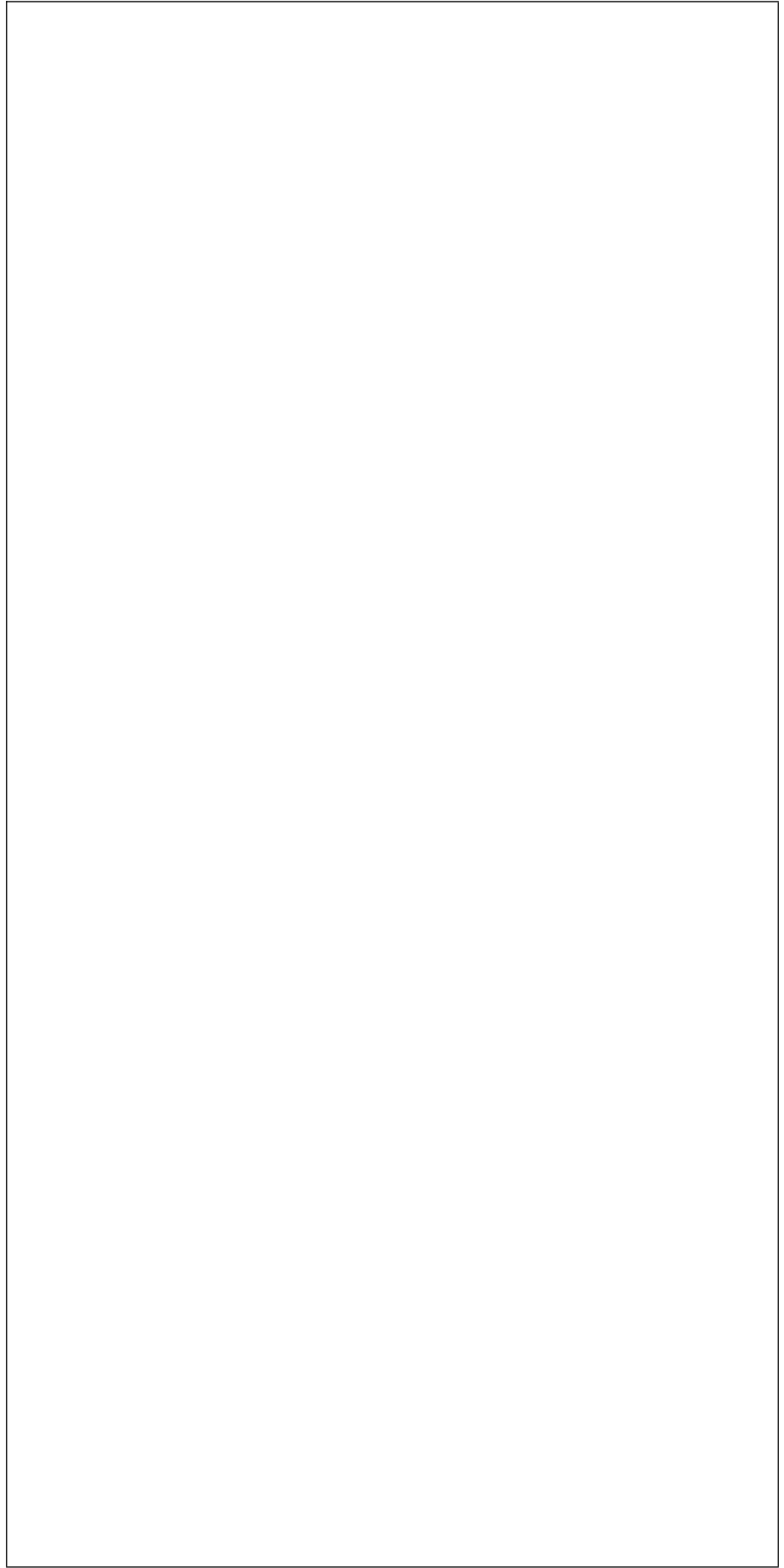
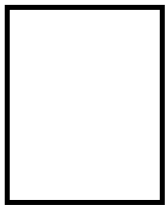
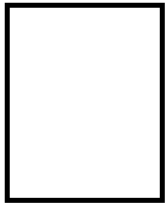
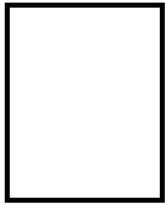
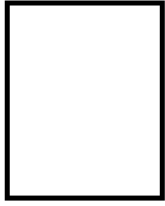
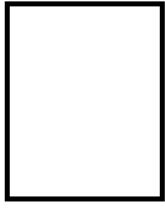


