

# **Risk Management Update**

**April 2025**

## 1. SCOPE

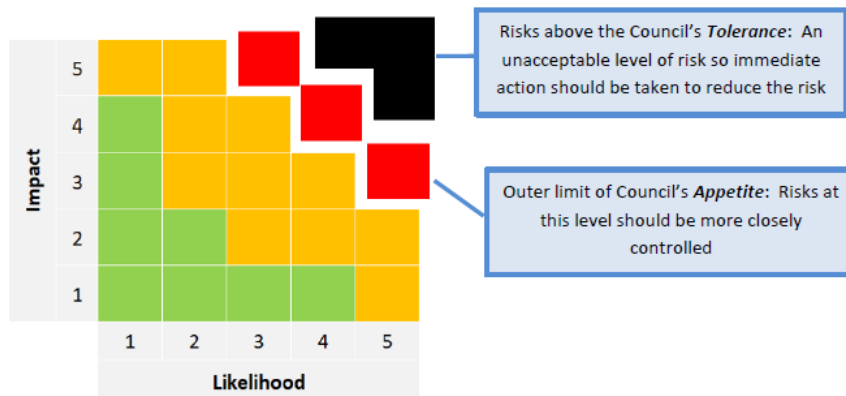
- 1.1. A key principle of good governance is managing the effect of uncertainties on the achievement of our objectives (our risks). Having arrangements in place to identify and manage our risks increases the probability of achieving corporate and operational objectives by controlling risks in balance with resources. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation.
- 1.2. This report summarises the risk management work undertaken during 2024-2025. It provides assurance to Members of the Audit Committee that the Council has effective risk management arrangements in place. These processes ensure risks are identified and managed across the Council, with a focus on the most significant risks to the Council.

## 2. ROLES AND RESPONSIBILITIES

- 2.1. **Mid Kent Audit** are responsible for facilitating and coordinating the risk management processes across the Council. Our role includes regular reporting to officers and Members, through the **Strategic Management Team (SMT)**, Policy & Resources Committee (PRC) and the Audit Committee. We also provide workshops and training and support the embedding of risk management throughout the Council.
- 2.2. Having valuable and up to date risk information enables oversight functions to happen effectively. The **PRC** has overall responsibility for the risks identified through the risk process and will review the substance of individual risks to ensure that issues are appropriately monitored and addressed.
- 2.3. As those charged with governance and oversight the **Audit Committee** are required to seek assurance that the Council is operating an effective risk management process. This report enables the Audit Committee to fulfil the responsibilities as set out in the Terms of Reference: *"To provide independent assurance of the adequacy of the risk management framework and the associated control environment ... To monitor the effective development and operation of risk management and corporate governance in the Council."*

## 3. RISK MANAGEMENT PROCESS

- 3.1. A risk is a **potential future event that, if it materialises, effects the achievement of objectives**. Risk management is the process of identifying, measuring and responding to risks. These processes help to ensure that the Council achieves its corporate and service objectives by controlling risks in balance with resources. Good risk management also increases our ability to cope with developing and uncertain events and helps to instil a culture of continuous improvement and optimisation.
- 3.2. The Risk Management Framework sets out the Council's approach to managing corporate (strategic) and operational (service) risks. The Risk Management Framework also includes the Council's risk appetite statement, which articulates how much risk the Council is comfortable with and able to bear. The Council recognises that to achieve its objectives it must take risks, but that some risks are unacceptable (above our tolerance) and so action should be taken immediately to manage these risks. Risk appetite and tolerance are illustrated in the following matrix:



- 3.3. Risks are assessed for impact and likelihood using the definitions in the Risk Management Framework to inform the assessment. A copy of the Risk Management Framework can be accessed here:  
<https://services.swale.gov.uk/meetings/documents/s23804/Appendix I Swale Risk Management Framework - 2022 Draft.pdf>

## 4. RISK MANAGEMENT IN ACTION

### 4.1 ACHIEVEMENTS IN 2024-2025

The Council has continued to utilise JCAD to support with managing risks at both a corporate and operational level, and there have been high levels of engagement from service areas, with the Strategic Management Team has monitoring corporate risks on a quarterly basis. A breakdown of key achievement over the past year are set out below:

#### 4.2 Corporate Risks

*Definition: The corporate risks are those risks which have an affect across Council services and may affect delivery of the Council's strategic priorities.*

4.2.1. Since the last annual report, 2 risks have been withdrawn from the corporate risk register, taking the number of corporate risks down from 16 to 14. A copy of the corporate risk register (as at 7 March 2025) is enclosed at **Appendix 1**. The two withdrawn risks are:

- *Swale House Refurbishment: refurbishment of Swale House does not support 'new ways of working*. This risk has bene removed from the Strategic Risk Register.
- *Election failing or being challenged*. This risk has been moved to the operational risk register.

4.2.2. There have been no changes over the past year to the unmitigated risk ratings for the risks on the corporate risk register. There are no corporate risks that sit outside the Council's tolerance profile once mitigations have been considered. A copy of the changes to each of the corporate risks, at the end of each quarter, are set out in **Appendix 2** (note the date user for quarter 4 is 7 March 2025).

#### 4.3 Operational Risks

*Definition: All Council services, including shared services, have identified risks which may affect delivery of their service objectives or wider Council priorities.*

4.3.1. Since the last annual report, 10 operational risks have been added to the risk register across both Swale and the Shared Services. This takes the number of operational risks from 118 to 128.

4.3.2. There are no operational risks that sit outside the Council's tolerance profile once mitigations have been considered.

## 5. ACTIONS FOR 2025-2026

The number of planned days for work on risk management is 52 days. This is captured within the context of the wider Mid Kent Audit plans for 2025-2026 and the resources available. The scheduled work to be undertaken is:

- 5.1.1. The Strategic Management Team are considering adding a new risk to the corporate risk register for the Local Government Restructure.
- 5.1.2. A review of the corporate risk register is being organised for later this year. As this progresses, members will be involved.
- 5.1.3. The Risk Management Framework is due a refresh from the current version dates July 2022.
- 5.1.4. Continue to provide support to risk owners to support with maintenance of risks in line with the Risk Management Framework.
- 5.1.5. Provide further risk training to both officers and members as appropriate.

## 5. DATA ANALYSIS

The following diagrams detail the Council's risk profile for Swale, and shared services, in relation to corporate and operational risks, between March 2024 and March 2025. The matrices demonstrate the risk to the Council if no action is taken (the **unmitigated rating**) and the risk assuming actions are implemented (the **mitigated rating**).

# COMPARISON DASHBOARD

