

This Report will be made public on 8 March 2022

Report Number **AuG/21/27**

**To:** Audit & Governance  
**Date:** 16 March 2022  
**Head of service:** Charlotte Spendley, Assistant Director – Finance, Customer & Support Services  
**Cabinet Member:** Cllr David Monk, Leader of the Council

**SUBJECT:** REVIEW OF 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 and Members. There is a separate report on the agenda which 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 report AuG/21/27.
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 September 2019. The strategy has been reviewed and amendments made to enhance its use as guidance, incorporated some best practice without a major rewrite.
- 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 The strategy has been reviewed and amendments made to enhance its use as guidance, incorporated some best practice without a major rewrite. The revisions are shown in tracked changes on the attached document but in the main cover the following:
  - Objectives refined
  - Additional information on what is risk management
  - Introduction to types of risk added and further description to the external factors to be considered
  - Further description on risk likelihood and impact and guidance on the actions required following risk scoring
  - Update on risk mitigations and new section on risk appetite
  - Update on responsibility and ownership of risk management
  - New sections on:
    - risk monitoring and review
    - operational (departmental/service) risk registers
    - culture, awareness and training
    - links to other policies and procedures
  - Amendment to layout of risk register in the strategy to match the one used in practice.

- 2.3 A view of the council's risk appetite has been added to the strategy, this is considered to be: The Council's approach is to be innovative where it can be and to seek continuous improvement in the identification and delivery of services. It prides itself on having in place robust risk management at all levels across the organisation to encourage a risk cautious/risk aware approach and not so much a risk averse approach. Innovation and opportunities are taken within the Directorates whilst managing and addressing the barriers to success of their objectives. It is recognised that the attitude towards risk will differ across the Directorates, from risk aware to risk averse as the Council seeks to operate within a framework of compliance, delivering value for money and strong corporate governance. The Council's risk appetite has to be determined by individual circumstances but for example, for risk on matters of compliance with the law the appetite for risk will be very low.
- 2.4 The Strategy and Policy will be tabled to Cabinet for agreement following consideration by Audit and Governance Committee.

### 3. SUMMARY & NEXT STEPS

- 4.1 There is continued 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.
- 4.2 Further training on risk management awareness and strengthening the value of all risk registers will be provided for officers.

### 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

Charlotte Spendley, Assistant Director – Finance, Customer & 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