

This Report will be made public on 5 March 2024

Report Number **AuG/23/27**

**To:** Audit and Governance Committee  
**Date:** 13 March 2024  
**Status:** Non key  
**Responsible Officer:** Adrian Tofts, Strategy and Policy Manager  
Jonathan Hicks, Governance, Performance & Risk Manager

**SUBJECT:** UPDATE TO CORPORATE RISK REGISTER

**SUMMARY:** This report provides an update to the Corporate Risk Register, last considered by the Audit and Governance Committee on 6 December 2023.

**REASONS FOR RECOMMENDATIONS:**

So that Folkestone & Hythe District Council is fully apprised of the risks facing the organisation and takes mitigating measures as appropriate.

**RECOMMENDATIONS:**

1. To receive and note report AuG/23/27.
2. That Audit and Governance Committee reviews:
  - a. The draft corporate risk register overview (Appendix 1).
  - b. The corporate risk register (Appendix 2).
  - c. The risk matrix (Appendix 3).and makes any necessary recommendations regarding the district council's management of risk.
3. That Audit and Governance Committee notes the work that will be undertaken to review the Council's risk management procedures, led by the new Governance, Performance & Risk Management Team created as part of the recent restructure (see section 3).

## 1. BACKGROUND

- 1.1. Effective risk management is key to the management of Folkestone & Hythe District Council. The corporate risk register seeks to provide Members and officers with a framework to identify and mitigate the risks to the council.
- 1.2. Previous updates to the risk register have been taken to Audit and Governance Committee on 15 March 2023 (AuG/22/29), 13 September 2023 (AuG/23/12) and 6 December 2023 (AuG/23/16).

## 2. UPDATE TO THE CORPORATE RISK REGISTER

- 2.1. An overview of the Council's corporate risks has been provided for committee at **Appendix 1**, for quick and easy reference. This will show the committee the current risk scores and the direction of travel from December 2023.
- 2.2. The updated full corporate risk register is also attached to this report at **Appendix 2**. Changes from the December 2023 version have been highlighted in red (deletions are shown struck-through and new text is shown underlined).
- 2.3. The updated risk matrix, which provides a snapshot of the current level of risks faced by the council, is provided in **Appendix 3**. Amendments are shown in red. Deletions have not been shown for legibility reasons, but where scores have changed these are shown in the register in **Appendix 2**.
- 2.4. The risk register was circulated to Chief Officers for comment and discussed at the Corporate Governance Board, before being reviewed by the Corporate Leadership Team.
- 2.5. Amendments from the December 2023 Risk Register reflect:
  - The addition of a new risk *C11 – Increased Use of Temporary Accommodation*.
  - The addition of a new risk *C18 – Elections*.
  - The addition of a new risk *C19 – Change of Governance*.
  - The reduction in the risk scores for many of the risks, to reflect the positive work that the council is doing to address challenges around the council's budget, the delivery of Otterpool Park, tackling fraud and corruption and other risks.
  - The elevated financial risk, adding significant general fund pressures for risk *C8 – Princes Parade strategic future*.
  - Increased risk for *C15 – Levelling Up Fund Folkestone* to reflect that, as of the time of preparing this report, a decision on the requested time extension for the project had not been made by the Department for Levelling Up, Housing and Communities (DLUHC).

- Increased risk for *C17 – Fraud and corruption* to reflect a re-evaluation of impact on the Council for mis-use of assets and reputational damage.

### 3. SUMMARY AND NEXT STEPS

- 3.1. The risk register will continue to be monitored and updated, and future updates will be reported to Members.
- 3.2. Looking ahead, while the current risk register and risk matrix provide a useful picture of the corporate risks facing the council, there are opportunities to improve the process of recording, monitoring, mitigating and reporting corporate risks across the council.
- 3.3. The corporate risk register is intended to capture high-level risks reflected in the Council’s Corporate Plan and Medium-Term Financial Strategy. A review of the risk management process will allow risk management to be aligned with the objectives and priorities emerging from the Corporate Plan review, as well as the new Medium-Term Financial Strategy (considered by Council on 28 February 2024).
- 3.4. There is also the opportunity to clarify how the risks on the corporate risk register are captured, to make sure that the register focuses clearly on high-level risks to the council as an organisation (its services, finances, reputation) rather than more general risks to the communities the council serves.
- 3.5. The presentation of the risk register could also be improved, as the current Excel spreadsheet is unwieldy, heavily text-based and does not provide information in an accessible way. In an effort to address this, initially, a draft overview risk register has been created (**Appendix 1**) and Members are invited to comment on its presentation and format.
- 3.6. The creation of the new Governance, Performance & Risk team as part of the recent restructure, with a dedicated Governance, Performance & Risk Manager, provides an excellent opportunity to review the council’s approach to risk management and how the information is presented to Members. An audit of risk management by the East Kent Audit Partnership is also underway and the recommendations of the audit will be valuable in shaping the council’s future approach to risk management.
- 3.7. The Governance, Performance & Risk Manager will bring proposals to the Audit and Governance Committee for comment later this year.

### 4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Failure to have a risk management	Medium	Low	The risk register is in place and updated

Perceived risk	Seriousness	Likelihood	Preventative action
strategy in place will cause inconsistencies in approach across the council.			quarterly. Relevant officers are consulted. Work is continuing to ensure that all aspects of risk are managed in line with the framework.
Failure to manage risks effectively could affect the council's ability to deliver its Corporate Plan objectives effectively, impact on the deployment of resources or harm its reputation.	High	Low	An up-to-date framework is in place, training is delivered and regular reports are provided to senior managers and Audit and Governance Committee.

## 5. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

- 5.1. **Legal Officer's Comments (NM)** – There are no legal implications arising directly from this report. Identifying, managing and reducing any risk effectively mitigates against potential legal challenge.
- 5.2. **Finance Officer's Comments (RH)** - There are no direct financial implications from this report.
- 5.3. **Diversities and Equalities Implications (GE)** – 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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### Appendices:

- Appendix 1: Draft Corporate Risk Register (Overview)  
 Appendix 2: Corporate Risk Register (13 March 2024)  
 Appendix 3: Risk Matrix (13 March 2024)