

AUDIT COMMITTEE

5 JANUARY 2020

RISK STRATEGY REVIEW

Report from: Phil Watts, Chief Finance Officer and Chair of Strategic Risk Management Group
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Summary

In accordance with the Council's Risk Management Strategy, this report presents the annual review of the Risk Strategy.

1. Budget and policy framework
 - 1.1. Good corporate governance requires that local authorities identify all their significant strategic and operational risks and put effective risk management and internal control systems in place.
 - 1.2. In line with its terms of reference, the Audit Committee is responsible for providing independent assurance on the adequacy of the risk management framework and the associated control environment, including consideration of the Council's approach to risk management.
 - 1.3. The Cabinet is responsible for ensuring the effective operation of risk management in the Council.
 - 1.4. On 15 May 2019, Corporate Management Team (CMT) agreed to aligning corporate reporting so that all strategies are agreed at Cabinet in September with the plans to deliver them being agreed in February.
 - 1.5. Due to Covid19 it was not possible to agree the 21/22 Risk Strategy in September 2020. Therefore, this report presents the 21/22 Risk Strategy.
 - 1.6. This item has been added to the agenda, because the Chairman of the Committee is of the opinion that it should be considered at this meeting as a matter of urgency as permitted under section 100B of the Local Government Act 1972. This is to enable the Committee to consider a report on the review of the Risk Strategy before it is reported to the Business Support Overview and Scrutiny Committee on 28 January 2021 and the Cabinet on 2 February 2021 (the next meeting of this Committee will not take place until 18 March

2021). The report was not available in time for despatch with the main agenda owing to an administrative error.

2. Background

- 2.1. Risk management is a process which aims to help the Council understand, evaluate and act on all their risks. It supports effective decision making, identification of priorities and objectives and increases the probability of success by making the most of opportunities and reducing the likelihood of failure.
- 2.2. Risk management is an integral part of good governance. The Council recognises that it has a responsibility to identify and manage the barriers to achieve its strategic objectives and enhance the value of services it provides to the community. The Council's Risk Management Strategy:
 - promotes a common understanding of risk.
 - outlines roles and responsibilities across the Council.
 - proposes a methodology that identifies and manages risk in accordance with best practice thereby seeking to prevent injury, damage and loss.

3. Advice and analysis

- 3.1. The Risk Management Strategy is reviewed annually to ensure that it remains up to date and continues to reflect the Council's approach to risk management. The latest review of the Risk Management Strategy is shown in Appendix 1.

4. Consultation

- 4.1. The Risk Strategy has been discussed with the Strategic Risk Management Group and Corporate Management Team.
- 4.2. Following discussion at Audit Committee, Members will be further consulted on the Strategy via Business Support Overview & Scrutiny Committee on 28 January 2021 and Cabinet on 02 February 2021.
- 4.3. At the Strategic Risk Management Group meeting on 01 October 2020, the risk tolerance level was reviewed. It was agreed that the risk tolerance level will remain at C2 (significant and moderate). No other changes were received.

5. Financial, legal and risk implications

- 5.1. There are no financial or legal implications arising from the review of the Strategic Risk Strategy. The Strategy itself addresses the risk implications.

6. Recommendation

- 6.1. The Committee is asked to note the 21/22 Risk Management Strategy at Appendix 1 as setting out the Council's approach to Risk Management.

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Appendices

Appendix 1 – Strategic Risk Strategy

Background papers

None