

RISK MANAGEMENT

Item AU 25/16 referred from Audit Committee of 14 April 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 work being undertaken within the Council to champion risk management.

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 January 2025 meeting were:

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

Following a decision taken by Cabinet on 4 March 2025 with a 'change of direction' given the strategic and operational issues relating to the implementation of the Agile software system, the risk associated with Agile implementation had been retitled 'Management exit from the Agile system' and due to the complex stage the Council was at, it was considered that the risk at the time should remain as RED pending further review.

The current RED risks were therefore as follows:

- Achievement of Savings and Transformation Strategy
- Failure to agree a Local Plan
- Management exit from the Agile system

Particular attention was drawn to a new risk added to the Strategic Risk Register in respect of 'Devolution and Reorganisation in Kent Local Government' which was currently classified as 'Amber', although it was recognised that the risk rating could change quickly pending release of further information from the Government.

In response to questions raised by Members with regard to the risks associated with service operations and the enhanced functionality of software systems, the Committee were advised that operational risks were monitored by services with prominent risks escalated to the Management Team for review as to whether they should be added to the Strategic Risk Register as and when required and that consideration would be given to including the potential non-delivery of the added functionality as a result of the exit from the Agile system within the relevant risk on the Strategic Risk Register.

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.

In addition, Members were reminded that the Chair of the Audit Committee was nominated as the Member Risk Champion and a description of the role agreed with the Chair was attached at Annex 3.

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 was leading on a review and update of the Risk Management Strategy and anticipated to present an updated Strategy to the Committee to review in September 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 service risks identified in Annex 2 of the report, be noted; and
- (3) the responsibilities of the Member Risk Champion as detailed in Annex 3 of the report, be noted.

***Recommended to Cabinet**