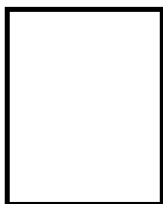
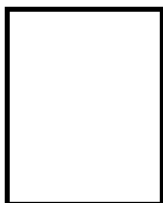
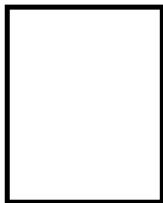
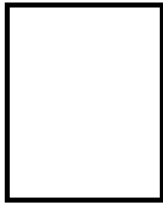
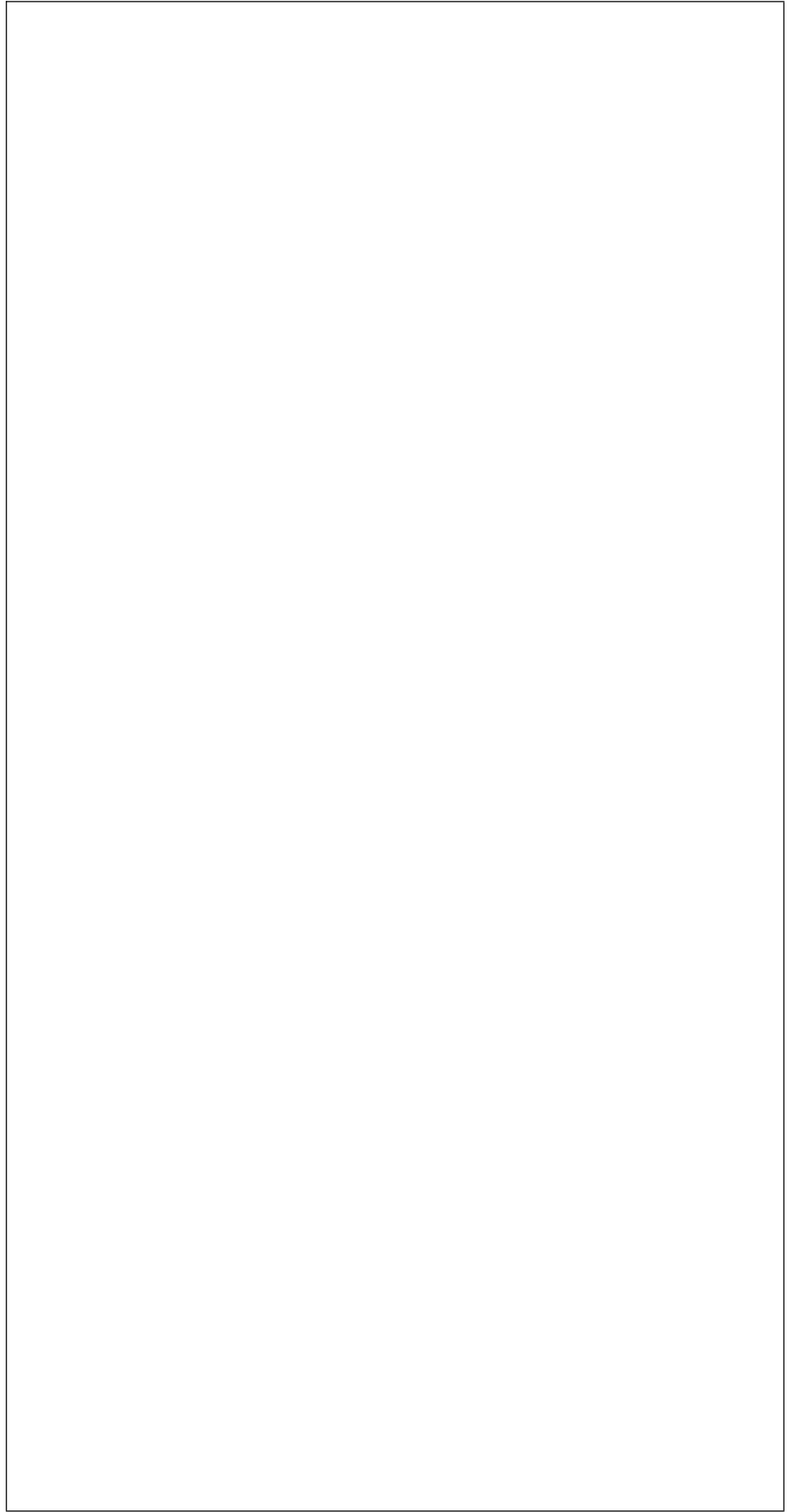
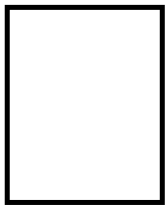
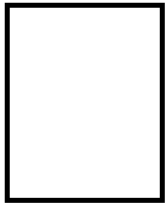
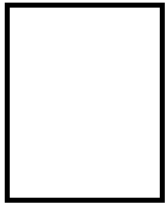
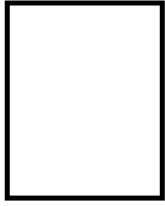
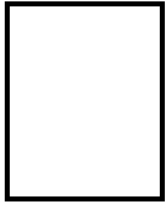


