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| REPORT TITLE | |
| HALF-YEARLY REVIEW OF RISK MANAGEMENT ARRANGEMENTS | |
| REPORT OF | |
| FINANCIAL ADVISER | |
| FOR SUBMISSION TO | DATE |
| AUTHORITY MEETING | 7 FEBRUARY 2007 |
| 1. SUMMARY OF REPORT | |
| <p>This report comes to the Authority as the ‘relevant body’ under the Accounts and Audit Regulations 2003 with responsibility for risk management arrangements.</p> <p>The report provides a brief six-monthly review of the arrangements for dealing with matters of risk management within the Authority and highlights further action planned for the remainder of the year.</p> | |
| 2. RECOMMENDATIONS | |
| <p>The Authority is requested to note the contents of this report and approve the changes to the risk register.</p> | |
| Signed by the Financial Adviser: | |
| Date: | |

3. INTRODUCTION

- 3.1 At its meeting on 28 June 2006 the Authority considered an annual review of the risk management arrangements within the Authority. As a consequence, Members agreed the revisions that had been made to the risk register and noted the planned activity that would help strengthen the Authority's approach to managing risk particularly in relation to ensuring compliance with the Accounts and Audit Regulations 2003.
- 3.2 Compliance with the Accounts and Audit Regulations 2003 (the Regulations) is an important driver to ensure that the Authority adopts a robust approach to the identification and management of risk. The Regulations require the Authority to ensure that its financial management is adequate and effective and that it has a sound system of internal control that facilitates the effective exercise of its functions. This includes arrangements for the management of risk. The Regulations require the Authority to review at least annually the effectiveness of its systems of internal control and to include an annual Statement on Internal Control within the Authority's published accounts. The latter will be reported to the Authority at its June Meeting. However, in the interim, this report provides a six-month review of progress since the annual review in June.

4. REVIEW OF RISK MANAGEMENT

- 4.1 The risk register has been formally reviewed and updated to reflect developments and actions taken since June 2006 (Appendix A). Although there have been a number of developments which will all contribute towards the management of risk they do not materially alter the risk factor scores reported in June 2006 and therefore no changes have been made to these.
- 4.2 Members will be aware from the risk register that there are number of inter-linked key risk areas dealing with the implementation of the North London Joint Waste Strategy (NLJWS), meeting the requirements of the Landfill Directive, the procurement process and support arrangements to the Authority. Work undertaken by the Authority's appointed consultants, in consultation with the Authority's officers, enabled the Authority at its meeting on 20 December 2006 to approve a procurement approach that will enable the Authority to begin the procurement process. This is an important first step. The Authority has begun to communicate the findings of this procurement work with its partner authorities both at officer and member level and this will need to continue to ensure that the NLJWS can be delivered in good time to meet the Government's statutory requirements.
- 4.3 Work by the constituent boroughs in their separate capacity as planning authorities to prepare a Joint Waste Development Plan Document for the NLWA area, is now gathering momentum. All constituent boroughs have approved a joint Memorandum of Understanding, and the appointment of a Programme Manager and external consultants. Although the Planners must operate independently of stakeholders (such as the Authority) this is also an

important development which may assist the Authority in identifying and securing sites for its new waste facilities.

- 4.5 In accordance with the restructure of the Waste Strategy and Contracts Team approved in July 2004 a further two staff appointments have been made during this period. However, in view of the major procurement process that the Authority is about to undertake the Authority's Advisers are currently reviewing the overall adequacy of the support arrangements to the Authority.
- 4.6 The External Auditors have completed their work on the Authority's 2005/06 Statement of Accounts and the 2006 Best Value Performance Plan both of which have obtained unqualified audit opinions. This work included a review of the Authority's systems of internal control and risk management arrangements and to this end the Auditors were satisfied with the systems and checks and balances that the Authority has in place.
- 4.7 The Authority also held its first Members' Risk Management Seminar on 20th September that enabled attendees to consider aspects of the Authority's activities from a risk assessment point of view. An officer seminar is also to be arranged in the near future.

5. **THE WAY FORWARD**

- 5.1 The intention is to build upon the current systems and controls by ensuring that they remain sufficiently robust to alert officers and Members to issues and problem areas. Integral to this will be the need to ensure that a risk aware culture is embedded in the Authority's culture. The Authority is about to embark on a major procurement exercise and therefore understanding and managing risk will be of paramount importance.
- 5.2 The risk register identifies the actions that will be undertaken in the coming period and these will be continuously monitored.

6. **COMMENTS OF THE LEGAL ADVISER**

- 6.1 The Legal Adviser has been consulted on this report and has no comments to add.

Local Government Act 1972 - Section 100 as amended

Risk Register

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