

## **RISK MANAGEMENT**

### **Item AU 26/15 referred from Audit Committee of 13 April 2026**

The report of Management Team provided an update on the risk management process and the current status of the Strategic Risk Register (SRR). 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 Financial position/budget deficit and the Achievement of Savings and Transformation Strategy, following a nil funding gap when the budget was set in February 2026. It was noted that in the event of major ongoing financial issues, both could be placed back on the risk register, but at this stage the risks were considered low and further updates to the Medium-Term Financial Strategy (MTFS) would take place in 2026/27. However, despite mitigations in place, the following areas remained at high or RED risk:

- Failure to adopt a Local Plan
- Local Government Reorganisation in Kent
- Development Management Decisions

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 the removal of the 'Financial position/budget deficit' and the 'Achievement of Savings and Transformation Strategy' risks, it was noted that at the time of writing the report, and following a review of the risk register, prior to certain developments in the Middle East, the budget position was stable. At that point, the Council had a balanced budget for the 10-year programme. The MTFS would be reviewed for Cabinet, alongside the outturn report and the first in-year budget monitoring report. The risk might need to be reinstated unless the position stabilised.

Members raised concerns regarding spikes in fuel prices and the potential for higher energy costs as well as the impact of emerging unitary councils on the recruitment and retention of staff.

Members sought an update on the current status of the risk related to Uniform/Idox and noted that there had been delays in re-integrating data sets into the Uniform system. Although all data was held, not all of it was presently available within the Uniform system, which prevented its use for operational purposes. Due to these ongoing challenges, the risk level had been maintained at a higher rating.

On the grounds that assurance was received on the effectiveness of risk management, Councillor R Cannon proposed, Councillor M Rhodes seconded and it was

**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**