Appendix A

Recommendations from Internal Audit's Risk Management and Assurance Stocktake regarding the Risk Management Strategy

Ref	Recommendation	Categorisation	Management response, Implementation date, Manager responsible	Action taken	Update to risk management strategy
1.4	That the Service Area risk registers are promptly updated with any changes and that they clearly evidence when they are updated.	Low	Agreed. This related to changes to the then New Communities risk register noted by EMT; the changes were made to the April 2010 version of the New Communities risk register and did not require a later dated risk register to be produced. Already implemented Principal Accountant (General Fund and Projects) (PA(GFP))	Reflecting changes to the Council's management structure, the New Communities risk register has since been subsumed into the combined Planning and New Communities risk register, which was reviewed and updated in December 2010.	Not applicable
1.6	The Risk Management Strategy should be updated to provide clear definitions for controls and assurances as separate from one another, in order to permit greater understanding of their application within risk registers.	Low	Agreed that definitions of controls and assurances would be a useful clarification in the Risk Management Strategy. March 2011 PA(GFP)	Definitions of control measures and assurances have been included in the draft Risk Management Strategy.	New paragraphs 5.2.3 and 5.2.4 have been added to the Risk Management Strategy to provide definitions of control measures and sources of assurance.

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2.2	The strategic risk register should document the aims to which the risks relate. There should be explicit linkage between risks and aims to permit an understanding of which risks impact on which of the Council's aims.	Low	Agreed that the format of the CorVu report will be revised to incorporate the aim/s to which risks relate. (Service area risk registers still have this link in their Word format.) March 2011 PA(GFP)	The format of the strategic risk register CorVu report has been revised to include the relevant 3 A's and/or Council Actions to which the risks relate.	Paragraph 5.2.2 and Annex C have been updated to refer to the relevant Council Aims, Approaches and/or Actions to which the risks relate.
4.1	That all risks included on risk registers should evidence control measures in place.	Low	Agreed. This related to 7 risks out of a total of 103 reviewed; 4 of these 7 risks have since been removed from the relevant risk registers; the remaining gaps will be revised at the next review of the relevant risk registers. March 2011 PA(GFP)	The remaining gaps in control measures have been filled in the latest revision of the relevant risk register.	Not applicable

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4.4	The structure of the risk registers should be modified to permit the following to be clearly recorded: Internal sources of assurance; External sources of assurance; and Outcome of sources of assurance (i.e. positive or negative); and Date of received or planned assurances. Following this, sources of assurance should be recorded on the registers and management should consider the need for additional sources of assurance, the tightening of controls or additional controls where risk exposure is outside tolerance.	High	Agreed in principle, however: (a) separate recording of assurances appears to be overly complex and not add sufficient value to our risk management process; and (b) risk register formats do not facilitate recording of sources of assurance as well as control measures, so: (i) risk register headings will be amended to refer to both control measures and sources of assurance; March 2011 PA(GFP) and (ii) officers and Members involved in risk management will be given guidance on the distinction between control measures and sources of assurance. June 2011 PA(GFP)	Headings in the strategic risk register CorVu report and the service area risk register template have been updated to record sources of assurance as well as control measures. Relevant references have been made throughout the text of the strategy. Guidance will be given to officers and Members involved in risk management, on the distinction between control measures and sources of assurance: this report is the first opportunity to do so.	Annexes C and D have been updated to refer to both control measures and sources of assurance. Relevant paragraphs of the strategy have been similarly updated.

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5.1	Controls should be clearly annotated / be more explicit for all risks on the registers and be differentiated from assurances recorded to support the control. Timelines to progress should be completed in all cases where the risk score is 'above the line'.	Medium	Agreed that Control Measures/ Sources of Assurance will be recorded for all risks; Timelines to Progress will be completed for all risks above the tolerance line. Strategic Risk Register, March 2011 PA(GFP) Service area risk registers, June 2011 PA(GFP)	The March 2011 strategic risk register provides for both control measures and sources of assurance to be recorded; timelines to progress are in place for all risks above the tolerance line. Service area risk registers will be similarly updated over the next quarter.	Control measures and sources of assurance: as 4.4 above; Timelines to progress: not applicable (already provided for in paragraphs 5.2.2 and 5.2.6).
5.2	That responsibility in respect of risk and risk management is included in the body of job descriptions. The competency framework should be reviewed to incorporate risk management responsibilities and objectives.	Low	Agreed to discuss with HR and SMT/EMT as appropriate, revision of relevant managers' job descriptions and competency framework. Discussions with HR and SMT/EMT as appropriate, by March 2011. PA(GFP) Changes to framework and job descriptions, as necessary, by June 2011. PA(GFP)	A meeting has been arranged with the HR Manager to discuss job descriptions and the management competency framework.	A note has been added to the chart summarising the Council's risk management arrangements (annex H refers).