

Annual Risk Management Report

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Head of Service	Rich Clarke, Head of Audit Partnership
Lead Officer and Report Author	Russell Heppleston, Deputy Head of Audit Partnership
Classification	Public
Wards affected	All

Executive Summary

The Audit, Governance & Standards Committee is required to provide oversight of the Council's risk management arrangements and to seek assurances that the processes are working effectively. This report, which is presented annually, sets out the details of how the risk management processes are working across the Council, including any changes or modifications undertaken since the last report in January 2020.

Purpose of Report

The purpose of this report is to provide assurance to Members on the Council's risk management arrangements. As those charged with governance, the Committee must seek assurance over the effectiveness of the operation of the process as required through its Terms of Reference.

This report makes the following recommendations to this Committee:

1. That the Risk Management Annual Report (appendix 1) is **discussed** and **noted**.

Timetable

Meeting	Date
Audit, Governance & Standards Committee	15 th March 2021

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, risk management is a key component in the Council's governance. Good governance underpins everything that the Council does.	Russell Heppleston Deputy Head of Audit Partnership
Cross Cutting Objectives	We do not expect the recommendations will by themselves materially affect achievement of cross cutting objectives. However, risk management is a key component in the Council's governance. Good governance underpins everything that the Council does.	Russell Heppleston Deputy Head of Audit Partnership
Risk Management	Risk management is the focus of this paper.	Russell Heppleston Deputy Head of Audit Partnership
Financial	Risk management support is provided through the Mid Kent Audit partnership within existing budgets. This decision therefore has no direct financial implications. In general, effective risk management contributes towards strong financial governance and controls in the Council.	Section 151 Officer & Finance Team
Staffing	There are no staffing implications to this decision.	Russell Heppleston Deputy Head of Audit Partnership
Legal	The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This report is part of those arrangements and is designed to ensure that the appropriate controls are effective.	Jayne Bolas Principal Solicitor Contentious & Corporate Governance.
Privacy and Data	This is a report in the public domain, and there are no associated privacy or data	Russell Heppleston

Protection	protection implications.	Deputy Head of Audit Partnership
Equalities	This report does not describe circumstances which require an Equality Impact Needs Assessment.	Russell Heppleston Deputy Head of Audit Partnership
Public Health	There are no public health implications for this report.	Russell Heppleston Deputy Head of Audit Partnership
Crime and Disorder	There are no crime and disorder implications for this report.	Russell Heppleston Deputy Head of Audit Partnership
Procurement	There are no procurement implications for this report.	Russell Heppleston Deputy Head of Audit Partnership

2. INTRODUCTION AND BACKGROUND

- 2.1 Risk management is the process undertaken to identify, evaluate and manage risks. In early 2016 the Council implemented a risk management framework designed to improve the risk management process. This included reporting and monitoring mechanisms for key risk information to be communicated to Senior Officer and Member level. This framework was reviewed and updated in April 2019 to ensure that it remains fit for purpose and current.
- 2.2 The Audit, Governance & Standards Committee is required to provide oversight of the Council's risk management arrangements and to seek assurances that the processes are working effectively. This report, which is presented annually, sets out the details of how the risk management processes are working across the Council, including any changes or modifications undertaken since the last report in **January 2020**.

3. AVAILABLE OPTIONS

- 3.1 In order for any risk management process to be effective it is vital that risk information is reported, that risks are monitored and that action is taken to manage risks to an acceptable level. Reporting risks to Members is necessary to provide assurance that risks are being managed.
- 3.2 An alternative option would be to not report or monitor risks, but this would counter the effectiveness of the process, and would go against the terms of reference for this Committee.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Effective risk management is a key component of sound governance. This Committee, as those charged with governance, must gain assurance that the Council is operating an effective risk management process, and that risks are being managed.
- 4.2 We therefore propose that the Committee notes the arrangements in place and provides comments on the operation of the risk management process.
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5. RISK

- 5.1 This report is presented for information only and in itself has no risk management implications. The work that it describes helps to contribute towards effective risk management.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 The risk management framework was designed and updated through consultation with Corporate Leadership Team. All risk owners have been involved in the identification and assessment of the risks on the register.
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7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 Unless requested otherwise, we will continue to report annually on the Council's Risk Management processes.
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8. REPORT APPENDICES

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

- Appendix 1: MBC Annual Risk Management Report
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9. BACKGROUND PAPERS

The risk management framework was reported to Policy and Resources Committee in April 2019 and is publicly available on the Council's [website](#).