

This Report will be made public on 26 November 2018



Report Number: **AuG/18/16**

To: Audit & Governance
Date: 4 December 2018
Status: Non key decision
Head of service: Charlotte Spendley, Assistant Director – Finance, Customer & Support Services
Cabinet Member: Cllr Malcom Dearden, Portfolio Holder for Finance

SUBJECT: CORPORATE RISK REGISTER

SUMMARY: This report presents a refreshed Corporate Risk Register based upon the updated Risk Management Policy & Strategy which was adopted by Cabinet in July.

REASONS FOR RECOMMENDATIONS:

The Risk Management Policy & Strategy provide a clear framework for officers and members regarding Risk Management and seeks to ensure consistency in approach across the organisation, provide clarity of roles to enable progress towards an embedded Risk Management culture within the organisation. Following its adoption officers have been developing a refreshed Corporate Risk Register which is presented to the Committee for consideration.

RECOMMENDATIONS:

1. To receive and note report AuG/18/16.

1. BACKGROUND

- 1.1 The Risk Management Policy and Strategy was refreshed to ensure it remains effective and applicable for the organisation and presented to Cabinet on 18 July for adoption.
- 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.

2. POLICY & STRATEGY FRAMEWORK

- 2.1 The objectives of the Policy were 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. The policy as newly adopted has been appended to this report in full (Appendix 1).
- 2.2 To enable this the scoring of risk was 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 would 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 was 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 was agreed to be developed which is a pictorial version of the current score of risks, and provides a snapshot of the risk exposure for Members at a point in time.
- 2.5 Section 9 of the Strategy outlines in full the role of both Members and this Committee. It states:

Cabinet and Elected Members

Cabinet and Elected Members are to oversee the effective management of risk throughout the council. As such Cabinet will review the council's Risk Policy and Strategy and Corporate Risk Register annually in Quarter 2 of the financial year (following these documents being reviewed by the Corporate Leadership Team and Audit and Governance Committee in Quarter 1). It is

also expected that relevant risks are discussed at monthly Portfolio Holder Meetings with Corporate Directors.

Audit and Governance Committee

Audit and Governance Committee are to consider the effectiveness of the authority's risk management arrangements, and to seek assurance that action is being taken to mitigate those risks identified. As such an update on the Corporate Risk Register will be presented at each Quarterly Audit and Governance Committee. In addition Audit and Governance Committee will review the council's Risk Policy and Strategy and Corporate Risk Register annually in Quarter 1 of the financial year, ahead of these documents going to Cabinet.

- 2.6 Cabinet fully supported the agreed Policy and Strategy and will consider this Committees recommendations following the annual review next Spring/Summer.

3. DEVELOPMENT OF CORPORATE RISK REGISTER

- 3.1 The Senior Management Team worked collaboratively to brain storm risks faced by the Council, particularly focusing on those that related to the delivery of our strategic corporate objectives. As a result a new Corporate Risk Register was developed from those themes, and further expanded in detail over recent weeks. It is encouraging to have achieved input from all service areas and senior managers into this process, which is an important step towards risk management being embedded into our operating methods.
- 3.2 The new 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.
- 3.3 The current Corporate Risk Register identifies 12 risks, which can be categorised as 2 low level risks, 3 moderate and 7 high level risks. No extreme risks have been identified at this time.
- 3.4 The Risk register will continue to be monitored, and will be updated and reported to the next Audit & Governance Committee on 5 March 2019. At this time we will identify for Members the key movements in the Risk Register compared to the position presented here. Additionally work will be commencing on refreshed Operational, Project and Partnership Risk Registers over the coming months for departmental use.

4. RISK MANAGEMENT ISSUES

4.1

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to have a current risk process 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 Register adopted will affect the Councils ability to deliver effectively on its Corporate Plan objectives	High	Low	A revised policy document has been prepared and a register developed 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

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

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Email: charlotte.spendley@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report: Risk Management Policy & Strategy

Appendices:

Appendix 1: Risk Management Policy & Strategy

Appendix 2: Corporate Risk Register

Appendix 3: Risk Matrix