SOUTH KESTEVEN DISTRICT COUNCIL

Governance and Audit Committee

Thursday, 23 July 2026

Report of Councillor Philip Knowles, Cabinet Member for Corporate Governance and Licensing

Risk Management Annual Report 2025/26

Report Author

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Purpose of Report

In accordance with the Governance and Audit Committee's terms of reference, one of the key areas for the Committee is to monitor and review the risk management arrangements in place including the annual report for risk management activity for 2025/26.

Recommendations

The Committee is recommended approve the Risk Management Annual Report 2025/26.

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Effective council
Which wards are impacted?	All Wards

1. Implications

1.1 Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.2 There are no financial implications rising directly from this report.

Completed by: David Scott – Assistant Director of Finance and Deputy S151 Officer

Legal and Governance

1.3 Consideration of the Council's arrangements for risk management is a key component of the role of the Governance and Audit Committee and demonstrates effective governance.

Completed by: James Welbourn, Democratic Services Manager

Risk Management

1.4 Effective risk management is critical to ensure the Council maintains its services, progresses towards achieving its corporate objectives, and provides assurance it is operating on sound corporate governance principles.

Completed by: Tracey Elliott – Governance & Risk Officer

2. Background to the Report

2.1 In accordance with The Accounts and Audit (Amended) Regulations 2015, part of an internal control framework includes effective arrangements for the management of risk. A public service organisation must identify, analyse and prioritise risks, as well as manage and control risks in a cost-effective manner to maximise the quality and efficiency of its service provision and protect its reputation.

2.2 One of the key terms of reference of the Committee is to monitor and review the risk management arrangements in place and the activities that are being undertaken to assess the effectiveness of those arrangements. In accordance with Governance and Audit Committee's workplan, the Strategic Risk Register is now presented to Committee twice a year for review.

3. Strategic Risks

3.1 The Strategic Risk Register has been subject to regular review with Corporate Management Team facilitated by RSM UK Consulting.

3.2 During 2025/26, the Committee has reviewed the Strategic Risk Register at the meetings on 24 September 2025 and 21 January 2026.

3.3 The current Strategic Risk Register will be presented by RSM UK Consulting to Governance and Audit Committee as a separate agenda item at this meeting.

4. Service Risks

4.1 Heads of Service/Managers, as part of the completion of their service plans, were asked to identify their current service risks. These were reviewed to identify if there were any trends or if further consideration was needed in respect of any risks that may need to be included in the Strategic Risk Register if appropriate.

4.2 Corporate Management Team, as part of the regular review of the Strategic Risk Register, are mindful of the service risks within their areas and will escalate these if necessary.

5. Risk Management Framework

5.1 The current Risk Management Framework 2025-27 was approved by Governance and Audit Committee on 22 January 2025 to ensure that it remained fit for purpose and reflective of the current arrangements and operating environment of the Council. The Risk Management Framework is due for review early 2027.

6. Annual Assurance Statement

6.1 Officers of the Senior Team produced an Annual Assurance Statement for 2025/26 which assessed the effectiveness of the key control environment within their areas of responsibility.

6.2 Management assurance is a key assurance mechanism on which the Council seeks to obtain visibility over. The Council recognise that management may not be able to provide a positive assurance in all cases and would prefer a conclusion to be reached that is objective and honest with a view to then addressing any areas of concern in the future as may be required.

6.3 Senior Team were asked to agree, or otherwise, to various statements based on their knowledge and understanding across seven core areas of assurance:

- Probity and Regulatory

- Procurement
- Governance
- Human Resources
- Health and Safety
- IT and Data Management
- Business Continuity

6.4 The overall assurance level revealed that managers ‘Fully Agreed’ with 87% of the statements on assurance with the remainder being 10% ‘Partially Agreed’; 1% ‘Not Agreed’ and 2% ‘Don’t Know’.

6.5 Themes for improvement were identified for Governance, Health and Safety, and Business Continuity.

6.6 The responses were reported to Statutory Officers Group for review. Actions arising from the completion of the Assurance Statement have been captured and will be monitored during 2026/27.

6.7 The output of the Annual Assurance Statement exercise has been captured in the Council’s Annual Governance Statement 2025/26.

7. Training

7.1 Governance and Audit Committee received risk management training as part of their annual refresher training for this committee.

7.2 Risk management elearning awareness training has been identified and is being customised to reflect the Council’s approach to risk management. The elearning will be rolled out to officers in the autumn.

7.3 The Council’s Insurance Officer provided training sessions during the year which included:

- Motor accident claims refresher training for Waste, Streetscene, and Housing Repairs – this included the importance of timely reporting of accidents to the Council’s insurer to help minimise the financial impact to the Council. The session also included raising the awareness of addressing driver behaviour to reduce the likelihood of further incidents/accidents

- Property loss training for Property and Housing – this session was held with the Council’s insurer and nominated loss adjuster to raise awareness of the process that should be followed in the event of a property loss eg a house fire, thereby managing the financial impact of such losses

8. Action Plan 2026/27

Action	Timeline
Strategic Risks	
1. Keep under review the strategic risks and update the Strategic Risk Register accordingly	Ongoing
2. Review of emerging risk and update of the Council's Emerging Risk Radar	Quarter 3
3. Assessment of Strategic Risk controls effectiveness	Quarter 4
Service Risks	
4. Review the service risk process ahead of completion of service plans	Quarter 3
Annual Assurance Statement	
5. Review of the process and assurance areas to ensure it remains fit for purpose	Quarter 3
Risk Management Group	
6. Re-establish Risk Management Group as part of Senior Team Meeting	Quarter 2
Risk Management elearning	
7. Roll out elearning to officers	Quarter 3

9. Key Considerations

9.1 The Committee should keep under review the risk management activity and any further steps identified.

10. Reasons for the Recommendations

10.1 Governance and Audit Committee, as part of its terms of reference, 9.1 (xii) approve the annual report on risk management activity and consider the effectiveness of the Council's overall arrangements for managing risk.