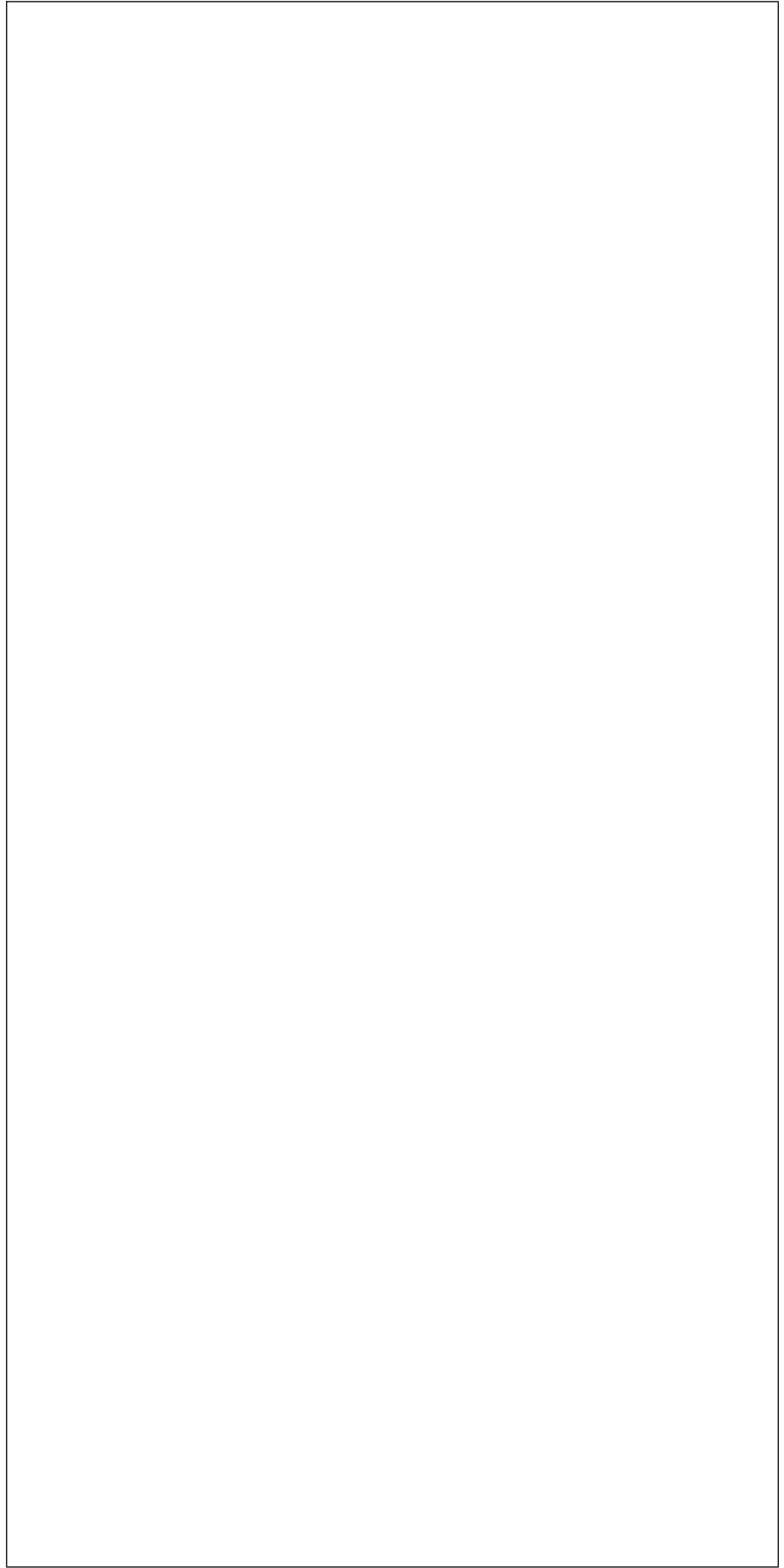
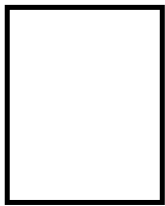
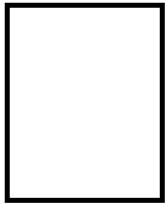
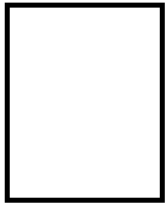
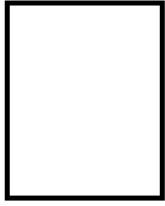
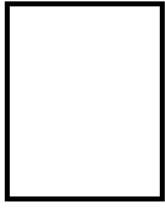
**TO:** Audit Committee

