

## Audit Committee – 24 January 2025

### Principal Risk and Risk Management Policy Update

Purpose	For Decision
Classification	Public
Executive Summary	The Risk Management Policy (Appendix 1), and Principal Risks (Appendix 2), now included within this report contains the significant risks, as identified by senior and executive council officers in consultation with the Portfolio Holders, in the Council achieving the priorities set out in the 'For people, place, prosperity Corporate Plan 2024-28'
<b>Recommendation(s)</b>	<b>1) To offer input on the Principal Risks and the revised Risk Policy prior to presenting them to the Cabinet</b>
Reasons for recommendation(s)	To assist the council in being aware of risks and making evidence-based decisions, thereby adding value to their processes and outcomes.
Ward(s)	All
Portfolio Holder(s)	Councillor Jill Cleary – Leader / All
Strategic Director(s)	Alan Bethune – Strategic Director Corporate Resources and Transformation (Section 151 Officer) and Paul Whittles Assistant Director - Finance
Officer Contact	James Clarke Insurance and Risk Officer 02380 285002 James.Clarke@nfdc.gov.uk

## **Introduction and background**

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. The Council's Principal Risk (Appendix 2) has been reshaped to truly focus on the highest level of risk to the Council. 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. 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.
4. 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.
5. The Risk Management Policy and Principal Risk Register have been developed through collaboration among senior and executive council officers to ensure a cohesive approach to identifying and documenting these risks.

## **Risk Management Policy**

6. 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.
7. 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.

### **Principal Risk Register**

8. Appendix 2 presents the Principal Risk Register, which identifies the most significant risks encountered by the council. This section evaluates and scores these risks while outlining proposed mitigation strategies. The recommended actions for risk mitigation are closely aligned with the available portfolio resources and, in some cases, depend on collaboration with partners to successfully achieve the council's objectives.
9. A live and relevant document focused on risk principal approach for our council provides crucial benefits. It maintains up-to-date information that accurately reflects the specific risks and challenges unique to the district. By presenting this information in a concise format, stakeholders can swiftly identify and understand the key risk factors and mitigation strategies. This clarity facilitates more effective decision-making and allows the council to respond proactively to emerging risks, ultimately strengthening the overall risk management framework and ensuring the district's resilience.

### **Corporate plan priorities**

10. The recommendations aim to improve the effective execution of all corporate plan priorities by presenting risk mitigation strategies that tackle the overarching vulnerabilities faced by the Council.

### **Options appraisal**

11. Principal risks are essential for the council's effective risk management. Without this register, we may face significant operational, financial, and reputational challenges, highlighting the need for proper prioritisation. The RM policy update will further strengthen our framework by incorporating best practices and aligning with current regulations to address potential threats proactively.

### **Consultation undertaken**

12. Internal consultation with Assistant and Strategic Directors and Chief Executive.

## **Financial and resource implications**

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

## **Legal implications**

14. If the legal principal risks are not managed this does bring risk to the council.

## **Risk assessment**

15. The Principal Risk Register is evidence of the risk assessment for the highest level of risk.

## **Environmental / Climate and nature implications**

16. If the climate principal risks are not managed this does bring risk to the council.

## **Equalities implications**

17. There are no equality implications arising directly from this report.

## **Crime and disorder implications**

18. There are no crime and disorder implications arising directly from this report.

## **Data protection / Information governance / ICT implications**

19. There are no data protection, information governance or ICT implications arising directly from this report.

### **Appendices:**

Appendix 1 – Risk Management Policy

Appendix 2 – Principal Risk Register

### **Background Papers:**

None

