

## **CABINET**

**8 FEBRUARY 2022**

### **RISK STRATEGY ANNUAL REVIEW**

Portfolio Holder: Councillor Gary Hackwell, Portfolio Holder for Business Management

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

Author: Samantha Beck-Farley, Head of Human Resources

#### **Summary**

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

The report was considered by the Audit Committee on 4 January 2022 and its comments are set out at section 5 of this report. The report was also considered by the Business Support Overview and Scrutiny Committee on 25 January 2022 and its comments are set out at section 6 of this report.

#### **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.

#### **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 incorporates and:
- 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 Strategy is reviewed annually to ensure that it remains up to date and continues to reflect the Council's approach to risk management. The 2022/23 Risk 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, Audit Committee and the Business Support Overview and Scrutiny Committee.
- 4.2. Following discussion at Business Support Overview and Scrutiny Committee, Members will be further consulted on the Strategy via this Cabinet meeting on 8 February 2022.
- 4.3. At the Strategic Risk Management Group meeting on 12 October 2021, the existing Risk Strategy was reviewed. It was agreed that no changes were required for the 22/23 Risk Strategy.

### 5. Audit Committee

- 5.1. The Audit Committee considered the report at its meeting on 4 January 2022 and its comments are set out below.

#### 5.2. **Discussion:**

This report provided details of the annual review of the Risk Strategy, in accordance with the Council's Risk Management Strategy.

- 5.3. The Chairman advised the Committee that this was Head of Corporate Insight, Performance and Information Governance's (Anna Marie Lawrence) last meeting before she left the Council to take up a position at Golding Homes. On behalf of the Committee, he recorded Members' thanks for her dedication and support over the years and he wished her the very best in her future endeavours.
- 5.4. The Head of Corporate Insight, Performance and Information Governance advised the Committee that there were no proposed changes to the Risk Strategy and she thanked Members who attended a meeting on 16 September 2021 to discuss the risk framework, risk definitions and risk tolerance levels and the feedback would be

taken account of along with the Corporate Business Intelligence review in development of the Council Plan refresh for 2023/2027 and the next edition of the Risk Strategy.

5.5. In response to a question about specific risks, the Head of Corporate Insight, Performance and Information Governance advised that such matters would be addressed in the Strategic Risk Register which would be presented as part of quarter 3 monitoring reports.

5.6. **Decision:**

The Committee noted the 2022/23 Risk Strategy at Appendix 1 setting out the Council's approach to risk management.

## 6. Business Support Overview and Scrutiny Committee

6.1. The Business Support Overview and Scrutiny Committee considered the report at its meeting on 25 January 2022 and its comments are set out as follows:

6.2. **Discussion:**

The Committee considered a report which presented the annual review of the Risk Strategy, in accordance with the Council's Risk Management Strategy.

6.3. Members raised the following questions and comments:

**Risk Register:** Clarification was sought on whether local risk registers were compatible with the national register. A response would be provided outside the meeting.

6.4. **Emergency Planning Briefing:** An update was sought on arrangements for a briefing for Members on Emergency Planning, to clarify the relationship between the risk register and Emergency Planning.

6.5. **Decision:**

1. The Committee noted and commented on the 2022/23 Risk Strategy at Appendix 1 setting out the Council's approach to risk management.

2. The Committee requested an update on arrangements for a Member briefing on Emergency Planning.

## 7. Financial, legal and risk implications

7.1. There are no financial or legal implications arising from the review of the Strategic Risk Strategy.

## 8. Recommendations

- 8.1. The Cabinet is asked to note the comments of the Audit Committee, as set out in Section 5 of the report and the comments of the Business Support Overview and Scrutiny Committee, as set out in section 6 of the report.
- 8.2. The Committee is asked to approve the 2022/23 Risk Strategy at Appendix 1, which sets out the Council's approach to risk management.

## 9. Suggested reasons for decisions

- 9.1. The establishment of a corporate framework for risk management is recommended by CIPFA and SOLACE and will complement and support the work already being carried out within each directorate to manage risks.

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### Appendices

Appendix 1 - Risk Strategy

### Background papers

None