

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

06 April 2006

Report of the Chief Executive and Director of Finance

Part 1- Public

Matters for Recommendation to Cabinet

1 RISK MANAGEMENT STRATEGY REVIEW

Summary

This report asks Members to review the Risk Management Strategy. It asks Members of this Committee to recommend to Council via Cabinet any changes or that the current strategy remains unchanged.

1.1 Background

- 1.1.1 Members may recall that, at the Cabinet meeting of 6 March 2002, the Management Team presented a first draft Risk Management Strategy (RMS). The Strategy document was approved by the (then) Cabinet and was signed by the Leader of the Council and Chief Executive.
- 1.1.2 In order to ensure that the strategy remained current and continued to be progressed, it included a requirement that it is reviewed annually. The strategy has been reviewed and endorsed annually by Cabinet and Council and signed by the Leader and Chief Executive annually. A copy of the current strategy is attached at **[Annex 1]**.
- 1.1.3 Members will be aware of the other reports to this Committee on the Insurance Claims history and the review of Risk Registers. These reports form part of the overall Risk Management process of the Council.
- 1.1.4 Consideration of the corporate risk management forms part of the evidence for Members consideration of the Statement for Internal Control.
- 1.1.5 The Risk Management process has continued to evolve within the Council. The Risk Registers have been regularly reviewed and in 2006/07 it is intended that they will be further aligned to the overall corporate performance process which will commence in early 2006/07.
- 1.1.6 In addition Managers have been asked to circulate the Risk Registers to their staff in order to raise risk awareness.

1.1.7 During the 2006/07 further training of staff and Members on Risk Awareness will take place. This is a requirement of the Key Lines of Enquiry.

1.1.8 These continued enhancements to risk management are covered by the current strategy.

1.2 Review of Risk Management Strategy

1.2.1 The Chief Internal Auditor has reviewed the RMS and does not recommend that any changes are required to it. It continues to assist in the embedding of Risk Management within the culture of the organisation. However, this Committee has a responsibility to carry out an independent review the strategy and recommend changes to Council via Cabinet or endorsement of the current strategy.

1.3 Legal Implications

1.3.1 There are no legal requirements risks associated with this report.

1.4 Financial and Value for Money Considerations

1.4.1 There is no additional cost to this report. The RMS could result in future savings by changes arising from sound risk management.

1.5 Risk Assessment

1.5.1 The need to have a sound RMS is set out in the Key Lines of Enquiry. A failure to have one could lead to the Council scoring badly in the CPA inspection. In addition a failure to manage risks could lead to future avoidable costs falling on the Council.

1.6 Recommendations

1.6.1 Members are **RECOMMENDED** to review the Risk Management Strategy and **RECOMMEND** to Council via Cabinet that the current strategy remains unchanged.

Background papers:

contact: David Buckley

Nil

Sharon Shelton
Director of Finance