

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

17 June 2013

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

#### Part 1- Public

#### Matters for Recommendation to Cabinet

## 1 RISK MANAGEMENT STRATEGY

### Summary

**This report asks Members to review the Risk Management Strategy and subject to agreeing any changes to recommend to Cabinet that it is endorsed by Council.**

### 1.1 Introduction

- 1.1.1 The Accounts and Audit Regulations 2011 recognise that compliance with the Public Sector Internal Auditing Standards (PSIAS) from 1 April 2013 ensures that a “proper internal audit environment” exists. This is a requirement of the Regulations.
- 1.1.2 Contained within the PSIAS is a requirement that the internal audit activity evaluates the effectiveness of the organisation’s risk management processes.
- 1.1.3 One of the requirements of this process is to ensure that significant risks are identified and assessed. The Risk Management Strategy sets out the framework of responsibility for risk management and how they are to be identified and assessed.

### 1.2 Review

- 1.2.1 The Risk Management Strategy is reviewed on an annual basis by the Audit Committee and following any required changes it recommends endorsement by Council. Following this endorsement it is then signed off by the Leader of the Council and the Chief Executive before being circulated to staff and being published on the web. This ensures that Risk Management retains a high profile.
- 1.2.2 The current strategy was developed over a number of years and places responsibility for managing risks with all managers and staff. All significant risks are scored using a matrix based upon likelihood and impact. Any risks that are scored “red” are reported to the Audit Committee with an explanation of what action is being taken to manage them.

- 1.2.3 There have not been any significant changes to the strategy over the last few years and it is considered to be fit for purpose. The only changes that have been made to the attached draft [**Annex 1**] relate to changes in responsibilities brought about by Management Team restructure.

### **1.3 Legal Implications**

- 1.3.1 The Accounts & Audit Regulations, through the PSIAS, require an effective Risk Management process to be in place. The strategy has fulfilled this requirement and will continue to do so.

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

- 1.4.1 Risk Management is designed to minimise risk to a manageable level that fits the risk appetite of the authority. By making Management and Members aware of emerging risks and action taken to control the risk there is a process in place to identify risk and opportunities at an early stage.

### **1.5 Risk Assessment**

- 1.5.1 The proposed strategy is considered to be fit for purpose.
- 1.5.2 The community, partners and stake-holders will expect the council to have in place robust arrangements for managing any risks that are likely to arise from its role as a public authority. The Risk Management Strategy and Corporate Risk Register demonstrate the importance that the Council attaches to managing those risks – this will help to give confidence that the council is self-aware of the need to manage its affairs in a proper and responsible manner.

### **1.6 Equality Impact Assessment**

- 1.6.1 A risk review of operations should consider equality issues as a potential risk and take steps to prevent or mitigate any potential breaches of equality legislation.

### **1.7 Recommendations**

- 1.7.1 Members are requested to review the Risk Management Strategy attached as Annex 1 and subject to any additional amendment, to **RECOMMEND** to Cabinet that it is adopted by Council.

Background papers:

contact: David Buckley

PSIAS

Julie Beilby  
Chief Executive

Sharon Shelton  
Director of Finance and Transformation

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Risk management will include equality issues as part of the decision process.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	When assessing risks in the decision making process a manager must consider the equality issues as part of the process.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

*In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.*