

UPDATED RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

1. RECOMMENDATIONS

- 1.1 That Audit Committee provide their feedback to the Risk Management Policy and refreshed Strategic Risk Register, before it is presented to Cabinet (September) and onto Council.

2. INTRODUCTION AND PURPOSE

- 2.1 The Risk Management Policy (Appendix 1) has been created to give clarity of approach to risk management at the Council, and to helpfully define process and roles and responsibilities. This gives a structured approach to ensure risks and opportunities are reviewed across all Services, Portfolio's and Corporately, in a consistent way.
- 2.2 The Council's Strategic Risk Register (Appendix 2) has been reshaped to truly focus on the highest level of strategic risk to the Council. The previous version was driven bottom-up and was overly service focused. Although these risks were of a high level, they were not strategic in nature. The risks listed are now purely strategic and this will assist further in the Council achieving the priorities set out in the 'Community Matters Corporate Plan 2020-24'.

3. BACKGROUND

- 3.1 Risk management aims to identify the risks that may impact on the Council achieving its objectives. Its purpose is to evaluate, design and implement effective measures to reduce both the likelihood and potential impact of these risks occurring.
- 3.2 The Council has a statutory responsibility to have in place arrangements for managing risks under the Accounts and Audit Regulations; which require a sound system of internal control, facilitates the effective exercise of the Council's functions and includes arrangements for the management of risk. As such it features strongly in the Council's Local Code of Practice for Corporate Governance and is one of the primary assurance strands in the Annual Governance Statement, which places significant reliance on a robust risk management framework.

4. RISK MANAGEMENT POLICY

- 4.1 Developing and improving public services requires opportunities to be taken whilst managing the risks involved. In recent years all sectors of the economy have focused on management of risk as the key to making organisations successful. It enables organisations to deliver their objectives whilst protecting the interests of their stakeholders. New Forest District Council is dedicated to providing its stakeholders with the best possible service.
- 4.2 The effective management of risk is central to providing a safe and healthy environment in which to live and work and it allows the Council to make the most of opportunities, whilst understanding and minimising the risks, where possible. This policy sets out how New Forest District Council manages its risks, and what we aim to do in the future to maintain our high standards in this area.

4.3 The Risk Management policy, in Appendix 1, shows the Risk Matrix on page 7, with scores displayed in green (low), amber (medium) and red (high):

		I M P A C T			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
L I K E L I H O O D	Highly Likely (4)				
	Likely (3)				
	Unlikely (2)				
	Highly Unlikely (1)				

4.4 The grid, and specially the scoring thresholds behind the low, medium and high ratings is based on the Council’s risk appetite, i.e. at what score is a risk considered to be low, thus requiring less monitoring and attention, and conversely, at what score is a risk considered to be high therefore requiring action plans to bring the score down to a medium level.

4.5 The proposed Matrix as included within the updated Policy shows that risks scoring a combination score:

- nine to sixteen, are high,
- four to eight, whereby the 4 is the extremity of impact or likelihood, are medium
- one to four, whereby the 4 is the middle ground between impact and likelihood, are low

5. STRATEGIC RISK REGISTER

5.1 The refreshed Strategic Risk Register (Appendix 2) captures strategic risks inherent to New Forest District Council as a Tier 2 Local Authority. It scores the risks, and includes proposed actions to mitigate these risks. The mitigation offered is closely aligned to portfolio resource and in some cases relies on working with partners to help achieve the objectives.

- 5.2 The Strategic Risks cover the 7 areas, listed below, which will give a more focused and targeted approach to mitigation and maximise any opportunities as they arise:
1. Supporting Communities
 2. Achieving future financial resilience
 3. Ensuring efficient and effective internal control, governance and compliance
 4. Creating the right culture, capacity and capability
 5. Ensuring robust security measures to protect the Council's data and assets from external threats
 6. Ability to be agile and shift focus in response to policy and national political change
 7. Delivering Council Services through adverse conditions
- 5.3 The Strategic Risk Register will be reviewed by EMT 6 monthly and will then be presented to Audit Committee and Cabinet. This will ensure that the strategic risks are being monitored on a frequent basis. Council will receive an update of the Strategic Risk Register on an annual basis.
- 5.4 The new Strategic Risk Register takes into account significant cross cutting corporate strategic risks. Portfolio risks will continue to be reported on within portfolio dashboards. Portfolio risks, which intends to manage the risk of achieving specific priorities continue to be reported on in the dashboards.

6. FINANCIAL IMPLICATIONS

- 6.1 There are none arising directly from this report, although strong risk management and a solid understanding of risk helps to support robust financial management.

7. ENVIRONMENTAL MATTERS AND EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 There are no direct environmental or equality and diversity implications arising from this report.

8. DATA PROTECTION IMPLICATIONS

- 8.1 There are no data protection implications arising from this report.

For further information

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