

**AUDIT COMMISSION / ALARM  
RISK MANAGEMENT KEY PERFORMANCE INDICATOR**

Question No.	Question	Response		
		2003/04	August 2004	April 2005 <sup>1</sup>
Q3	Has your authority carried out a self-assessment of corporate governance in line with CIPFA/SOLACE 'A keystone for community governance framework'?	No	No	No <sup>2</sup>
Q4	If so what was your overall assessment of your compliance with the risk management and internal control element?	N/A	N/A	TBA <sup>3</sup>
Q5.1	Is risk management clearly part of the overall arrangements for achieving corporate objectives?	No	No	Yes
Q5.2	Is upside risk taking and innovation considered as part of your risk management arrangements?	No	Yes	Yes
Q5.3	Is there a formal process for advising elected members of risk management implications of decisions?	No	No	Yes
Q5.4	Is there a risk management implication section on committee/cabinet papers?	No	Yes	Yes
Q5.5	Are significant risks formally considered under delegated decision making arrangements?	No	No	Yes
Q5.6	Does the authority formally record risk management considerations in business/service plans?	No	No	Yes

<sup>1</sup> It should be noted that the key performance indicator shows the expected position at end March 2005 this report having been prepared on 14 March. It is confidently expected that the final position will be as reported.

<sup>2</sup> An assessment under 12 elements of corporate governance developed by the MPS Statements on Internal Control Working Group is currently being undertaken. A draft Statement on Internal Control will be submitted to the MPA by the agreed deadline of 15 June 2005 at which point Q3 of the KPI will "go green" with the response to Q4 depending on the results of the assurance activity supporting the Statement on Internal Control.

Q6.1	Has the authority produced a formal written strategy for managing risk?	No	Yes	Yes
Q6.2	Has the authority allocated responsibilities for corporate/business risk management to named individuals?	No	No	No <sup>3</sup>
Q7	<i>Which of the following risk categorisations are used in identifying?</i>			
Q7.1	Strategic	Yes	Yes	Yes
Q7.2	Operational	Yes	Yes	Yes
Q7.3	Financial	Yes	Yes	Yes
Q7.4	Legal/compliance	Yes	Yes	Yes
Q7.5	Knowledge	Yes	Yes	Yes
Q7.6	Health and safety related	Yes	Yes	Yes
Q7.7	Asset/infrastructure related	Yes	Yes	Yes
Q7.8	Other, please specify	Programme Project Diversity / Human Rights Performance (Service Delivery) Reputational High Level Objectives / Control Strategies National Intelligence Model Business Continuity Freedom of Information Act Environmental Resources Governance		
Q8	Has an authority wide risk profile been produced?	No	Yes	Yes
Q9	<i>If yes does it include the following?</i>			
Q9.1	Links to corporate objectives	N/A	Yes	Yes

<sup>3</sup> Risk management responsibilities will be allocated to named individuals at all three levels at which the risk profiling process is currently being deployed. The deadline for submission of (B)OCU risk registers is 1 April 2005, with Business Group registers to be completed by 1 May 2005, and the Corporate Risk Register refreshed by 1 June 2005. At this stage Q5 of the KPI will 'go green'.

Q9.2	Links to business planning	N/A	No	Yes
Q9.3	Consideration of consequences	N/A	Yes	Yes
Q9.3.1	Upside risks	N/A	Yes	Yes
Q9.3.2	Downside risks	N/A	Yes	Yes
Q9.4	Links to relevant performance indicators	N/A	No	Yes
Q9.5	Links to budgets and resource allocations	N/A	No	Yes
Q9.6	Assessment of existing preventative and reactive controls	N/A	No	Yes
Q9.7	Assessment of additional controls required	N/A	No	Yes
Q9.8	Evidence of regular review and monitoring	N/A	No	Yes
Q9.9	Links to internal and external audit plan identified risks	N/A	No	Yes
Q10	Has an action plan for implementing controls been developed	No	No	Yes
Q11	<i>If yes does it include the following?</i>			
Q11.1	Action required to a specific timescale	N/A	N/A	Yes
Q11.2	Responsibilities of specified staff	N/A	N/A	Yes
Q11.3	Resources required	N/A	N/A	Yes
Q12	Does the authority monitor the effectiveness of its risk management arrangements?	No	No	Yes
Q13	<i>Which of the following tools do you use to monitor risks: indicate all that apply?</i>			
Q13.1	Performance management framework	Yes	Yes	Yes
Q13.2	National BV performance indicators	Yes	Yes	Yes
Q13.3	Local performance indicators	Yes	Yes	Yes
Q13.4	Regular review of internal controls	No	No	Yes