

# HERTFORDSHIRE COUNTY COUNCIL

**CABINET**  
**MONDAY 27 JANUARY 2003 AT 2.00 P.M.**

Agenda Item No:

8

## **INVOLVEMENT OF MEMBERS IN THE RISK MANAGEMENT PROCESS**

### Report from the Audit Committee

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Executive Member: David Beatty

### **1. Purpose of Report**

To agree how to involve members in the Risk Management process.

### **2. Background**

In the past two years an operational risk identification and management process has been in place within the County Council through the Finance Board, (comprising the Finance Director and the Assistant Directors representing all departments) which identifies the significant risks in each service, the likelihood and potential financial impact of those risks; and informs the Chief Officers of the actions being taken to address them. Their findings are also used by District Audit to inform their Audit Plan for the County Council.

One of the issues identified by the District Auditor in her draft Annual Audit letter for 2001/02 is the lack of involvement of members in this process. The District Auditor has recommended that:-

*“The Council should ensure that members involvement in risk management becomes an integral part of its corporate government arrangements”.*

### **3. Audit Committee Recommendation**

The Audit Committee on 12 December 2002 considered this issue as part of their review of the District Audit Management letter.

Following that consideration they have resolved to recommend to Cabinet, as follows:-

- (a) that Chief Officers involve their respective Executive Members and appropriate Group Spokesmen in the risk identification and management process.

- (b) that an annual report on the outcome of the risk management process should be presented to the Cabinet.

The Audit Committee themselves will be receiving an annual report on the outcome of the process to assist them in their consideration of the following year's District Audit Plan.

*Background Paper used by the author in drafting this report*

*2002 Annual Audit letter for Hertfordshire County Council.*