

CABINET – 6 JULY 2015

THE OVERVIEW AND SCRUTINY COMMITTEE – 7 JULY 2015

EXTRACT FROM MINUTES OF THE AUDIT COMMITTEE HELD 22 JUNE 2015

REPORT OF HEAD OF LEGAL AND DEMOCRATIC SERVICES

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RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

This report sets out an extract from the minutes of the Audit Committee held 22 June 2015 regarding the Risk Management Policy 2015 (Report AUD118 refers).

RECOMMENDATIONS:

That Cabinet consider and determine the matters set out in the minute extract below.

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1. **RISK MANAGEMENT POLICY 2015**

(Report AUD118 Refers)

The Committee noted that Report AUD118 had not been published for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration so the Committee's comments could be available for consideration by Cabinet and The Overview and Scrutiny Committee.

In reply to questions, the Chief Executive stated that when risk training was provided to Officers, the Member's role was in risk management would be made clear.

The Chief Executive continued that it was important for the organisation as a whole to have an understanding of the concept of risk and also that items of significance were identified and concentrated upon, which included managing risk in response to changes in government policy. It was the role of Members to challenge and probe the risk management of major projects and to ensure that there was a risk framework which was robust and fit for purpose.

In order to raise the understanding of risk, the officers had been discussing improving the presentation of the end of year report on risk to include information on items of significance over the year and to provide a qualitative statement including an assessment on the direction of travel of the risk. This approach was supported by the Committee

The Committee discussed the dissemination of information to Members on risk and the level of its transparency so that it was easily understood. Reference was made to The Overview and Scrutiny Committee and Cabinet, which also held roles in considering elements of risk.

Mr Harvey from the Southern Internal Audit Partnership indicated that Internal Audit had regard to the Council's risk registers when preparing the Annual Audit Plan and when reviewing the Annual Governance Statement. Mrs K Handy from Ernst and Young said that external audit had regard to the Council's approach to risk management in determining the value for money conclusion.

The Chief Finance Officer proposed that a possible topic for Audit Committee Member training in September was gaining assurance in risk management

and to obtain an understanding of the role in delivering risk policies and procedures that applied to internal and external audit. Following debate, it was agreed that this was a possible subject for further training and should be circulated to members of the Committee for their views together with any other suggested topics.

Members were asked to submit their comments on The Risk Management Policy 2015 outside of the meeting to the Chief Executive.

RESOLVED:

1. That Cabinet be informed that this Committee supports the Risk Management Policy 2015.

2. That the risks included in the draft Corporate Risk Register in Appendix 3 of the Report be monitored, and following further training of Audit Committee members on how it can undertake its assurance role, Cabinet be notified of the risks that it wishes to further explore and receive detailed reports at future meetings.

TO CABINET:

That Cabinet be recommended to approve the Risk Management Policy 2015 and Corporate Risk Register.
