TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

22 January 2018

Report of the Management Team

Part 1- Public

Matters for Recommendation to Council

1   RISK MANAGEMENT STRATEGY

This report asks Members to review the Risk Management Strategy and to recommend its endorsement by Full Council.
Further, it asks Members to note the resourcing pressures in respect of the risk 'Emergency Planning' and adds a new strategic risk in relation to potentially contaminated land.

1.1   Introduction

1.1.1   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 the identification, evaluation and cost-effective control of risks.

1.1.2   The Council's risk management arrangements are designed to ensure that risks are reduced to an acceptable level or, where reasonable, eliminated thereby safeguarding the Council's assets, employees and customers and the delivery of services to the local community. Examples of risk include budget deficit, cyber/data loss, environmental and reputational.

1.1.3   The Council endeavours to pursue a forward-looking and dynamic approach to delivering services to the local community and will not be averse to taking a degree of commercial risk. However, it will always exercise a prudent approach to risk taking and decisions will be made within the parameters of the Council's internal control arrangements, i.e. Constitution, Procedural Rules, etc. These arrangements will serve to ensure that the Council does not expose itself to risks above an acceptable level.

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, together with the Risk Management Guidance, was reviewed and substantially updated this time last year and this latest review found that no changes were required to the Strategy. The Guidance required minor changes to the Risk Management flow chart at Section 3 and to paragraphs 7.3 and 7.4 to better reflect the current escalation process.

1.2.3 A copy of the current Risk Management Strategy and Risk Management Guidance is attached at **[Annex 1]** and **[Annex 2]** respectively.

1.3   Risk Management Process

1.3.1 The risk management escalation process referred to at 1.2.2 has been implemented following approval of the Strategic Risk Register by the Cabinet and Council in October 2017. It is proposed that this Committee will receive reports on outcomes from the process bi-annually in July and January. Reporting will commence from July 2018 as the process is at a relatively early stage at this time.

1.3.2 With regard to the Strategic Risk Register, however, there are two matters to draw to Members' attention at this stage.

1.3.3 Firstly, the identified risk 'Emergency Planning', which is presently coloured 'amber' in the Risk Register, is the subject of particular focus at this time. As Members will be aware, there are ongoing, and indeed increasing, resourcing pressures for the Council to respond to emergency situations within the context of the Civil Contingencies Act. Management Team are of the view that the risk of not being able to respond appropriately may increase if those resourcing pressures are not addressed in the near future. Members are advised that is it is the intention of Management Team to report to the next General Purposes Committee in respect of resourcing requirements.

1.3.4 Secondly, a new strategic risk has been identified relating to the monitoring of potentially contaminated land in respect of the Council's duties and responsibilities under the Environmental Protection Act 1990 which will be added to the Strategic Risk Register at its next iteration. A report on this particular issue will be brought to the Street Scene and Environment Advisory Board.

1.4   Legal Implications

1.4.1 There is a Health and Safety requirement for effective risk management to be in place and the Strategy supports this requirement.

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.

1.5 Financial and Value for Money Considerations

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

1.6 Risk Assessment

1.6.1 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.

1.7 Equality Impact Assessment

1.7.1 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.

1.8 Recommendations

1.8.1 Members are asked to:

1) **Review** the Risk Management Strategy and subject to any amendment required to **recommend** to Cabinet for adoption by Council;

2) **Note** the impact of ongoing resourcing pressures to respond in respect of the identified risk 'Emergency Planning' and the intention to report to the next meeting of the General Purposes Committee as to resourcing requirements; and

3) **Note** the emergence of a new strategic risk in respect of the monitoring of potentially contaminated land which will be added to the Strategic Risk Register in due course**.**

Background papers: contact: Samantha Buckland

Nil

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