

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 October 2009

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Council

1 RISK MANAGEMENT STRATEGY

Summary

This report informs Members of the latest review of the Risk Management Strategy and requests that Cabinet recommends endorsement by Council.

1.1 Introduction

- 1.1.1 Members of Cabinet will be aware that the Council has had a Risk Management Strategy in place for a number of years as part of the Council's overall Risk Management process. This document is regularly reviewed in order to maintain the framework for Risk Management as well as keeping this area high profile.
- 1.1.2 Members will be aware that this document sets out the responsibilities throughout the authority for maintaining sound management of risk. Once approved by the Council it is jointly signed by the Leader and Chief Executive before being published on the Intranet and Council Website.
- 1.1.3 Members may be aware, from a report to the Audit Committee on 13 October, of the scoring in the Use of Resources exercise where Internal Controls and Risk Management received a score of 2. Although a score of 2 signifies adequate performance with minimum standards being met, this was the only "2" we received (all others being level 3) and initial feedback is that an improvement in the reporting of Risk Management to Members is the area that requires addressing. There were no adverse comments or suggested improvements to the Strategy itself.
- 1.1.4 The Strategy was reviewed earlier in the year by the Audit Committee on 22 June 2009. There were only minor tweaks to the strategy. However, since that meeting it has become clear that a system of half-yearly reviews rather than quarterly reviews is more practical. In addition a requirement has been added for Chief Officers to advise Management Team of any risks entering the red zone rather than this reporting mechanism being left to the discretion of the Chief Officer. These changes are being referred to the Audit Committee of 13 October

2009 and any feedback from that meeting will be given to Cabinet verbally at this meeting.

- 1.1.5 The amendments from the previous strategy are highlighted in bold on the revised Risk Management Strategy attached to this report. **[Annex 1]**

1.2 Legal Implications

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

1.3 Financial and Value for Money Considerations

- 1.3.1 There are no additional costs attached to this report. The RMS could result in future savings by changes arising from sound risk management.

1.4 Risk Assessment

- 1.4.1 The need to have a sound RMS is set out in the Key Lines of Enquiry. In addition a failure to manage risks could lead to future avoidable costs falling on the Council.

1.5 Recommendations

- 1.5.1 Members are asked to review the latest version of the Risk Management Strategy and **RECOMMEND** to Council that it is endorsed .

Background papers:

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Risk Management Strategy

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