

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

22 June 2009

### Joint Report of the Chief Executive & Director of Finance

#### Part 1- Public

#### Matters for Recommendation to Cabinet

### 1 RISK MANAGEMENT STRATEGY

#### 1.1 Background

- 1.1.1 The Council introduced a Risk Management Strategy in 2002. In order to assist in the embedment of Risk Management Members are asked to review the Strategy on an annual basis and to update as required.
- 1.1.2 Following endorsement by Cabinet the Strategy is signed by the Leader and Chief Executive to demonstrate the commitment to Risk Management that this authority has.
- 1.1.3 Risk Management has increased in importance since the introduction of the strategy in 2002 and is now inspected annually as part of the Key Lines of Enquiry review undertaken by the Council's external auditors.
- 1.1.4 As part of the overall Risk Management process Members of this Committee are informed of any significant events that affect Risk Management. This process includes reporting to Members of the effectiveness of Risk Registers, outcome of any investigations arising from the Confidential Reporting Code and any actions arising from Insurance claims history.
- 1.1.5 The latest version of the Strategy is circulated to all staff with access to Groupwise, and is available on the staff intranet and web site.

#### 1.2 Review Outcome

- 1.2.1 Members of this Committee will be aware that a number of changes were made to the Risk Management Strategy in June 2008. This followed a major revision of the Risk Management process and the introduction of a new format for risk registers.
- 1.2.2 Training has been given to all service team managers on the completion of risk registers and the new risk registers are being reviewed on a quarterly basis.

- 1.2.3 A review of the Strategy has been undertaken and there are minor amendments suggested to embed the new process. These are shown in bold italics on the draft strategy attached. **[Annex 1]**

### **1.3 Legal Implications**

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

### **1.4 Financial and Value for Money Considerations**

- 1.4.1 Having a sound risk management strategy has no direct cost. However, having an embedded risk management culture has the potential to reduce the likelihood of future expenditure if risks become events. By considering risk and reducing or transferring it the financial outcome of events can be minimised.

### **1.5 Risk Assessment**

- 1.5.1 The need to have a sound risk management strategy is set out in the Key Lines of Enquiry. A failure to have one could lead to the Council scoring badly in external inspection. In addition a failure to manage risks could lead to future avoidable costs falling on the Council.
- 1.5.2 Maintaining a high profile within the organisation of risk management assists in the embedment of a risk management culture enabling risks to be identified and considered in the annual review of risk registers.

### **1.6 Recommendation**

- 1.6.1 Members are asked to consider the draft Risk Management Strategy and to recommend to Cabinet that it is endorsed.

Background papers:

contact: David Buckley

Nil

David Hughes  
Chief Executive

Sharon Shelton  
Director of Finance