

This Report will be made public on 10 July 2018

Report Number **C/18/23**

To: Cabinet
Date: 18 July 2018
Status: Non key decision
Head of service: Charlotte Spendley, Head of Finance
Cabinet Member: Cllr Malcom Dearden, Portfolio Holder for Finance

SUBJECT: RISK MANAGEMENT POLICY & STRATEGY

SUMMARY: This report presents an updated Risk Management Policy & Strategy for adoption by Cabinet which will provide a framework for officers to develop a refreshed Corporate Risk Register as well as Operational, Project & Partnership Registers in due course.

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/18/23
2. To adopt the proposed Risk Management Strategy

1. BACKGROUND

- 1.1 The Risk Management Policy and Strategy was last refreshed in 2014, in line with good practise a full review of the Policy Statement and Strategy has 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 new 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 have been amended to reflect the desire 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. This approach will be particularly key as the Council embarks on a more commercial agenda.
- 2.2 To enable this the scoring of risk has been simplified and guidance included within the Strategy to provide officers with a benchmark by which to score against. Additionally greater clarification has been provided on the options for mitigation to assist officers in determining appropriate actions to control the identified risks.
- 2.3 The risk management cycle (Identify, Assess, Prioritise, Mitigate, Control, Review) remains similar to the previous approach, as are the overarching categories of risk that will be captured through the different risk registers (Corporate, Operational, Project & Partnership), however greater clarity has been provided to aid the understanding of how risks will be captured for each register and also how the registers may interact with each other.
- 2.4 Finally the proposed layout of the Risk Register has been amended to include information on the proposed mitigation for the identified risk, including proposed actions, timeframes, and target score for the identified risk. Additionally a risk matrix will be developed which will be a pictorial version of the current score of risks, which provides a snapshot of the risk exposure for Members at a point in time.

3. SUMMARY & NEXT STEPS

- 3.1 The Corporate Leadership Team had commissioned the review of the Policy & Strategy in late Spring as the need to relaunch our approach to Risk Management had been identified. However since this the Peer Review has been undertaken which also identified the need to review and adopt a fresh approach as a priority action. It is encouraging that work was already underway on this point.
- 3.2 All Heads of Service and Directors have been consulted in the preparation of this document, to ensure that it is fit for purpose and understood by all, this should aid the next steps proposed.
- 3.3 SMT are meeting on 9 July to commence the development of a new Corporate Risk Register, which will be reported to Members in September. Additionally work will be commencing on refreshed Operational, Project and Partnership Risk Registers over the coming months.

4. 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	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.

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

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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