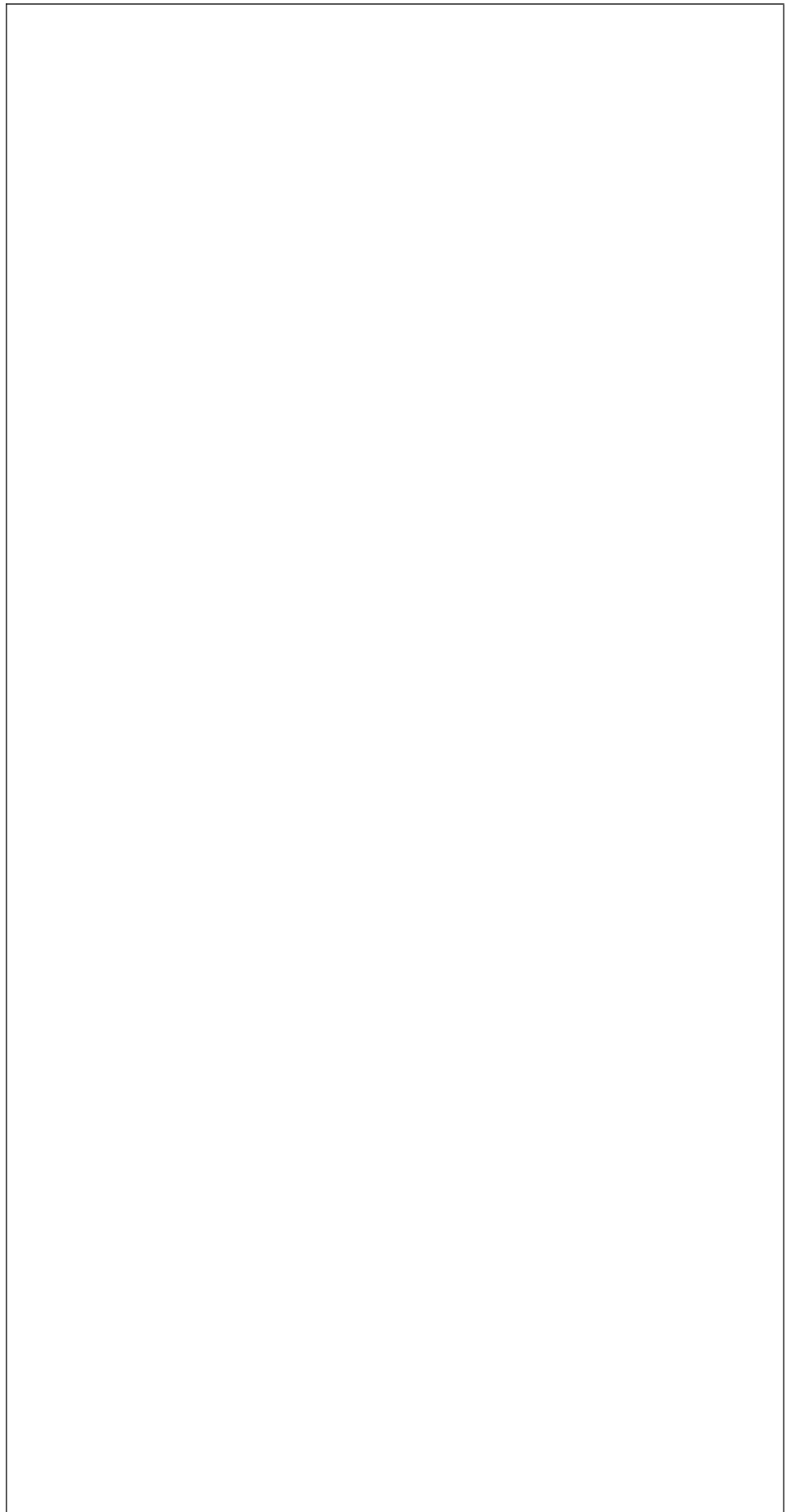
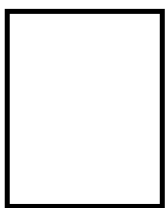
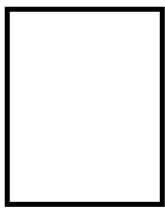
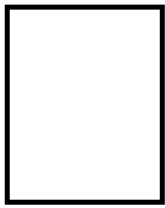
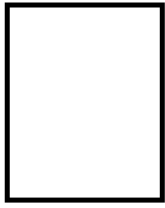
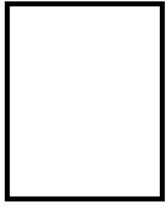
**TO:** Audit Committee

