**Audit Committee**

**26 January 2026**

**Part 1 - Public**

**Recommendation to Cabinet**



| Cabinet Member | Cllr Matt Boughton – Leader |
| | Cllr Martin Coffin – Cabinet Member for Finance, Waste and Technical Services |

| Responsible Officer | Management Team |

| Report Author | Paul Worden – Head of Finance (Section 151 Officer) |

**Risk Management**

## 1    Summary and Purpose of Report

1.1    The report of the Management Team provides an update on the risk management process and the Strategic Risk Register.

## 2    Corporate Strategy Priority Area

2.1    Efficient services for all our residents, maintaining an effective council.

2.2    The identification, evaluation, and cost-effective control of risks is essential in safeguarding the Council's assets, employees and customers and the delivery of services to the local community.

2.3    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

## 3    Recommendations

3.1    Members are asked to:

1)    **NOTE** the updates to the Strategic Risk Register since the last iteration with particular emphasis on those risks categorised as RED as shown in Annexes 1 and 1a; and

2)    **NOTE** the service risks identified in Annex 2.

## 4  Introduction and Background

4.1    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.

4.2    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.

4.3    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.

4.4    The current Risk Management Strategy was endorsed by this Committee in September 2025 and subsequently adopted by Full Council on 28 October 2025.

## 5  Risk Management Escalation Process

5.1    Effectively risks are assessed/scored in terms of their likelihood/impact.

5.2    Following the change to the Strategy in October 2025, the Council has now adopted the nation 5 x 5 risk matrix. This results in the following potential scoring of risks as detailed in the table below;

| Score | Likelihood | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|---|
| Impact | Description | Rare | Unlikely | Reasonably Possible | Likely | Almost Certain |
| 1 | Low | 1 | 2 | 3 | 4 | 5 |
| 2 | Moderate | 2 | 4 | 6 | 8 | 10 |
| 3 | Significant | 3 | 6 | 9 | 12 | 15 |
| 4 | Severe | 4 | 8 | 12 | 16 | 20 |
| 5 | Catastrophic | 5 | 10 | 15 | 20 | 25 |

5.3    Amber risks, those scoring between 8 and 12, should be raised at Service Management Team, added to the Service Risks identified list.

5.4    Red risks, those scoring 15 to 25, should be considered by Service Management Teams for potential escalation to Corporate Management Team for inclusion onto the Strategic Risk Register (SRR), see the section on escalation later in this

guidance note. If agreed the Chief Officer raising the concern should add the details required to the SRR.

## 6 Strategic Risk Register

6.1 The Strategic Risk Register (SRR) is considered to be a 'live' document and is updated, as often as is required, by the Management Team.

6.2 Following the changes approved by the Council in October 2025 the format to the registers has now changed. The initial scoring gives the details of unmitigated risk to the Council, these would be expected to be of high risk, scoring 12 an above. The second score gives the risk after mitigation has been applied, this should have the result of reducing the score.

6.3 An executive summary of the RED mitigated risks has been provided at **[Annex 1]** and a full version of the Strategic Risk Register can be found at **[Annex 1a]**. Due to the migration to the new register format, no direction of travel has been given.

6.4 For completeness the risks that were categorised as RED at the time of the **September** meeting of this Committee is given below:

- Achievement of Savings and Transformation Strategy

- Failure to agree a Local Plan

- Managed exit from the Agile System

6.5 A review has been undertaken by Management Team and it is felt that the following risks could be removed from the Strategic Risk Register at the next presentation;

- Performance Management – this was removed as a risk by the Council's external auditors following review in 2024/25 and the Officer and Council have a now well established review and reporting mechanism.

- Contract/Contract Procurement – this was also removed as a risk by the Council's external auditors following review in 2024/25, the new protocols in place through the joint working with the Procurement Team are now well established and operating smoothly.

6.6 Following the review of the items on the register, Management Team have considered that despite mitigations in place the following areas remain at high or RED risk;

- Failure to adopt a Local Plan

- Recruitment and Retention of Staff

- Local Government Reorganisation in Kent

**7      Ongoing Service Risks**

7.1     To give Members some reassurance as to the effectiveness of risk management outcomes from the risk management escalation process are reported to the meetings of this Committee unless there is something that needs to be brought to Members' attention in the interim.

7.2     A schedule of ongoing risks and risks identified by Service Management Teams and Management Team since the last report to this Committee in September 2025 is appended at **[Annex 2]**.

**8      Financial and Value for Money Considerations**

8.1     Financial issues may arise in mitigating risk which will be managed within existing budget resources or reported to Members if this is not possible.

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

**9      Risk Assessment**

9.1     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.

9.2     A specific item for 'Risk Management' appears on all Management Team and Service Management Team agendas.

**10     Legal Implications**

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

10.2    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.

**11     Cross Cutting Issues**

11.1    Equalities and Diversity

11.1.1  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.

| Background Papers | None |
|---|---|
| Annexes | Annex 1 - Executive Summary – Strategic Risk Register<br>Annex 1a - Strategic Risk Register<br>Annex 2 - Service Risks |