

Audit Committee

13 April 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 and 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 and 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 **January** meeting of this Committee is given below:
- Failure to adopt a Local Plan
 - Recruitment and Retention of Staff
 - Local Government Reorganisation in Kent
- 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;
- Financial position/budget deficit – Following the setting of the budget in February 2026, a nil funding gap have been recognised over the 10 year period covered by the Medium Term Financial Strategy. It is there considered a lower risk for the review period covered by the SRR of the next 12 to 18 months.
 - Achievement of Savings and Transformation Strategy – Similarly to the issues above with a nil funding gap there has not been the need to produce a savings and transformation strategy for the 2026/27 financial year and could therefore be removed from the SRR.
- It should be noted that in the event of major ongoing financial issues both could be placed back onto the SRR, but at this stage the risk is considered low and further updates to the MTFs will take place in 2026/27.
- 6.6 Other movements to scoring have been made with direction of travel being shown in **[Annex 1a]**.

- 6.7 One of the previous red risks for Recruitment and Retentions of Staff has now been reduced to a high amber score. Management Team felt that the risk has diminished following the recently agreed pay award.
- 6.8 In addition to this a new risk has been added to the register concerning the Development Management Decisions following the recent issues of infrastructure assumptions being made by South East Water and the potential impact to the Council. Even following mitigation, the impact on the Council could be significant due to the refund of planning fees and legal costs arising from the non-determination of planning applications within the Governments timescales.
- 6.9 Failure to resolve this issue in a prompt manner, could result in issues with the MTFS reserve balances resulting in a new saving target reversing the position explained in paragraph 6.5.
- 6.10 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
 - Local Government Reorganisation in Kent
 - Development Management Decisions

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 January 2026 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 Annex 1a - Strategic Risk Register Annex 2 - Service Risks