

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 October 2009

Report of the Director of Finance

Part 1- Public

Executive Non Key Decisions

1 RISK MANAGEMENT CONSULTANCY ALLOWANCE – RECOMMENDATION FROM THE AUDIT COMMITTEE

Summary

This report seeks Cabinet's agreement to a recommendation due to be made by the Audit Committee in respect of the Risk Management Consultancy Allowance at its meeting on 13 October.

1.1 Background

1.1.1 The Audit Committee, at its meeting on 13 October 2009, is due to receive a report on the use of the Risk Management Consultancy Allowance. The report recommends that part of the risk management consultancy allowance which was provided by the Council's insurers in respect of risk management initiatives, should be used to fund the following items:

- a review of the Council's client role and approach to its legal responsibilities for managing contracts and contractors from a health & safety perspective (£3,500 plus VAT); and
- provision of Risk Management Refresher Training for members of the Audit Committee on 9 February 2010, with an invitation extended to Members of the Cabinet, Finance & Property Advisory Board, General Purposes Committee and other interested Members (£1,300 plus VAT).

1.1.2 If the Audit Committee accepts the proposals made within the report and recommends that Cabinet approves the use of the allowance as set out above, this would leave a balance of £14,000 which must be "spent" by June 2010.

1.2 Legal Implications

1.2.1 Employers are required by law to comply with the provisions of The Health & Safety at Work etc Act 1974. An independent review will provide confirmation as to whether or not the Council's procedures for the management of health and safety relating to contracts/contractors comply with current legislation.

- 1.2.2 We have a legal duty to ensure that we appoint competent contractors and that they carry out work safely. The Health & Safety at Work etc Act places a responsibility on 'employers' to monitor contracts and contractors.

1.3 Financial and Value for Money Considerations

- 1.3.1 The Allowance is provided by Zurich Municipal as part of our Insurance contract. The allowance has to be "spent" by June 2010.

1.4 Risk Assessment

- 1.4.1 A failure to comply with the provisions of the Health & Safety at Work etc Act could result in penalties and fines being imposed on the Council, and more importantly, could jeopardise the safety and welfare of contractor / Council employees and other third parties. In addition the reputational risk for the Council should a fine or penalty be imposed by the Health & Safety Executive would be considerable.
- 1.4.2 In respect of Risk Management Training this is specifically referred to in the Council's Risk Management Strategy Statement as a means of achieving satisfaction of its stated Objectives

1.5 Policy Considerations

- 1.5.1 Health & Safety and Procurement
- 1.5.2 Business Continuity/Resilience

1.6 Recommendations

- 1.6.1 Subject to any comments or alternative recommendations made by the Audit Committee on the evening of 13 October 2009 which, if appropriate, will be reported verbally at the meeting of Cabinet, it is RECOMMENDED that:
- 1) The proposal for a review of the Council's role in managing contracts and contractors is approved, and that this is funded from the risk management consultancy allowance; and
 - 2) the proposal for Risk Management Refresher Training for members of the Audit Committee and other interested Members is approved, and that this too is funded from the risk management consultancy allowance.

Background papers:

contact: Brian Courtney

Nil

Sharon Shelton
Director of Finance