

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

16 SEPTEMBER 2010

REPORT OF THE HEAD OF PROPERTY AND FINANCE

THE ROLE OF THE AUDIT COMMITTEE IN RISK MANAGEMENT

1. Purpose of Report.

- 1.1 The Audit Committee oversees risk management within the Council and this report outlines how this can be achieved.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

- 2.1 Effective risk management is an essential part of the framework for ensuring good corporate governance and supports delivery of the Council's corporate priorities.

3. Background.

- 3.1 Effective Audit Committees help raise the profile of internal control, risk management and financial reporting within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors.
- 3.2 CIPFA guidelines recommend that Audit Committees oversee the risk management strategy and consider the effectiveness of the Council's risk management arrangements. At its meeting on the 8th July, 2010, the Committee agreed proposed amendments to its Terms of Reference and the new Terms of Reference require the Committee to consider the Council's 'Risk Assessment'.

4. Current situation / proposal.

- 4.1 It is proposed that the forward work programme of the Committee be updated to reflect the fact that the Committee should receive half yearly risk management reports. The first of these should occur in the autumn and will inform the Committee of the principal risks identified within the Council's risk assessment. Under the new Local Government Measure, the requirement to develop a 'Joint Risk Assessment' agreed with the Council's Regulators has ceased. However, there is still a need for the Council to develop a risk assessment and the approach agreed with our Auditors which has been adopted in the last two years will be continued. This approach identifies the impacts of each risk and the measures which will be taken to control them.
- 4.2 The second report would be presented in April and will inform the Committee of progress made in mitigating the risks in order that Members can have assurance that the planned action is being taken. In addition these reports will provide an opportunity to give the Committee an overview on Insurance related risks and will be accompanied by some activity data on each of the main risk areas.

5. Effect upon Policy Framework & Procedure Rules.

5.1 None as a direct consequence of this report.

6. Equality Impact Assessment.

6.1 There is no impact on equalities.

7. Financial Implications.

7.1 There are no financial implications arising out of this report.

8. Recommendation.

8.1 That the Committee agree to receive half yearly risk management reports on the basis set out above.

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3 August 2010

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Background documents

None