

<b>Audit Committee Meeting</b>	
<b>Meeting Date</b>	30 <sup>th</sup> September 2020
<b>Report Title</b>	Audit Committee Risk Management Update
<b>Cabinet Member</b>	Cllr Roger Truelove - Leader of the Council
<b>SMT Lead</b>	Nick Vickers – Chief Finance Officer
<b>Head of Service</b>	Russell Heppleston – Deputy Head of Audit Partnership
<b>Lead Officer</b>	Alison Blake – Audit Manager
<b>Key Decision</b>	No
<b>Classification</b>	<b>Open</b>
<b>Recommendations</b>	1. That the Audit Committee notes the Council's Corporate Risks and actions to manage those risks.

## **1 Purpose of Report and Executive Summary**

- 1.1 As those charged with governance, the Committee must seek assurance over the effectiveness of the operation of process to manage the Council's risks. We reported on this in March 2020, however at the time the Corporate Risks were in the process of being drafted and agreed.
- 1.2 The purpose of this report is to provide information to members of the Audit Committee on the Council's Corporate Risks. The report also provides detail on how operational level risks will be reviewed and updated.
- 1.3 The report attached in Appendix I provides an overview of the Council's Corporate Risks.

## **2 Background**

- 2.1 The Council's Risk Management Framework was originally agreed in 2015 and the first corporate risk workshop held in early 2016. Since then corporate and operational risks have been routinely monitored, updated and reported to Senior Management Team (SMT) and Members, and risk processes have been refined. The first full review of the Risk Management Framework was undertaken in early 2019 and the framework was updated to reflect existing risk practices and enhance the process.
- 2.2 Following the start of the new administration a corporate risk workshop was held in the summer of 2019. This identified an initial list of possible Corporate Risks. Once the new corporate priorities and objectives were drafted SMT reviewed this

list and the existing Corporate Risks and identified a set of new risks for discussion. These risks have been discussed with members of SMT to refine and assess them in line with the Risk Management Framework.

- 2.3 The corporate risk register reflects the current circumstances facing the Council and the effects of Covid-19, while maintaining focus on delivery of the Councils priorities. A separate risk relating to Covid-19, or pandemics, has not been included at present as this is an issue that the Council is currently managing, and risk deals with future uncertain events. As outlined in the draft Recovery Plan this recovery is unique and uncertain, and 'business as usual' is likely to look very different. As circumstances develop and more information becomes available consideration will be given to how the Council captures and monitors risks of this nature.

### **3 Proposals**

- 3.1 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.
- 3.2 We therefore propose that the Committee notes the Corporate Risks and the actions planned to manage these risks.

### **4 Alternative Options**

- 4.1 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.
- 4.2 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.

### **5 Consultation Undertaken or Proposed**

- 5.1 The risk management framework was designed through consultation with SMT and more broadly through consultation with Heads of Service.
- 5.2 Risk owners have been involved in the identification and assessment of the risks on the register.

## 6 Implications

Issue	Implications
Corporate Plan	Effective risk management is part of the Council's governance framework. The purpose of the risk management process is to ensure that key risks are identified and appropriately managed as the Council pursues its Corporate objectives.
Financial, Resource and Property	Investment in developing risk management arrangements are being met from existing resources within the Mid Kent Audit partnership. No implications identified at this stage.
Legal, Statutory and Procurement	None identified at this stage
Crime and Disorder	None identified at this stage
Environment and Climate/Ecological Emergency	None identified at this stage
Health and Wellbeing	None identified at this stage
Risk Management and Health and Safety	This report is about risk management. No H&S implications identified at this stage.
Equality and Diversity	None identified at this stage
Privacy and Data Protection	None identified at this stage

## 7 Appendices

- 7.1 The following documents are to be published with this report and form part of the report:
- Appendix I: Corporate Risk Register

## 8 Background Papers

- Risk Management Framework