

Derby City Council – Review of Arrangements for Corporate Governance

Dimension 4 – Risk Management & Internal Control

Code requirement	Source Documents as per CIPFA / SOLACE	Evidence	Compliance
(a) Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services	Risk Management Protocol	A Risk Management Strategy has been developed. Each Dept is required to have its own Risk Management Action Plan. Also a risk assessment tool has been developed for the Best Value Toolkit. Risk Management has also been the subject of a Best Value review and an Improvement Plan has been implemented.	Partial
	Control framework	KPMG risk assessment Framework in place - reviewed by Internal Audit Financial Procedure Rules	Partial
	Scrutiny Committee role	Scrutiny Management Commission oversees corporate Council policies and strategies, which should include the Risk Management Policies.	Full
	Performance management System	Risk Management CSWG	Partial

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(b) Put into place effective risk management systems, including systems of internal control and internal audit function. These arrangements need to ensure compliance with all applicable statutes, regulations and relevant statements of best practice and need to ensure that public funds are properly safeguarded and are used economically, efficiently and effectively, and in accordance with the statutory and other authorities that govern their use.	Scheme of Delegation	Departmental Schemes are in place/being drafted. Constitution – key decisions taken on risk management basis	Full
	Internal Audit Protocol	Risk assessment by Internal Audit feeds through into Annual audit plan.	Full
	Performance Appraisal	A & Ds Achievement and development scheme for all employees.	Full
	Performance Management System	Performance is monitored by relevant inspection bodies eg external audit and by the relevant scrutiny commissions.	Full
	Financial Standards & Regulations	Part 4 of the Constitution handbook includes Financial Rules Procedure and Contract Procedure Rules.	Full
(c) Ensure that services are delivered by trained and experienced people	Job description /person specification	Every employee has a job description and specification. Recruitment and Selection Handbook	Full
	Training Plan	Currently being developed. Flows from Achievement and Development Scheme. IIP	Full
(d) Put in place effective arrangements for an objective review of risk management and internal control, including internal audit	Performance Management System	External Audit Internal Audit Plan developed using risk assessment	Full

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(e) Maintain an objective and professional relationship with their external auditors and statutory inspectors	Inspectorate reports	<ul style="list-style-type: none"> • Annual Audit Letter • Best Value Inspectorate reviews. • Ofsted inspections • Social Services Inspectorate. • IDeA 	Full
	Annual Audit Letter and other audit reports	Annual management letter from external audit covering financial statements and reliance on internal audit work. External audit review Best Value Performance Plan annually.	Full
	Audit Protocol	The responsibilities of Chief Officer regarding auditors are include in the Financial Procedures.	Full
(f) Publish on a timely basis, within the annual report, an objective, balanced and understandable statement and assessment of the authority's risk management and internal control mechanisms and their effectiveness in practice	Annual Report	<p>Not Produced.</p> <p>Statement on the system of internal financial control to be included in the Statement of Accounts – signed by Chief Financial Officer</p>	None