

By: The Head of Audit & Risk  
To: Governance and Audit Committee – 4 December 2007  
Subject: **STRATEGIC RISK UPDATE**  
Classification: Unrestricted

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Summary: This report suggests a number of actions to streamline the current risk management and business planning cycles.

**FOR DECISION**

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**INTRODUCTION**

1. Internal Audit has completed the process of interviewing business unit managers and capturing their risks and controls. This has led the development of the final 6 month audit plan (October 2007 – March 2008), which is the subject of a separate paper presented to the G & A Committee (Item 6).
2. The directorate risk registers are currently being refreshed for consideration in January 2008. At that stage the strategic risk register will be reviewed to ensure that it aligns with the directorate risk registers and will be the subject of an internal audit review of the overall risk management arrangements within the authority.
3. In order to improve the alignment of the risk management cycle with the business planning process and to ensure that risks identified in both processes are incorporated and addressed in both business and audit, the following timetable is proposed:
  - (1) *December* – Refreshing the Directorate risk registers.
  - (2) *January* – Directorate Risk Registers to be discussed and agreed at Resource Director level.
  - (3) *February* – Facilitated risk workshop in late January / early February with the G& A committee members. Draft business unit plans completed to include update of risks identified, in line with the “Business Unit Planning Guidelines”. Internal audit of risk management arrangements to include consideration of adequacy of risk registers across the authority.

Possible dates for this workshop include (subject to venue availability);

- Monday 28th January 2008 9.30 – 1.00 or 1.00 – 4.30
- Monday 4<sup>th</sup> February 2008 9.30 – 1.00 or 1.00 – 4.30
- Tuesday 5<sup>th</sup> February 2008 9.30 – 1.00 or 1.00 – 4.30

- (4) *March* – Directorate risk registers and risk based Annual Internal Audit Plan presented to G&A committee.
- (5) *April* – Directorate risk registers presented to COG and POCs.
- (6) *June* – Strategic Risk Register presented to G&A committee.

This approach of ensuring that the risk, audit and business planning processes are integrated will enable us to review whether or not the top down view of risk at the Council is aligned with the bottom up view (operational) and that risk and business planning is appropriately aligned to the authority's core objectives.

### **RECOMMENDATION**

- 4. Members are asked to agree the approach set out in the report and provide availability for attendance at workshops on dates suggested in the report.

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**19 November 2007**