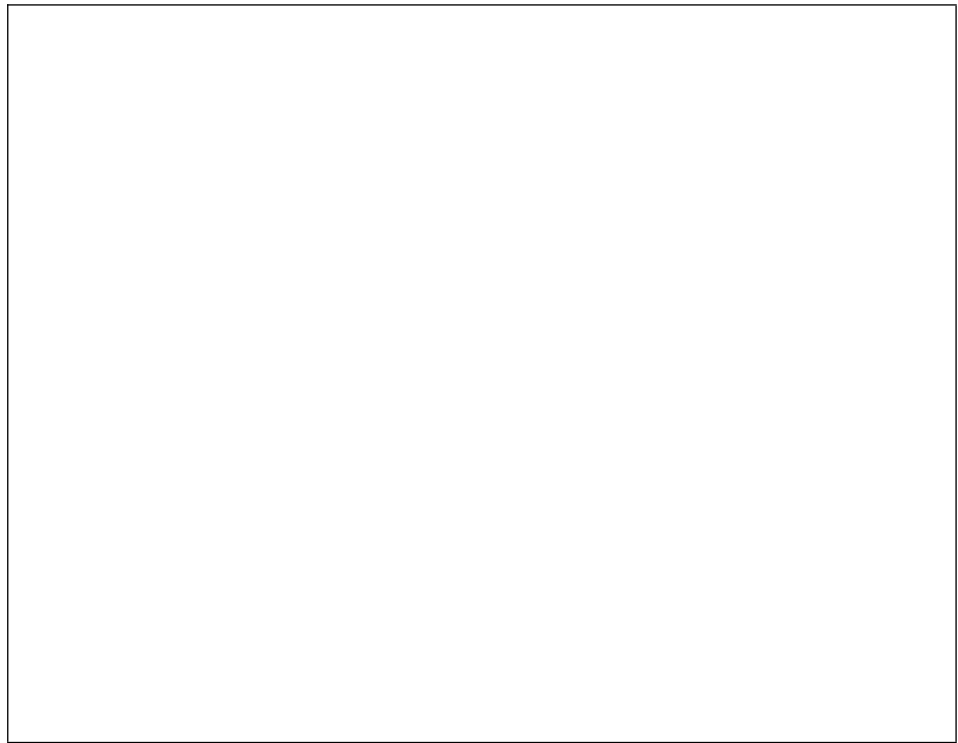
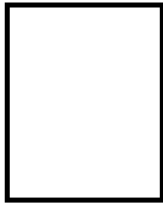
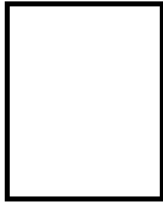
**FROM:** Head of Audit & Assurance

