
Audit Committee – 9th February 2012

Report of the Treasurer

Review of Risk Management Activities 2011 and priorities for 2012/13

Purpose of the report

1. This report advises of key developments in the Council's risk management activities in the preceding 12 months and sets out the key priorities for 2012/2013.

Background

2. It is good practice to annually review the Risk Management Policy and Strategy. The Audit Committee approved the Risk Management Policy and Strategy at its meeting on 10th February 2011
3. Risk Management is one of the principal elements of good corporate governance. It defines the culture, processes and structures that help manage potential opportunities for and threats to the Council.

Risk Management activities 2011/12

4. A review of the Risk Management Policy and Strategy has been done. No significant changes were made.
5. A review of *Corporate Risks* was done. Appendix A shows current Corporate Risks. However, it should be noted that risks are fluid in nature and, as such, are subject to regular review. These risks also appear in the Quarterly Corporate Performance Report which is reported to Cabinet. This committee is reminded of its role in the scrutiny of the management of these risks and that this contributes to the *Annual Governance Statement*.
6. Risk groups continue to operate in all directorates and come together as the corporate Risk Champions Group not less than 3 times per year.
7. In keeping with priorities in last year's strategy, risk management funding has been targeted to support several major improvements to fire alarm upgrades. This has included schools and importantly the I.C.T. Data Centre in 4 Ednam Road.
8. With further regard to priorities in last year's strategy and in keeping with the Council's obligations under its property policy, insurers have assisted with revaluations on several of the Council's historic and more prestigious buildings. This ensures that accurate *sums insured* are stated on the Council's property

policy. They included: Council House, Dudley Concert Hall, Dudley Library, Himley Hall and the more recently acquired Red House Cone in Wordsley.

9. At the time of writing, a risk management awareness session with Members is scheduled for 31st January 2012. This represents the 6th session of this nature in recent years and the number of members attending to nearly 40.
10. Schools becoming academies can no longer be insured under the Council's blanket insurance arrangements. Accordingly those schools that have converted to academy status have been removed from the Council's policies. Respective head teachers have been advised that they should make their own insurance arrangements from the date the school acquired academy status.

Priorities for 2012/13

11. Review and assess the forthcoming actuarial report on the Council's self insurance fund. Subject to satisfactory exchange of data, the report will be available in early March 2012. The results of the study will be assessed by the Treasurer and any financial implications arising will be viewed in the context of the *Medium Term Financial Strategy*, (M.T.F.S) and budget setting procedures.
12. Risk Management Funding will continue to be targeted towards fire prevention/loss measures. A contribution towards fire suppression systems at the new borough archive building is already committed in the financial year 2012/13.
13. Further work may be undertaken with the Council's insurers in relation to property sums insured and in particular, schools. This will be done on a small sample basis but considering a range of schools e.g. primary, secondary, system and traditional build types.

Finance

14. There are no immediate financial implications arising from this report

Law

15. The Council has a statutory responsibility for managing risks, as laid out under section 4 of the Accounts and Audit Regulations 2003 (amended 2006).

Equality impact

16. The risk management activities considered in this report have no direct impact on issues of equality.

Recommendation

17. Audit Committee note the contents of this report



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Treasurer

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