

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

Question Number	Question	Response			
		2003 /04	Aug 2004	Apr 2005	Oct 2005
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>1</sup>	Yes
Q4	If so what was your overall assessment of your compliance with the risk management and internal control element?				
Q5.1	Is risk management clearly part of the overall arrangements for achieving corporate objectives?	No	No	Yes	Yes
Q5.2	Is upside risk taking and innovation considered as part of your risk management arrangements?	No	Yes	Yes	Yes
Q5.3	Is there a formal process for advising elected members of risk management implications of decisions?	No	No	Yes	Yes
Q5.4	Is there a risk management implication section on committee/cabinet papers?	No	Yes	Yes	Yes
Q5.5	Are significant risks formally considered under delegated decision making arrangements?	No	No	Yes	Yes
Q5.6	Does the authority formally record risk management considerations in business/service plans?	No	No	Yes	Yes
Q6.1	Has the authority produced a formal written strategy for managing risk?	No	Yes	Yes	Yes
Q6.2	Has the authority allocated responsibilities for corporate/business risk management to named individuals?	No	No	No	Not in every case
Q7	<i>Which of the following risk categorisations are used in identifying?</i>				
Q7.1	Strategic	Yes	Yes	Yes	Yes
Q7.2	Operational	Yes	Yes	Yes	Yes

1 An assessment under 12 elements of corporate governance developed by the MPS Statements on Internal Control Working Group has been undertaken. A draft Statement on Internal Control was submitted to the MPA by the agreed deadline of 15 June 2005 at which point Q3 of the KPI went "green" with the response to Q4 depending on the results of the assurance activity supporting the Statement on Internal Control.

Q7.3	Financial	Yes	Yes	Yes	Yes
Q7.4	Legal/compliance	Yes	Yes	Yes	Yes
Q7.5	Knowledge	Yes	Yes	Yes	Yes
Q7.6	Health and safety related	Yes	Yes	Yes	Yes
Q7.7	Asset/infrastructure related	Yes	Yes	Yes	Yes
Q7.8	Other, please specify	Various (see Business Risk Management Standard Operating Procedure)			
Q8	Has an authority wide risk profile been produced?	No	Yes	Yes	Yes
Q9	<i>If yes, does it include the following?</i>				
Q9.1	Links to corporate objectives	N/A	Yes	Yes	Yes
Q9.2	Links to business planning	N/A	No	Yes	Yes
Q9.3	Consideration of consequences	N/A	Yes	Yes	Yes
Q9.3.1	Upside risks	N/A	Yes	Yes	Yes
Q9.3.2	Downside risks	N/A	Yes	Yes	Yes
Q9.4	Links to relevant performance indicators	N/A	No	Yes	Yes
Q9.5	Links to budgets and resource allocations	N/A	No	Yes	Yes
Q9.6	Assessment of existing preventative and reactive controls	N/A	No	Yes	Yes
Q9.7	Assessment of additional controls required	N/A	No	Yes	Yes
Q9.8	Evidence of regular review and monitoring	N/A	No	Yes	Yes
Q9.9	Links to internal and external audit plan identified risks	N/A	No	Yes	Yes
Q10	Has an action plan for implementing controls been developed	No	No	Yes	Yes
Q11	<i>If yes, does it include the following?</i>				
Q11.1	Action required to a specific timescale	N/A	N/A	Yes	Yes
Q11.2	Responsibilities of specified staff	N/A	N/A	Yes	Yes
Q11.3	Resources required	N/A	N/A	Yes	Yes
Q12	Does the authority monitor the effectiveness of its risk management arrangements?	No	No	Yes	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	Yes
Q13.2	National BV performance indicators	Yes	Yes	Yes	Yes
Q13.3	Local performance indicators	Yes	Yes	Yes	Yes
Q13.4	Regular review of internal controls	No	No	Yes	Yes