RISK MANAGEMENT

Item AU 25/4 referred from Audit Committee of 13 January 2025

The report of the Management Team provided an update on the risk management process and the Strategic Risk Register. An update was also provided in respect of the Zurich Risk Management Review which was initially presented to Members in January 2024.

An executive summary of the RED risks was provided at Annex 1 of the report and a full update on the current strategic risks and how they were being managed as at the time of writing were set out at Annex 1a. The risks that were categorised RED at the time of the September 2024 meeting were:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Implementation of the Agile software system
- Contract/Contractor Procurement

Management Team had undertaken a review of all the risks contained within the Strategic Risk Register with a view to achieving a more streamlined version, highlighting only the strategic risks to the Council over the next one-to-two-year horizon. Management Team had assessed that the Economic Stability, Homes for Ukraine and Waste/Recycling Income risks should be removed from the Strategic Register.

On the grounds that training had been successfully rolled out to officers and a new procurement strategy had been approved by Cabinet on 10 December 2024, the Contract/Contractor Procurement risk had been reduced to Amber. Therefore, the number of RED risks had reduced to three, as follows:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Implementation of the Agile software system

In response to questions raised by Members with regard to the risks associated with the Local Plan and the Agile project, the Committee were advised that mitigation measures would be set out in reports due to be presented to the Housing and Planning Scrutiny Select Committee of 12 February 2025 in respect of the Local Plan, and a further internal post-implementation audit report was being commissioned to review the implementation of the Agile system with an update to be provided to this Committee at its next meeting in April 2025.

A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to the Committee were set out at Annex 2 of the report.

Following the appointment of Risk Champions at both Member and Officer levels, an officer Risk Management Group had been established with the objective of spreading the workload, and word, on the importance of risk management

throughout the Council. The Group would be undertaking a review of the Risk Management Strategy in the forthcoming months and anticipated to provide an updated strategy to the Committee to review in September 2025.

Furthermore, an update on progress in addressing the recommendations identified by Zurich Risk Management in a Risk Management Review report, which was presented to the Committee in January 2024, was provided at Annex 3 of the report.

In addition, particular reference was made by Members to the potential risk to arise from the 'Devolution White Paper' and Local Government Reorganisation. However, given current uncertainties around the 'devolution' programme and implications for the Borough Council, it was hoped that a clearer timescale would be available once the result of the bid from Kent County Council and Medway Council to be considered for the priority devolution programme was known by the end of January, when due regard could be given to assess the risk in more detail and report to Members at the next meeting of the Audit Committee in April 2025.

RECOMMENDED*: That

(1)   the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as RED, be noted;

(2)   the progress towards the delivery of recommendations from the Zurich Risk Management Review, be noted; and

(3)   the objective to present an updated Risk Management Strategy to the September 2025 meeting of the Audit Committee, be noted and approved.

***Recommended to Cabinet**