

This report will be made public on 10 September 2019

Report number **AuG/19/11**

To: Audit & Governance
Date: 18 September 2019
Status: Non key decision
Head of service: Charlotte Spendley, Assistant Director – Finance, Customer & Support Services
Cabinet Member: Cllr David Monk, Leader of the Council

SUBJECT: REVIEW OF CORPORATE RISK REGISTER AND RISK MANAGEMENT POLICY & STRATEGY

SUMMARY: This report presents an updated Risk Management Policy & Strategy for consideration by the Audit & Governance Committee, ahead of its adoption by Cabinet. The Policy & Strategy provides a framework the management of risk by Officers & Members. This report also provides an update to the Corporate Risk Register.

REASONS FOR RECOMMENDATIONS:

A clear framework as outlined within the Strategy will ensure consistency in approach across the organisation, provide clarity of roles with respect to Risk Management and enable progress towards an embedded Risk Management culture within the organisation.

It is essential that the Committee regularly review the Risk Register to consider progress made against agreed actions, and consider the key risks faced by the organisation.

RECOMMENDATIONS:

1. To receive and note the updated Corporate Risk Register.
2. To propose to Cabinet the adoption the updated Risk Management Policy & Strategy.

1. BACKGROUND

- 1.1 The Risk Management Policy and Strategy was last refreshed in June 2018. At this time a full review of the Policy Statement and Strategy was undertaken.
- 1.2 Effective risk management is a key framework in the management of a complex organisation such as Folkestone & Hythe District Council. The strategy seeks to provide Members and officers with a clear framework by which to work within, as well support the development of a risk management culture within the Council.
- 1.3 The Financial Procedure Rules state:
“It is the overall responsibility of the Cabinet to approve the Council’s Risk Management Policy and Strategy, review it on an annual basis and to promote a culture of risk management awareness throughout the Council.”
- 1.4 Whilst overall responsibility to approve the Policy & Strategy rests with the Cabinet, the Audit & Governance Committee have through their Terms of Reference a duty to “consider the effectiveness of the authority’s risk management arrangements”.

2. CHANGES TO THE POLICY & STRATEGY

- 2.1 The objectives of the Policy are to create a mature approach to risk management within the Council, where risk based decision making is undertaken and risk management becomes proactive and embedded in our normal management and business processes. The proposed documents are appended to this report (Appendix 1).
- 2.2 Limited changes to the Policy & Strategy are proposed at this time. There are a number of ‘housekeeping’ updates proposed. In addition some changes have been made to Section 8 including the inclusion of a requirement to review Cabinet & Council decisions when updating the risk register.
- 2.3 The documents were re-written last year to ensure they were reflective of the organisation & its needs. Officers have been receiving training over the year to ensure they are aware of their role and how to fulfil it. The process established has been found to be broadly effective and therefore limited changes are proposed at this time to enable officers to continue to build their confidence in the process. The Strategy & Policy will be tabled to Cabinet for agreement following consideration by Audit & Governance Committee.

3. UPDATE TO CORPORATE RISK REGISTER

- 3.1 The Corporate Risk Register has been reviewed and is appended to this report (Appendix 2).
- 3.2 There are no proposed changes to the risk scores at this time. The register was last considered in July, therefore there has been limited time in this

instance to progress actions sufficiently to change the scoring. However there are a number of changes to the written elements of the register to reflect progress or new actions identified.

4. SUMMARY & NEXT STEPS

- 4.1 It is encouraging to see the progress made in respect of risk management over the last 12 months. All Managers have now received training on their role and the process for the management of risk. The Corporate Risk Register has been considered by Audit & Governance Committee in December 2018, March & July 2019. Additionally most departments have developed their Operational Risk Registers which are published alongside guidance on the intranet.
- 4.2 There is further progress to be made in embedding Risk Management more fully in our day to day processes and developing our appetite for risk but good progress has been made in a short period due to the participation at all levels within the organisation.

5. RISK MANAGEMENT ISSUES

5.1

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to have a current Risk Management Policy & Strategy adopted will cause inconsistencies in approach across the Council	High	Low	A revised Policy & Strategy document has been prepared and relevant officers consulted.
Failure to have a current Risk Management Policy & Strategy adopted will affect the Councils ability to deliver effectively on its Corporate Plan objectives	High	Low	A revised document has been prepared for adoption that provides for the management of Corporate Plan Objective risks.

6. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

Legal Officer's Comments (AK)

There are no legal implications arising directly from this report

Finance Officer's Comments (CS)

There are no direct financial implications of this report.

Diversities and Equalities Implications (CS)

There are no direct implications of this report.

7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1: Risk Management Policy & Strategy

Appendix 2: Corporate Risk Register