

Risk Management: Guidance for Elected Members

Report by Gerald Tait, Risk and Audit Manager

1. Introduction

This report presents a draft guide on risk management for elected members and invites approval by the Audit Committee before it is rolled out to all elected members in February.

2. Background

Because elected members have the ultimate responsibility for the business affairs of Midlothian Council, it was felt by the Chief Executive and his senior officials that elected members should receive additional support on risk management.

After the formulation of the new Audit Committee in 2012, the members on this committee received training appropriate to their remit. Furthermore the risk management intranet site (Finance Intranet > FAQs > Risk Management) is a source of information for all elected members and officers.

However, as the Council deals with the current challenging times it is felt that risk management skills, knowledge and experience amongst elected members should be advanced. Therefore, the following events are planned:-

- Today: scrutiny and approval of the guidance by the Audit Committee;
- At the next Cabinet and Performance and Scrutiny Committee, table the guidance;
- At its February meeting, Cabinet is being invited to approve the updated Risk Management Policy, Strategy and Framework and to receive a mid-year risk management performance report as well as the Risk Control Programme for 2013/14; and
- Officials will be on hand to deliver any bespoke training session to elected members on risk management.

The draft guidance is attached and Audit Committee members are invited to read and scrutinise it.

3. Report Implications

3.1 Resource

There are no direct recommendations in terms of resource arising from this report.

3.2 Risk

Given the significant remits of elected members, there is a risk that they will be presented with reports that they do not fully understand. This could be because of lack of training and awareness. This new guidance is aimed at reducing the risk of this happening.

3.3 Policy

Strategy – this report addresses directly the council’s policy to have a robust internal control environment, management of risk and effective governance.

Consultation – Senior officials.

Equalities – There are no equalities issues arising from this report.

Sustainability – Having a robust risk management system, and risk awareness amongst elected members, assists the Council in sustaining its services, projects and corporate aims.

4. Recommendations

The Audit Committee is invited to:-

- (1) Scrutinise and adopt the Risk Management Guide for Elected Members;
and
- (2) Endorse the proposed approach to its roll-out.

18 January 2013

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