**DATE:** 17 April 2012









**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

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**TITLE OF REPORT:** Risk Management Health Check – Zurich Report

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### **1. PURPOSE**

To provide Members with the findings following the Strategic Risk Management Review carried out by Zurich.

### **2. RECOMMENDATIONS**

Members are asked to note progress made around the Risk Management arrangements and approve the management action plan which accompanies this report.

### **3. KEY ISSUES**

The aim of the review was to establish the effectiveness of the current risk management arrangements, make recommendations for improvement and stimulate discussion within the organisation about how best to take risk management forward.

The review considered five areas; risk strategy/methodology, ownership, identification, maturity and monitoring. Our risk maturity has been assessed as “enabled” (the highest level) for monitoring arrangements and “managed” for all the other areas. The report identified us as a self aware Council which recognises where further improvements need to be made.

Zurich noted in their report (see Appendix 1 attached) that Blackburn with Darwen Borough Council is committed to managing its strategic risks and that significant improvements have been made over the last 12 months (driven by

the Audit and Assurance Team) in terms of further strengthening and embedding risk management. This is demonstrated and evidenced through the following:

- Commitment from the Senior Management Team in terms of risk management.
- Senior Officer and Elected Member lead for risk management.
- Risk Champions in place across all departments to support the practical application of risk management.
- A sound and systematic approach in place manage risks evidenced through a refreshed Risk Management Strategy and supporting Toolkit.
- Clear review and reporting structures in place to support the risk management framework.
- A Corporate risk register in place which captures the key strategic risks facing the Council using a robust format.
- A Management Accountancy Framework (MAF) in place which supports good governance and feeds into the Performance Area Meetings (PAM's).
- Risk management and Financial Management strongly interlinked.
- Risk Management training rolled out to key stakeholders e.g. Senior Managers, Risk Champions and Elected Members and further consideration being made that risk management is part of the corporate training programme.

To further strengthen the Council's approach to Risk Management Zurich has recommended 13 areas to further consider, please note however that some of these had already been identified by the Audit & Assurance Team. A management action plan (see Appendix 2 attached) to implement these recommendations has been produced and will be monitored through the Strategic Risk & Resilience Forum.

#### **4. RATIONALE**

The application of risk management must be cost effective with clear benefits. It must be an intrinsic part of an organisations strategic planning, service delivery and project management. It must support positive risk taking and be responsive to the emerging risks an organisation, its employees, stakeholders and customers face.

The 'health check' report highlights the progress made by Blackburn with Darwen BC in developing and embedding its risk management arrangements. The report sets out a number of recommendations to further strengthen its risk management approach.

#### **5. POLICY IMPLICATIONS**

There are no policy implications arising from this report.

#### **6. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

#### **7. LEGAL IMPLICATIONS**

There are no legal implications arising from this report.

## **8. RESOURCE IMPLICATIONS**

There are no direct resource implications arising from this report.

## **9. CONSULTATIONS**

None.

CONTACT OFFICER: Jodene Bibby & Colin Ferguson

DATE: 3 April 2012

BACKGROUND PAPERS: Strategic Risk Management Review – Zurich Report