

Audit Committee

27 January 2026

Risk Strategy Annual Review

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Contributors: Children and Adults – Directorate Management Team
Regeneration, Culture and Environment – Directorate Management Team
Public Health
Business Support

Summary

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

This will form the basis of the reports to Business Support and Digital Overview and Scrutiny on 29 January 2026 and Cabinet on 10 February 2026.

1. Recommendations

1.1. The Committee is asked to consider the 2026/27 Risk Strategy as set out in Appendix 1 to the report and submit any comments to Cabinet.

2. Budget and policy framework

2.1. 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.

2.2. 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 2026/27 Risk Strategy is shown in Appendix 1.

2.3. 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.

2.4. The Cabinet is responsible for ensuring the effective operation of risk management in the Council.

2.5. To achieve implementation of the 2026/27 Risk Strategy, the following schedule is in place:

Business Support and Digital Overview & Scrutiny Committee	29 January 2026
Cabinet	11 February 2026

3. Background

3.1. 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.

3.2. 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.

3.3. The Corporate Risk Management Group was re-established in August 2025 and includes senior officer membership from all directorates, and corporate services including information governance, finance, audit, and performance.

3.4. The Corporate Risk Management Group ensures that strategic and operational risks are identified, assessed, and managed consistently across the organisation. It provides oversight of the strategic risk register and Risk Strategy and offers recommendations to the Corporate Management Team (CMT) and Cabinet. The group does not make decisions but acts as an advisory body to strengthen governance and compliance.

4. Advice and analysis

4.1. 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 2026/27 Risk Strategy is shown in Appendix 1. The current 2025/26 Risk Strategy is shown in Appendix 2 for reference.

5. Consultation

5.1. To ensure cross-directorate input the Corporate Risk Management Group has reviewed the draft strategy. With group members providing feedback and ensuring divisional and service risk considerations are included within the refreshed framework. Directorate Management Teams have also been consulted as part of the review. The following are the main changes reflected in the 2026/27 Risk Strategy:

- 5.1.1. Inclusion of the Corporate Risk Management Group as a business management process to co-ordinate and assure risks as shown in the Embedding Risk Management section on page 3.
- 5.1.2. An explanation of the consolidated platform approach of managing risks as part of the risk management framework as shown on page 4.
- 5.1.3. The inclusion of the Corporate Risk Management Group as a stage in the quarterly review of strategic risk registers, included in the table as shown on page 5.
- 5.1.4. Updated definitions for likelihood, to provide consistent assessment horizons for different purposes, and impact, to explain the different lenses through which impact can be assessed. Shown on pages 7 and 8.
- 5.1.5. Updated the impact ratings from using Roman numerals (I to IV) to a number system (1 to 4), this supports accessibility and understanding, as shown on page 8.
- 5.1.6. The highest impact level has been renamed from “Catastrophic” to “Critical”. The term “Catastrophic” can feel overly emotive and may raise unnecessary concern, whereas “Critical” provides a clearer and more neutral description while still conveying seriousness and urgency. This change brings the wording in line with corporate risk management practice. As shown, on pages 8 and 9.
- 5.1.7. Updated the financial impact levels based on the current financial governance and approval levels, as shown on page 9.
- 5.1.8. A summary of the role of the Corporate Risk Management Group was added, as shown on page 13.
- 5.1.9. The risk summary template was removed and the “record and report” wording updated to no longer reference documents, but a live assessment instead.
- 5.2. Other, more minor, changes have been made throughout to improve drafting and use of the document.

6. Climate change implications

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

7. Financial implications

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

8. Legal implications

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

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Appendices

Appendix 1 Draft 2026/27 Risk Strategy

Appendix 2 2025/26 Risk Strategy

Background papers

None