

This Report will be
Made public on 7 March
2023



Report **AuG/22/29**

To: Audit & Governance
Date: 15 March 2023
Head of service: Charlotte Spendley, Director – Corporate Services
– Section 151 Officer

SUBJECT: REVIEW OF CORPORATE RISK REGISTER

SUMMARY: This report provides an update to the Corporate Risk Register.

REASONS FOR RECOMMENDATIONS:

It is essential that the Committee regularly review the Corporate 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/22/29.
2. To receive and note the updated Corporate Risk Register.

1. BACKGROUND

- 1.1 The Risk Management Policy and Strategy was last agreed by Cabinet in March 2022.
- 1.2 An update and revision of the Risk Management Policy and Strategy is also included on this agenda.
- 1.3 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 to work within, as well as supporting the development of a risk management culture within the Council.

2. UPDATE TO CORPORATE RISK REGISTER

- 2.1 The updated Corporate Risk Register has been appended in full to this report (Appendix 1). For ease of reference the changes to the Risk Register have been highlighted (red). Additionally, the Risk Matrix, which is a pictorial snapshot of the current level of risks faced by the Council, is provided at Appendix 2 (with changes identified in italics).
- 2.2 The current Corporate Risk Register identifies 16 risks, which can be categorised as 1 moderate, 6 high and 9 extreme level risks. Compared to the December 2022 matrix which indicated 5 high and 8 extreme level risks.
- 2.3 The key changes made include:

Three new risks have been identified for:

•	C14 – Levelling up Fund. The award of Levelling up Funding is very good news. However, it does involve complex, high value projects that will be a challenge to deliver on time.
•	C15 – Sports and Leisure Provision. This risk captures concerns about the future provision of leisure facilities in the district in view of issues with the proposed leisure centre at Princes Parade, the pool at Hythe and the Folkestone Sports Centre Trust.
•	C16 – Fraud and Corruption. This risk has been drafted in response to a recommendation from Internal Audit and reflects the need for fraud and corruption to be recognised as a significant corporate risk.

Two risks have updated ratings:

•	C1 – Organisational Capacity. This has been re-rated from a high (9) to an extreme risk (12). This reflects the high level of concern across several service areas and the significant work necessary to address these issues.
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	<ul style="list-style-type: none"> C6 – Cost of Living. This has been re-rated from an extreme (12) to a high risk (9). This is due to the level of resilience shown by council services in responding to the cost of living crisis.
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Additionally, a number of risks have been updated to reflect changes since December 2022.

3. SUMMARY & NEXT STEPS

- 3.1 The Risk Register has undergone a comprehensive review in line with the guidance in the Risk Management Policy and Strategy. The Risk Register will continue to be monitored and updated and will be reported to the next Audit and Governance Committee. The Risk Register continues to be a fluid document that will see risks re-scored to reflect changes in circumstances.
- 3.2 There are a number of changes both in terms of scoring and in actions that reflect the work ongoing in respect of the identified risks for the organisation.
- 3.3 The external auditor has recommended the inclusion of two extra columns in the Risk Register to cover key controls or sources of assurance and the direction of travel. These items will be discussed at the next meeting of the Risk Management Group and the Risk Register will be expanded to comply with the recommendation.

4. RISK MANAGEMENT ISSUES

4.1

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to have a current Risk Management Policy & Strategy in place will cause inconsistencies in approach across the Council	Medium	Low	Policy & Strategy document is in place, relevant officers consulted, and organisation wide training delivered. Work is ongoing to ensure all aspects of risk are managed in line with the framework.
Failure to manage risks effectively could affect the Council's ability to deliver effectively on its Corporate Plan objectives, impact upon its deployment of resources or	High	Low	An up to date strategy framework is in place, training delivered and regular reporting occurring to both CLT and Audit & Governance Committee. CLT have also given a commitment to

impact upon its reputation			continue to develop the attitude towards Risk Management within the organisation.
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5. 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 from this report.

Diversities and Equalities Implications (CS)

There are no direct implications from this report.

6. 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: Corporate Risk Register
- Appendix 2: Risk Matrix