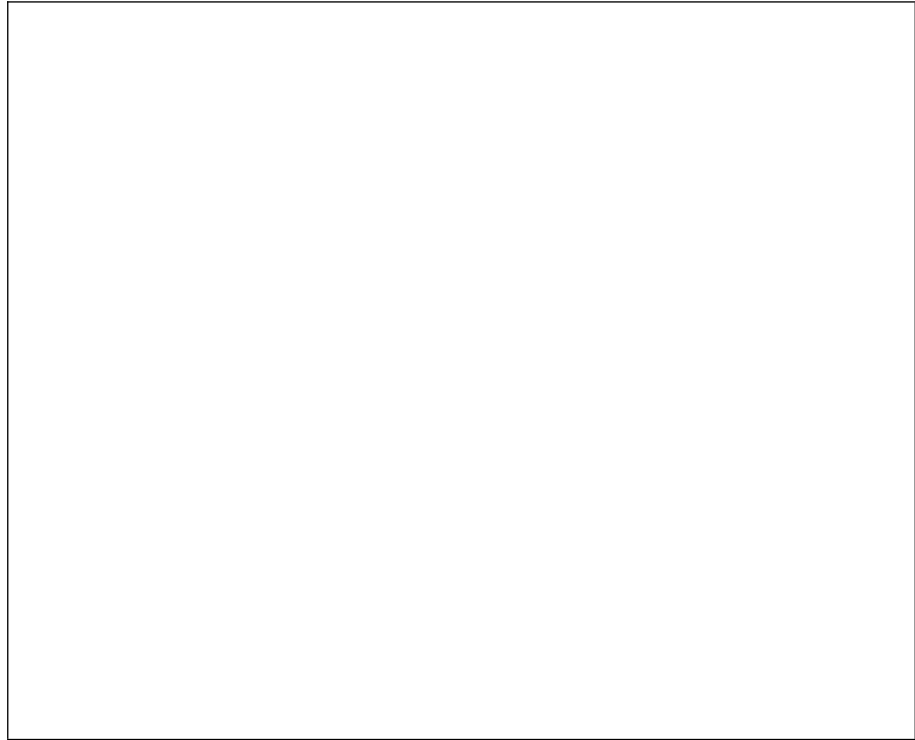
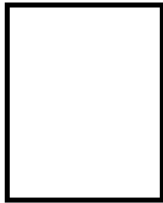
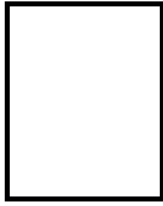
**FROM:** Head of Audit & Assurance

**DATE:** 28 June 2011









**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

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**TITLE OF REPORT:** Corporate Risk Management Strategy and Policy

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### **1. PURPOSE**

To present the revised and updated Corporate Risk Management Strategy and Policy for Blackburn with Darwen Borough Council (Appendix A), the associated Risk Management Toolkit (Appendix B) and updated corporate risks (Appendix C) to the Audit Committee for information.

