

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

22 June 2011

Report of the Director of Finance

Part 1- Public

Matters for Recommendation to Council

1 RISK MANAGEMENT STRATEGY

Summary

This report refers Members to the revision of the Risk Management Strategy considered by the Audit Committee of 20 June and recommends its endorsement by Council.

1.1 Background

- 1.1.1 Members will be aware that the Council has had a Risk Management Strategy in place since 2002 as part of the overall Corporate Governance Strategy. This strategy forms the backbone to the risk management process of the Council.
- 1.1.2 The risk management process has evolved to ensure that consideration is given to the risks and how they can be mitigated. The Audit Committee receives regular reports on risk movement and assurance that a sound system is in place.
- 1.1.3 In order to keep the strategy up to date and to help it maintain a high profile there is a requirement to review it on annual basis. Once approved by Council it is circulated top staff using "Netconsent" and published on the Council website and intranet site.
- 1.1.4 Members will also be aware that the Internal Audit function of the Council is working in a partnership agreement with Gravesham Borough Council. One of the spin-offs of this partnership is to adopt best practice. This includes aligning procedures and policies as much as possible to ensure a consistent approach. The current revision of the Risk Management Strategy has been through this comparison approach and has been updated accordingly. The TMBC strategy and Gravesham strategies were compared and a revised strategy was endorsed by Gravesham members in March 2011. Because of different policy framework structures the TMBC strategy is presented to the June meeting of Audit Committee.
- 1.1.5 The principles of the Strategy have not changed but the format has been aligned as much as possible to that of Gravesham.

- 1.1.6 At the time of writing, a report has been submitted to the Audit Committee for its meeting on 20 June, and Members of that Committee will be asked to recommend endorsement by full Council. Members are asked to refer to the revised strategy presented in the Audit Committee papers.
- 1.1.7 Any proposed changes from the presented document made by the Audit Committee will be reported verbally to this Cabinet meeting.

1.2 Legal Implications

- 1.2.1 There is a Health & Safety requirement for effective risk management to be in place and this is included within the strategy. There is also a requirement in the Accounts & Audit Regulations accounting control systems must include measures to ensure that risk is appropriately managed. A sound risk management framework will achieve this.

1.3 Financial and Value for Money Considerations

- 1.3.1 An embedded risk management strategy will ensure that risks are not taken that could result in a financial loss to the Council. In addition it will enable opportunities to be properly considered.
- 1.3.2 Proper management of risks will enable informed management decisions to take place and will explore how risks can be transferred or mitigated if appropriate and adopt the most cost effective route to manage risk.

1.4 Risk Assessment

- 1.4.1 Failure to adopt an effective risk management strategy or risk register will potentially affect the organisation's ability to manage risk effectively and is likely to adversely affect strategic decision-making. It is important that the council's approach to risk is reviewed on a regular basis by both officers and Members to ensure new risks are identified and action being taken to mitigate existing risks is effective.
- 1.4.2 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. In developing the updated Risk Management Strategy and Corporate Risk Register the council will be demonstrating the importance it 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.

1.5 Equality Impact Assessment

- 1.5.1 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.

1.6 Recommendations

1.6.1 Subject to any proposed amendments Members are asked to **endorse** the revised strategy and **recommend** its adoption by Council.

Background papers:

contact: David Buckley

Gravesham Borough Council Risk Management
Strategy

David Hughes
Chief Executive

| Screening for equality impacts: | | |
|---|--------|---|
| Question | Answer | Explanation of impacts |
| 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 | A strong risk management strategy will ensure that equality issues are considered as part of the decision making 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? | | |

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.