

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

23 January 2017

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

#### Part 1- Public

#### Matters for Recommendation to Council

#### 1 RISK MANAGEMENT STRATEGY

**This report asks Members to review the updated Risk Management Strategy and to recommend it for endorsement by the Council.**

##### 1.1 Introduction

1.1.1 The Council has had a Risk Management Strategy in place for a number of years. The Council's Risk Management arrangements are designed to ensure a prudent approach is taken, with risks reduced to an acceptable level, thereby safeguarding the Council's assets, employees and customers. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.

1.1.2 The Risk Management Strategy sets out the Council's risk management objectives and details the roles and responsibilities of officers, Members and the Council's partners in ensuring risks are effectively identified, evaluated and controlled in a cost effective manner.

##### 1.2 Review of the Risk Management Strategy

1.2.1 As part of arrangements in place to ensure risk management maintains a high profile within the Council, the Strategy is subject to annual review and endorsement through the Audit Committee, Cabinet and Council.

1.2.2 The Risk Management Strategy has been fully reviewed and updated, together with the Risk Management Guidance. The Corporate Risk Register is being updated through the new process to align with the recently approved new Corporate Strategy. The main changes proposed to the risk management process relate to identified risks being subject to 'escalation' whereby risks falling into the 'red' zone will be considered by the relevant Service Management Team; none, some or all of which will then be judged to be of sufficient significance to be reported to Management Team and subsequently Members. Training for Audit Committee Members will be provided periodically with the first session preceding this meeting. Briefing sessions will be provided to Service Management teams to implement the revised process with subsequent briefings provided ad hoc as

required. A copy of the Risk Management Strategy is attached at **[Annex 1]**. For information a copy of the Risk Management Guidance has also been attached at **[Annex 2]**.

### **1.3 Legal Implications**

- 1.3.1 There is a Health and Safety requirement for effective risk management to be in place and the strategy supports this requirement.
- 1.3.2 There is also a requirement in the Accounts and Audit Regulations that accounting control systems must include measures to ensure that risk is appropriately managed.

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

- 1.4.1 Effective risk management arrangements make a positive contribution to ensuring value for money is provided in the delivery of services.

### **1.5 Risk Assessment**

- 1.5.1 Sound risk management arrangements aid the Council in effective strategic decision-making. The Council's approach to risk should be reviewed on a regular basis to ensure it is up to date and operating effectively.

### **1.6 Equality Impact Assessment**

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

### **1.7 Recommendations**

- 1.7.1 Members are asked to **consider** and **endorse** the proposed change to the risk management process detailed at paragraph 1.2.2.
- 1.7.2 Members are also asked to **review** the Risk Management Strategy and subject to any amendment required to **recommend** to Cabinet for adoption by Council.

Background papers:

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Nil

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