

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

01 April 2008

Report of the Chief Internal Auditor

Part 1- Public

Matters for Information

1 UPDATE ON RISK MANAGEMENT

Summary

This report informs Members on the steps taken to improve Risk Management following the external review carried out by Zurich Municipal.

1.1 Background

1.1.1 Members will be aware that there has been a strong Risk Management culture in place at this Council for a number of years. As part of the successful insurance tender by Zurich Municipal there was some free consultancy time offered. It was seen as opportune for some of this consultancy time to be used to carry out a review of the Council's Risk Management approach.

1.1.2 Members of this Committee were given a presentation of the review outcomes by Zurich Municipal at the 23 October 2007 meeting of this Committee.

1.2 Update

1.2.1 The report prepared by Zurich Municipal was considered by Management Team and an internal action plan was prepared to address a majority of the issues raised.

1.2.2 The changes will be implemented in the next round of risk register reviews with the main change being the adoption of a 6 x 4 matrix for risk consideration and a redesign of the risk register format including being linked into service cost centre plans.

1.2.3 There is a planned roll-out of the revised approach to start in April that includes a training session with all managers at the individual service management teams. Revised instructions have been drawn up for the preparation of risk registers and a copy of these is attached as **[Annex 1]**.

1.3 Legal Implications

1.3.1 There are no direct legal requirements resulting from this report.

1.4 Financial and Value for Money Considerations

- 1.4.1 The existence of up to date risk registers with regular reporting does ensure that any significant risks can be identified and steps taken to mitigate them at the earliest opportunity.

1.5 Risk Assessment

- 1.5.1 An effective risk management process is essential if the Council is to meet the requirements of the Key Lines of Enquiry assessment.
- 1.5.2 An effective risk management system is a factor in the Corporate Governance Statement as part of the overall governance arrangements for this Council.
- 1.5.3 The Council's insurers will also consider the effectiveness Risk Management when assessing risk cover and premiums.

1.6 Policy Considerations

- 1.6.1 The revisions to the risk management procedures will require a review and update of the Council's Risk Management Strategy.

Background papers:

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Audit Files

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