

Audit & Governance Committee

2 April 2019

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Strategic Risk Review

Final Decision-Maker	Audit & Governance Committee
Portfolio Holder(s)	All
Lead Director	Lee Colyer – Director of Finance, Policy and Development
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer/Report Author	Lee Colyer – Director of Finance, Policy and Development
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the Committee **notes** the risk management report and arrangements for managing strategic risk.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

Meeting	Date
Management Board	13 March 2019
Audit and Governance Committee	2 April 2019

Strategic Risk Review

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report sets out the strategic risks identified by the Council and currently being managed and tracked by senior management. The report provides a current update on the evaluated threat level and controls in place for each risk issue.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The risks included in the report were initially developed in a risk management workshop facilitated by Zurich Insurance Limited on 10 December 2013, with the risks being formally adopted by Cabinet on 16 May 2014. Since that time, risk owners have kept the risks and controls under review with periodic reporting both to the Cabinet and the Audit & Governance Committee.
- 2.2 A strategic risk management workshop and health check has recently been undertaken by Zurich Insurance Limited. The outcome of this review is awaited and will be reported through the Council's decision-making process.
- 2.3 The Council's Management Board periodically reviews the risks identified along with the risk owners.
- 2.4 Risk owners (managers) for certain risks are invited to attend the Audit and Governance Committee meetings to outline the Council's approach to managing their particular risk(s). For this Committee meeting, members will be able to examine the risk(s) owned by Paul Taylor, Director of Change and Communities, and Denise Haylett, Head of Facilities and Community Hubs with support from Chris Woodward, Head of Mid-Kent ICT Services, namely;
- Risk 3: Resident Engagement; and
 - Risk 6: Service Interruption.
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3. AVAILABLE OPTIONS

- 3.1 There is no legal requirement on the authority formally to monitor its risks, still less is there a defined framework to do so. Although failing to monitor and record risks will leave the Council vulnerable to external criticism – for example by its external auditors who are required to assess the effectiveness of risk management when considering their annual Value For Money conclusion – the Council could decide that is a price worth paying against using some of its resources to identify and monitor risk.

- 3.2 Even accepting the utility in gathering systematic monitoring information on the risks it faces, there is a wide range of different approaches the Council might adopt. Even if one looks solely at the local government sector, there are myriad formats, structures and arrangements adopted to record and present information to senior officers and members.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The report sets out the risks using the methodology and format previously agreed by the Council, which is essentially the method advocated by Zurich from the 2013 risk workshop.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Risk Register has undergone periodic review and examination by the Council's Management Board, the Cabinet and the Audit & Governance Committee. This stands in addition to ongoing monitoring by the identified risk owners. This report incorporates feedback and updates from all sources.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective. There are no immediate legal implications arising from this report.	Lee Colyer, Director of Finance, Policy and Development 15 March 2019
Finance and other resources	None identified at this stage.	
Staffing establishment	None identified at this stage.	
Risk management	Risk management is the subject of the report but it does not of itself raise new risk issues for consideration.	
Data Protection	None identified at this stage.	
Environment and sustainability	None identified at this stage.	
Community safety	None identified at this stage.	

Health and Safety	None identified at this stage.	
Health and wellbeing	None identified at this stage.	
Equalities	None identified at this stage.	

7. REPORT APPENDICES

The following document is to be published with this report and forms part of the report:

- Appendix A: Strategic Risks March 2019
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8. BACKGROUND PAPERS

None