

**MAIDSTONE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**19 SEPTEMBER 2011**

**REPORT OF CORPORATE MANAGEMENT TEAM**

**Report prepared by Brian Parsons**

**1. STRATEGIC RISKS**

1.1 Issue for Decision

1.1.1 A new Strategic Risk Register has been agreed and adopted by Cabinet at its meeting on 14 September 2011. Audit Committee is now asked to note the risk register in the context of its role of monitoring the effective development and operation of risk management in the Council.

1.2 Recommendation of the Corporate Management Team

That Audit Committee notes the new Strategic Risk Register and the process leading to its creation.

1.3 Reasons for Recommendation

1.3.1 The Cabinet agreed to adopt a new Strategic Risk Register at its meeting on 14 September 2011. The Risk Register is shown at Appendix A. The Terms of Reference for the Audit Committee require that it monitors the effective development and operation of risk management and corporate governance in the Council.

1.3.2 The Risk Register is intended to align as closely as possible with the Council's Strategic Plan 2011-15. The new Register was developed through a risk workshop process which sought to identify the risks to the successful delivery of the newly developed strategic outcomes.

1.3.3 Management Team has allocated the individual strategic risks to specific senior managers so that they can take personal responsibility for managing those risks as follows:

### Risk Description and 'Risk Owner'

- 'The Borough needs a transport network that supports the local economy' – Interim Head of Core Strategy (Flo Churchill)
- 'The Borough needs a growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy' – Assistant Director of Development and Community Strategy (Brian Morgan)
- 'The Borough needs decent affordable housing in the right places across a range of tenures' – Head of Housing and Community Safety (John Littlemore)
- 'Maidstone needs a clean and attractive environment for people who live in and visit the borough' – Assistant Director of Environment and Regulatory Services (Steve Goulette)
- 'The Council needs to ensure that residents are not disadvantaged because of where they live or who they are; vulnerable people are assisted and the level of deprivation is reduced' – Head of Housing and Community Safety (John Littlemore)
- The Council needs to deliver value for money council services that residents are satisfied with' – Head of Change and Scrutiny (Angela Woodhouse)

1.3.4 The 'risk owners' have completed Management Action Plans setting out the required management action, the officer responsible for taking the action and the key dates for the action to be taken by. The Management Action Plans are shown at Appendix B.

1.3.5 The Action Plans will be entered onto the corporate performance management system, Covalent so that actions can be monitored and tracked. The actions will be reported as part of the performance monitoring reports that are provided to Management Team and Cabinet on a quarterly basis.

### 1.4 Alternative Action and why not Recommended

1.4.1 Audit Committee needs to monitor the effective development and operation of risk management and corporate governance in the Council. No alternative action could be recommended.

1.5 Impact on Corporate Objectives

1.5.1 The Strategic Risk Register mirrors the Strategic Plan 2011-15; therefore the effective management of the strategic risks has a direct result on the delivery of all corporate objectives.

1.6 Risk Management

1.6.1 Risk management is the basis of the report. A failure to have effective risk management arrangements in place would result in a greater likelihood that the risks would materialize with greater impact and a higher likelihood that the Council's objectives would not be achieved

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 Some of the strategic risks have financial implications in terms of their management and the treatment applied.

1.7.3 The effective management of strategic risks will require staff and management resources to be committed to the process. However, as the risks are aligned to the Council's objectives, their management should be part of the broader management process.

1.7.4 Some of the key strategic outcomes relate to service areas which are statutory.

## 1.8 Conclusions

- 1.8.1 The Council has committed to a four-year Strategic Plan for delivering its priorities. The delivery of the priorities is subject to risk. Having identified the risks, it is essential that an effective process is put in place to manage the risks and to report progress to Management Team and Cabinet on a regular basis.
- 1.8.2 The Terms of Reference for the Audit Committee require that it monitors the effective development and operation of risk management and corporate governance in the Council.
- 1.8.3 The information contained within this report and the two appendices provide assurance that strategic risk management arrangements have been effectively developed and are being effectively operated

## 1.9 Relevant Documents

### 1.9.1 Appendices:

Appendix A: Strategic Risk Register 2011 -2015

Appendix B: Strategic Risks – Management Action Plans (at August 2011)

### 1.9.2 Background Documents

None

**IS THIS A KEY DECISION REPORT?**

Yes

No

If yes, when did it first appear in the Forward Plan?

.....

This is a Key Decision because: .....

.....

Wards/Parishes affected: .....

.....