TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

14 February 2019

Report of the Management Team

Part 1- Public

Matters for Recommendation to Council

1   RISK MANAGEMENT

The report asks Members to review the Risk Management Strategy and accompanying Risk Management Guidance and to recommend to Cabinet its adoption by Full Council.
The report also provides an update on the risk management process and the Strategic Risk Register.

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 and accompanying Guidance is subject to annual review and endorsement through the Audit Committee, Cabinet and Council.

1.2.2   This latest review of the Risk Management Strategy and the accompanying Risk Management Guidance, found that no changes were required to either the Strategy or Guidance.

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

1.2.4   The Audit Committee at its meeting in January endorsed the Risk Management Strategy and accompanying Risk Management Guidance as presented.

1.3   Risk Management Escalation Process

1.3.1   To give Members some reassurance as to the effectiveness of the regime outcomes from the risk management escalation process are reported bi-annually to the July and January meetings of the Audit Committee. Effectively risks are assessed/scored in terms of their likelihood/impact and those being assessed as potentially "High" will feature on the Strategic Risk Register (SRR).

1.3.2   Risks which are scored as "Low" in terms of their potential likelihood or impact are managed by Senior Managers within the Service.

1.3.3   Should the risk score increase, these risks are escalated to Service Management Team with a "Medium" categorisation.

1.3.4   Service Management Teams will escalate the risk via the Management Team for corporate attention if it is felt that the likelihood or impact of the risk now carries a categorisation of "High". As mentioned at paragraph 1.3.1 risks with a "High" categorisation will find their way onto the SRR. By way of example, Members might recall that the new waste services contract had been escalated to Management Team as a "High" risk and added to the SRR.

1.4   Strategic Risk Register (SRR)

1.4.1   A "snapshot" of the SRR as at the time of writing is appended at **[Annex 3]**.

1.4.2   Members will note the updates in red font since the last iteration of the Register, including the risk relating to 'Brexit impact and economic stability'. At the time of writing this report it is not known whether we are likely to have a 'deal' or a 'No deal' Brexit. As Members will appreciate, the prospect of a 'No deal' Brexit could have a significant impact on service delivery.

1.4.3   Unless there is something significant that needs to be brought to Members' attention in the interim, we will present the SRR to the Audit Committee in July 2019 in accordance with the agreed process of bi-annual reports.

1.5   Legal Implications

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

1.5.2 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.

1.6 Financial and Value for Money Considerations

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

1.7 Risk Assessment

1.7.1 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.

1.8 Equality Impact Assessment

1.8.1 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.

1.9 Recommendations

1.9.1 Cabinet are asked to review the Risk Management strategy and accompanying Risk Management Guidance and, subject to any amendments required, to recommend to Council it be adopted.

Background papers: contact: Sharon Shelton

Nil

Sharon Shelton
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