

**Policy & Resources Committee****26<sup>th</sup> October 2016**

Is the final decision on the recommendations in this report to be made at this meeting?

**No****Risk Management Update**

<b>Final Decision-Maker</b>	Policy and Resources Committee
<b>Lead Deputy Head of Service</b>	Russell Heppleston – Deputy Head of Audit Partnership
<b>Lead Officer and Report Author</b>	Russell Heppleston – Deputy Head of Audit Partnership Alison Blake – Audit Manager
<b>Classification</b>	Public
<b>Wards affected</b>	All

**This report makes the following recommendations to this Committee:**

1. To **note** the key risks facing the Council and the measures in place for their management.

**This report relates to the following corporate priorities:**

- Keeping Maidstone Borough an attractive place for all -
- Securing a successful economy for Maidstone Borough -

The risk register spans all issues facing the Council that may impede or delay achievement of its corporate priorities.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Policy & Resources Committee	26 <sup>th</sup> October 2016

# Risk Management Update

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 In July 2015 the Policy and Resource (P&R) Committee approved the revised risk management framework, and agreed to the creation of a comprehensive risk register.
  - 1.2 The framework includes the principle that the highest risks will be reported to CLT quarterly for review and consideration, and bi-annually to P&R Committee. Our first risk update report was reported in February 2016.
  - 1.3 Since the February meeting, changes to the Public Sector Internal Audit Standards (PSIAS) and the re-structure of Mid Kent Audit have allowed the audit team to take operational responsibility for delivering risk management services, and co-ordinate the effective operation of the risk management framework.
  - 1.4 Throughout the summer, the audit team have met with risk owners and ratified, challenged and updated all of the highest level risks on the risk register. The purpose of this report (**Appendix A**) is to provide an update on the outcomes of the review of risks and provide more detailed information on the key risks facing the Council. Furthermore, the report sets out the next steps to be undertaken to further embed risk management within the Council, including the development of a risk appetite statement.
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## 2. INTRODUCTION AND BACKGROUND

- 2.1 This Committee agreed the implementation of a new risk management framework in July 2015. This update sought to refresh the Council's overall approach to risk management, and provide a number of key improvements to bring the arrangements in line with good practice. One such improvement was the communication and monitoring of significant risks to Senior Officers (CLT) and Members (P&R and Audit, Governance and Standards Committee).
- 2.2 The comprehensive risk register was compiled throughout 2015/16 using the updated risk management process, and for the first time collated all risks in one place, using a common structure and format, and more importantly, risks were assessed using a clear set of impact and likelihood definitions.
- 2.3 We reported our first risk update to Members of this Committee in February 2016; this report included an update on the corporate risks identified during a risk workshop facilitated by Grant Thornton.
- 2.4 This report (**Appendix A**) has been updated in format and design to provide the next stage of updates to the risks. The report includes a summary of the corporate risks, and the highest scored risks on the register. The report also provides more detailed information on the

mitigations and key controls to manage those risks. We have also included information on the movement of risks over time, as it is through this that we can see the effect of the action being taken to address the impact or likelihood of the risks.

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### **3. AVAILABLE OPTIONS**

- 3.1 There is no legal requirement on the authority to formally monitor its risks. However, failing to monitor and record risks will leave the Council vulnerable to external criticism, for example by its external auditors who are required to assess the effectiveness of risk management when considering their annual Value For Money conclusion. The Council has already recognised the value in having effective risk management arrangements in place and has agreed and adopted the new risk management framework.
- 3.2 The purpose of the report is to inform Members of the key risks arising from the risk management process, and the actions being taken by the Council to manage the risk impact and likelihood. As this report is not seeking a decision, there are no alternative options suggested.
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### **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 As this report is not seeking a decision, there are no preferred options / recommendations suggested.
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### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 5.1 This report has been through Corporate Leadership Team, and the risks and responses detailed were compiled following consultation with risk owners.
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### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 The next steps for the continued embedding of the risk management process are set out in the report attached in **Appendix A**.
- 6.2 In accordance with the previous Committee recommendation, risk update reports will come to this Committee every 6 months (twice a year).

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	Good governance underpins everything the Council does. Risk management is a vital component to the governance framework.	Russell Heppleston  Deputy Head of Audit Partnership
<b>Risk Management</b>	Risk management is the focus of this paper	
<b>Financial</b>	There are no direct financial implications to this report.	
<b>Staffing</b>	There are no staffing implications to this report.	
<b>Legal</b>	There are no legal implications associated with this report.	
<b>Equality Impact Needs Assessment</b>	Not applicable	
<b>Environmental/Sustainable Development</b>	Not applicable	
<b>Community Safety</b>	Not applicable	
<b>Human Rights Act</b>	Not applicable	
<b>Procurement</b>	Not applicable	
<b>Asset Management</b>	Not applicable	

## 8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Risk Register Update

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## 9. BACKGROUND PAPERS

- The risk management framework was adopted in the Policy & Resources Committee meeting on the [24<sup>th</sup> July 2015](#)
- The comprehensive risk register update was previously reported to Policy & Resources Committee on the [17<sup>th</sup> February 2016](#)