

RISK MANAGEMENT

Item AU 26/5 referred from Audit Committee of 26 January 2026

The report of Management Team provided an update on the risk management process and the current status of the Strategic Risk Register (SSR). It highlighted the importance of efficient and effective risk management in protecting the Council's assets, employees, and customers, as well as ensuring value for money and service continuity for residents.

The Risk Management Strategy, which outlined objectives and responsibilities, was endorsed by the Committee in September 2025 and adopted by Full Council in October 2025. The Council had transitioned to a national 5x5 risk scoring matrix, categorising risks as AMBER (scores 8–12) and RED (scores 15–25), with procedures for escalating significant risks to the Corporate Management Team for inclusion in the Strategic Risk Register.

The Strategic Risk Register was regularly updated by the Management Team. An executive summary of RED (high) risks was provided, with a full version available in the annexes. Recent reviews had resulted in the removal of certain risks, such as Performance Management and Contract Procurement, due to improved protocols and external auditor feedback. However, some areas remained RED, including:

- Failure to adopt a Local Plan
- Recruitment and retention of staff
- Local Government Reorganisation in Kent

Ongoing service risks and outcomes from the escalation process were reported to the Committee, and a schedule of current and newly identified risks was appended to the report at Annex 2.

During discussion regarding increasing demand on temporary accommodation, it was noted that instead of purchasing properties, the Council had opted to lease them, thereby limiting its direct exposure to property market risk and asset management challenges. This strategy reflected an ongoing commitment to prudent risk management. The Council was however exploring the potential to invest in council-owned temporary accommodation. There was concern about the risk of over-supply, if demand did not materialise, which could lead to vacant properties and associated costs.

RECOMMENDED*: That

- (1) the updates to the Strategic Risk Register since the last iteration, be noted, with particular emphasis on those risks categorised as RED as shown in Annexes 1 and 1(a); and
- (2) the service risks identified in Annex 2, be noted.

***Recommended to Cabinet**