

Cabinet

13 February 2024

Risk Strategy Annual Review

Portfolio Holder: Councillor Vince Maple, Leader of the Council

Report from: Phil Watts, Chief Operating Officer

Author: Samantha Beck-Farley, Chief Organisational Culture Officer

Summary

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

The report was considered by the Audit Committee on 10 January 2024. The Committee noted the report. The report was also considered by the Business Support and Digital Overview and Scrutiny Committee on 1 February 2024. The Committee had no comments to forward to Cabinet.

1. Recommendations

- 1.1. The Cabinet is asked to note the comments of the Audit Committee, as set out at paragraph 7.3 to the report.
- 1.2. The Cabinet is asked to approve the 2024/25 Risk Strategy at Appendix 1, which sets out the Council's approach to risk management.

2. Suggested reasons for decisions

- 2.1. 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.

3. Budget and policy framework

- 3.1. 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.
- 3.2. 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 2024/25 Risk Strategy is shown in Appendix 1.

- 3.3. 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.
- 3.4. The Cabinet is responsible for ensuring the effective operation of risk management in the Council.

4. Background

- 4.1. 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.
- 4.2. 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 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.

5. Advice and analysis

- 5.1. 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 2024/25 Risk Strategy is shown in Appendix 1. The current 2023/24 Risk Strategy is shown in Appendix 2 for reference.

6. Risk Management

- 6.1. There are no risks arising from the review of the Risk Strategy.

7. Consultation

- 7.1. Following consultation with Corporate Management Team, Directorate Management Teams, the Legal and Information Governance Senior Management Team, and the Finance and Business Improvement Senior Management Team, the following are the main changes reflected in the 2024/25 Risk Strategy:
 - 7.1.1. The addition, in the roles and responsibilities section, of Overview and Scrutiny Committees and the Security and Information Governance Group (pages 11 and 13 Appendix 1).

- 7.1.2. Amendments to the roles and responsibilities of Portfolio Holders, Cabinet, Audit Committee, and Leader of the Council, to reflect their responsibilities as set out in the Constitution (pages 10 to 11 Appendix 1).
- 7.2. Other, more minor, changes, are shown in red font in Appendix 1.
- 7.3. The Audit Committee received the report on 10 January 2024.
 - 7.3.1. One Member suggested that the likelihood score needed to be disaggregated between the likelihood of something happening and the likelihood of it being detected. Officers have considered this suggestion and concluded that measures to improve detection of the risk happening would form part of the mitigation and the extent to which such measures were in place and effective, which would be reflected in a lower impact score.
 - 7.3.2. Another Member suggested that it should be made clearer as to who the members of the Security and Information Group (SIGG) are. Officers have considered this suggestion and updated the 24/25 Risk Strategy (page 13, Appendix 1).
- 7.4. The Business Support and Digital Overview and Scrutiny Committee received the report on 1 February 2024. The Committee had no comments to forward to Cabinet.

8. Climate change implications

- 8.1. There are no climate change implications arising from the review of the Risk Strategy.

9. Financial implications

- 9.1. There are no financial implications arising from the review of the Risk Strategy.

10. Legal implications

- 10.1. There are no legal implications arising from the review of the Risk Strategy.

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Appendices

Appendix 1 – 2024/25 Risk Strategy
Appendix 2 – 2023/24 Risk Strategy

Background papers

None