

This Report will be made public on 3 December 2019

Report Number **C/19/51**

**To:** Cabinet  
**Date:** 11 December 2019  
**Status:** Non key decision  
**Head of service:** Charlotte Spendley, Assistant Director  
**Cabinet Member:** Cllr David Monk, Leader & Portfolio Holder for Finance

**SUBJECT:** RISK MANAGEMENT UPDATE

**SUMMARY:** This report presents an updated Risk Management Policy & Strategy for adoption by Cabinet which will provide a framework for Members and officers in the management of risk.

This report also provides Cabinet with an updated Risk Register, as considered by the Audit and Governance Committee on 4 December.

**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.

**RECOMMENDATIONS:**

1. To receive and note report C/19/51.
2. To adopt the proposed Risk Management Strategy & Process.
3. To note the current Risk Register.

## **1. BACKGROUND**

- 1.1 The Risk Management Policy and Strategy was last refreshed in July 2018, at that time a comprehensive refresh and re-launch of the framework was undertaken. In line with good practise a review of the Policy Statement and Strategy has now been undertaken to ensure it remains effective and applicable for the organisation.
- 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.”  
This report seeks to support the Cabinet in fulfilling this responsibility.

## **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 Policy & Strategy 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 was considered by the Audit & Governance Committee in September and the proposed changes supported.

## **3. CURRENT RISK REGISTER**

- 3.1 The updated Corporate Risk Register has been appended in full to this report (Appendix 2). Additionally the Risk Matrix, which is a pictorial snapshot of the current level of risks faced by the Council is available within Appendix 3.

- 3.2 The current Corporate Risk Register identifies 13 risks, which can be categorised as 1 low level risks, 3 moderate and 7 high and 2 extreme level risks.
- 3.3 The Risk register will continue to be monitored, and will be updated and reported to the next Audit & Governance Committee in March. The Risk Register should be a fluid document that will see risks be rescored often to reflect current circumstances, and a number of changes have been reported to the committee over the last year.

#### 4. SUMMARY & NEXT STEPS

- 4.1 It is encouraging to see the progress made in respect of risk management over the last year. 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, September and December 2019. Additionally most departments have developed their Operational Risk Registers which are published alongside guidance on the intranet. The Risk Management Strategy & Policy was agreed and proposed to Cabinet for adoption by the Audit and Governance at its meeting of 18 September 2019.
- 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

4.1

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	Policy & Strategy document is in place, relevant officers consulted, and organization wide training delivered. Work is ongoing to ensure all aspects risk are managed in line with the framework.
Failure to manage risks effectively could affect the Councils ability to deliver effectively on its Corporate Plan objectives, impact	High	Low	An up to date strategy framework is in place, training delivered and regular reporting

upon its deployment of resources or impact upon its reputation			occurring to both CLT and Audit & Governance Committee. CLT have also given a commitment to continue to develop the attitude towards Risk Management within the organisation.
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## **7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

### **7.1 Legal Officer's Comments (AK)**

There are no legal implications arising directly from this report

### **7.2 Finance Officer's Comments (CS)**

There are no direct financial implications of this report.

### **7.3 Diversities and Equalities Implications (CS)**

There are no direct implications of this report.

## **8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Charlotte Spendley, Assistant Director – Finance, Strategy & Support Services

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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

Appendix 3: Risk Matrix