

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**13 April 2010**

**Report of the Director of Finance**

**Part 1- Public**

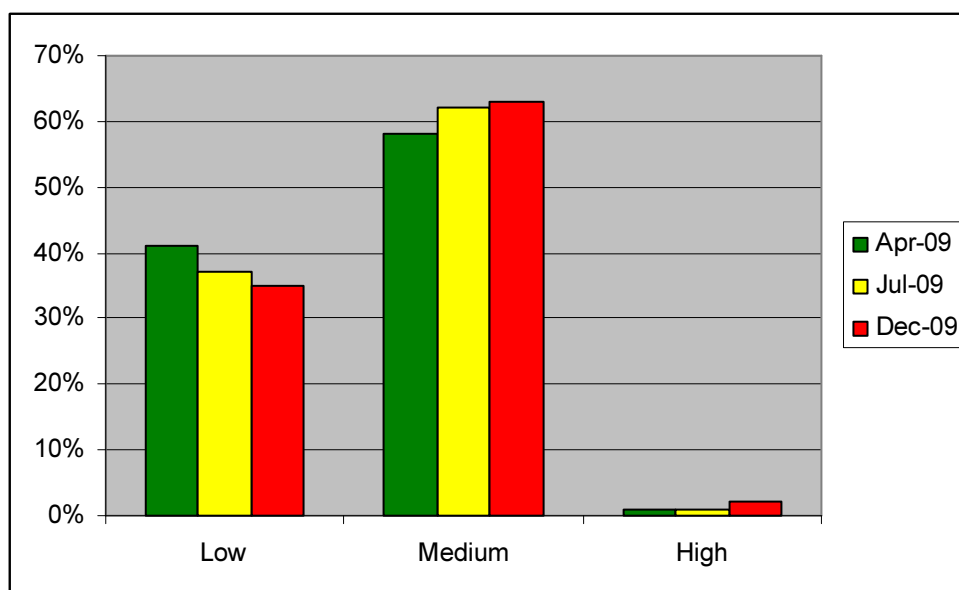
**Matters for Information**

**1 REVIEW OF OPERATIONAL RISK REGISTERS – DECEMBER 2009**

**This report serves to update Members on the results of a review of the Council's Operational Risk Registers which was carried out in December 2009.**

**1.1 Background**

- 1.1.1 The objective of this and subsequent reviews is to ensure that management and Members are provided with information concerning the overall risk status of the Council. These reviews will highlight the movement of risk and ensure that High Risk areas are brought to the attention of management and Members.
- 1.1.2 As reported to this Committee in October 2009 the previous arrangements for reviewing registers, which required undertaking reviews on a quarterly basis, was found to be too short a period within which to measure the movement of risk. As a result of this 6 monthly reviews were introduced and the December 2009 review is the first of these to be reported.
- 1.1.3 Members will note that the number of Activities/Objectives has reduced from 600 to 583. This is primarily due to a change in the I.T. Services register and their change in allocation of risks to the function rather than to individual contractors. In addition the number of registers has also reduced, from 47 to 46, as a result of the combining of the Personnel and Training registers.



	April 2009		July 2009		December 2009	
Low Risk	262	41%	221	37%	204	35%
Medium Risk	366	58%	373	62%	370	63%
High Risk	6	1%	6	1%	9	2%
	634		600		583	

- 1.1.4 As before, the movement of risk continues to be from low to medium and, on this occasion the number of Activities/Objectives identified as being High Risk have increased from 1% to 2% (from 6 Activities/Objectives to 9). Brief details of the High Risk areas are noted at **[Annex 1]** to this report.
- 1.1.5 This is an expected shift. As reported in the Audit Commission publication "Protecting the Public Purse" the risk of fraud and error is likely to increase because of the recession due to increased risk of fraud and controls coming under pressure as councils have to reduce costs.
- 1.1.6 Since the review in December, the Housing Benefits situation has improved considerably with the recruitment of four new staff who are presently being trained. The backlog of work has been reduced dramatically and the situation is expected to improve further as the new staff gain in their experience. Members are also advised that the collection of Council Tax and NNDR has gone very well during the course of the year, and the risk of under-performance is limited.
- 1.1.7 The Council's Strategic Risk Register, which is attached at **[Annex 2]** to this report, has also been reviewed and the scores remain unaltered.

## **1.2 Legal Implications**

- 1.2.1 There are no specific legal implications relating to the maintenance of Risk Registers, however the Accounts & Audit Regulations place an implied requirement for this procedure.

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

- 1.3.1 The existence of up to date Risk Registers together with regular reviews will help to identify emerging significant risks at an early stage and enable them to be managed reducing the Council's exposure to risk. In addition by carrying out regular reviews we are promoting risk awareness as a feature of our everyday working routine.

## **1.4 Risk Assessment**

- 1.4.1 The maintenance of up to date and valid Risk Registers is an important feature in any risk management process and is essential if the Council is to meet the requirements of the Key Lines of Enquiry assessment.

## **1.5 Policy Considerations**

- 1.5.1 Business Continuity/Resilience

## **1.6 Recommendations**

- 1.6.1 Members are **RECOMMENDED** to acknowledge the results of the review, with particular reference to those items that have been assessed as being High Risk at the present time.

Background papers:

Nil

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