The revised Strategy and Policy was approved by the Executive member, Resources at the Resources SPT meeting on 23 May 2011

### **2. RECOMMENDATIONS**

Members are asked to note the revised Corporate Risk Management Strategy and Policy and updated corporate risks.

### **3. KEY ISSUES**

The Council is committed to high standards of corporate governance and has adopted a Code of Corporate Governance as part of its Constitution. The governance framework brings together an underlying set of legislative requirements, governance principles and management processes. The Council has recognised that taking informed and transparent decisions that are subject to effective scrutiny and managing risk is one of the core principles of good governance, as

detailed in the Code of Corporate Governance.

The Council's has had a risk management strategy has been in place for a number of years. One of the elements of the restructuring of Directorates that the Council has been undertaking as part of the transformation agenda has been the transfer of responsibility for risk management to Audit & Assurance with effect from 1 January 2011. This was an opportunity to review and update the Strategy and toolkit to better reflect new guidance and best practice and to also to refresh to document to improve management monitoring and reporting arrangements.

The revised Strategy and Policy sets out the clear lines of responsibility to:

- embed risk management into the culture of the organisation and of its partners, and to raise staff awareness of the need for risk management;
- improve business performance by identifying and assessing risks and opportunities (i.e. the risks or threats to the success of each business objective or, at the highest level, corporate priorities);
- help to sustain the Council's innovative approach to its activities by ensuring that risk assessment is integral to all business planning;
- ensure that the Council continues both to meet its statutory obligations and to develop its responses to changing community needs;
- establish a comprehensive approach to the effective monitoring, management and controls of potential risks
- ensure that risk management processes are effective in contributing to the sound corporate governance arrangements which are essential to any public authority;
- increase the probability of success, and reduces both the probability of failure and the uncertainty of achieving the Council's objectives.

The revised Strategy provides guidance to ensure that the risk management arrangements in place are developed and embedded into the everyday processes of key management activities and decision making at a senior and middle management level.

Work is currently ongoing to develop the risk monitoring and reporting arrangements. Once these are in place regular reports on corporate risks will be included in the Audit & Assurance reports presented to the Audit Committee.

#### **4. RATIONALE**

An adequate and effective risk management system is an essential element of good management and a sound internal control framework and is essential if the Council is to be able to demonstrate that it has sound systems of corporate governance. The toolkit provides a structured and consistent approach for the application of risk

management in practice.

The Policy and Strategy sets out the roles and responsibilities at all levels of the council and links risk management to the corporate objectives.

Risk Management is integral to the Council's system of Corporate Governance. It is a key strand in the statutory Annual Governance Statement and is a fundamental part of the Management Accountability Framework.

## **5. POLICY IMPLICATIONS**

This is a revised Risk Management Strategy that will replace the previous version. An Equality Impact Assessment has been carried out as for this Policy and no actions have been identified.

## **6. FINANCIAL IMPLICATIONS**

There are no additional costs linked to this Policy and Strategy.

The risk management structure provides a means of demonstrating that, on a continuous basis, all significant risks are being identified, reviewed and dealt with appropriately. It serves also to help both to protect the Council's financial resources and to ensure that they are directed to key priorities.

## **7. LEGAL IMPLICATIONS**

It is a requirement, under the Accounts and Audit Regulations 2003, that those charged with responsibility for governance regularly review the organisation's arrangements. Effective risk management is a major component of good governance. The commitment of the Council's Executive to risk management through this review is therefore an essential part of complying with these Regulations.

An Equality Impact Assessment has been carried out in respect of this Policy. No actions have been identified from this.

There are no additional legal implications in relation to this revised Policy and Strategy.

## **8. RESOURCE IMPLICATIONS**

There should be no additional resource implications from the implementation of this revised Policy and Strategy.

## **9. CONSULTATIONS**

The revised Risk Management Policy and Strategy, Risk Management Toolkit and Corporate Risk Register have been presented to the Chief Executive Strategy Group and the comments made by the Group

incorporated into the final version.

CONTACT OFFICER: Colin Ferguson  
DATE: 10 June 2011  
BACKGROUND PAPERS: None