



Report to Portchester Crematorium Joint Committee

Date: **19 March 2018**

Report of: **Treasurer to the Joint Committee**

Subject: **RISK MANAGEMENT**

SUMMARY

The Risk Management Framework and Policy Statements for Portchester Crematorium are subject to annual review. This report sets out the updated documents for approval by the Joint Committee.

RECOMMENDATIONS

- a. That the Risk Management Strategic Framework and Policy as set out in Appendix A and B of this report be approved.
- b. That the form and presentation of the Strategic and Operational Risk Registers be reviewed, taking into account current good practice, and a further report be made to the Joint Committee on the outcome.

RISK MANAGEMENT

1. Risk Management is an area that is subject to internal audit as part of the Joint Committee's Corporate Governance arrangements. It also forms a key component of the self-assessment process leading to the Annual Governance Statement as part of the Annual Return.
2. Risk is the threat that an event or action will adversely affect an organisations ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework for corporate governance.
3. The constituents of good risk management are seen as :

A shared awareness and understanding within the Joint Committee of :

- The nature and extent of the risks it faces
- The extent and categories of risk regarded as acceptable
- The likelihood and potential impacts of the risk materialising
- The key controls that are being relied upon to control risks
- The ability to reduce the incidence and impact on the organisation of the risks that do materialise

A regular and ongoing monitoring and reporting of risk, including early warning mechanisms.

An appropriate assessment of the cost of operating particular controls relative to the benefit obtained in managing the related risk.

A risk assessment process to inform any decisions being taken and to support the implements of any projects agreed.

The conducting, at least annually, of a review of the effectiveness of the system of internal control in place.

Reporting publicly on the results of the review and explaining the action the Joint Committee is taking to address any significant concerns it has identified.

RISK MANAGEMENT FRAMEWORK AND RISK POLICY STATEMENT

4. The Joint Committee has adopted a Risk Management Framework and Risk Management Policy Statement. These two documents are subject to annual review and subject to some minor textual amendments remain up to date, relevant and robust. They define the processes and responsibilities for managing risks across the whole spectrum, and are set out at Appendices A and B respectively. The Joint Committee is asked to approve these documents for their continued application to the system of risk management in place.

STRATEGIC AND OPERATIONAL RISK REGISTERS

5. As part of the annual review of the above documents it is felt that the Strategic and Operational Risk registers, which are assessed on an impact matrix basis, need to be reviewed and simplified, with risks being managed as an integral part of everyday management and decision making and not just by a separate process of maintaining lists of risks and assessments. The Governance Assurance Group agreed it would be helpful to learn from the experience of other authorities in adopting this approach, and a further discussion will be held with the Head of Internal Audit at Fareham Borough Council to take this review forward.

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For further information on this report please contact Kate Busby on 01329 824685.

**PORTCHESTER CREMATORIUM JOINT COMMITTEE
SUMMARY OF RISK MANAGEMENT FRAMEWORK**

Framework Element	Process agreed
Risk Management	
Risk Management Policy/Strategy	<p>Lead Officer - Clerk to the Joint Committee</p> <p>Responsibility - Treasurer to the Joint Committee</p> <p>Approved, and reviewed as appropriate by the Joint Committee</p> <p>Annual assessment of adequacy of risk management arrangements</p>
Strategic Risk Management	<p>Register Owner - Portchester Crematorium Joint Committee</p> <p>Strategic Risk Register to be reviewed annually by the Governance Assurance Group and approved by the Joint Committee.</p> <p>Risks and Assessments reviewed as and when needed throughout the year.</p> <p>At minimum, 12 monthly progress review of control / mitigation actions to be completed by the Governance Assurance Group for reporting to the Joint Committee on an annual basis.</p>
Operational Risk Management	<p>Register Owner – Manager & Registrar</p> <p>Operational Risk Register to be reviewed annually by the Governance Assurance Group and approved by the Joint Committee.</p> <p>Risks and Assessments reviewed and when needed throughout the year.</p> <p>At minimum, 12 monthly progress review of control / mitigation actions to be completed by the Governance Assurance Group for reporting to the Joint Committee on an annual basis.</p>

RISK MANAGEMENT POLICY STATEMENT

The Portchester Crematorium Joint Committee recognises that Risk Management is an intrinsic part of Corporate Governance. The Joint Committee accepts that some risks will always exist and will never be eliminated.

The Joint Committee recognises that it has a responsibility to manage risks and supports a structured and focused approach to managing them by developing a risk management strategy and taking actions to reduce or mitigate risks wherever possible.

In this way the Joint Committee will better achieve its corporate objectives and enhance the value of services it provides to the community.

The Joint Committee's risk management strategic objectives are to:

- ♦ Integrate risk management into the culture of the Joint Committee
- ♦ Manage risk in accordance with best practice
- ♦ Anticipate and respond to changing social, environmental, legislative, political, economic, technological, competitive and citizen requirements
- ♦ Prevent injury, damage and losses and reduce the cost of risk
- ♦ Raise awareness of the need for risk management by all those connected with the Committee's delivery of services.

These objectives will be achieved by:

- ♦ Establishing clear roles, responsibilities and reporting lines within the Joint Committee for risk management
- ♦ Offering a framework for identifying and prioritising risk areas
- ♦ Reinforcing the importance of effective risk management as part of the everyday work of employees
- ♦ Incorporating risk management considerations into all aspects of the Joint Committee's work.
- ♦ Monitoring arrangements on an on-going basis.

The key components of the Risk Management Framework are:

- **A Strategic risk register of risks to the partnership**
- **An operational risk register of risks to the service**
- **A set of Health and Safety hazard assessments**
- **Inclusion of risk information in decision making reports to the Joint Committee**
- **Risk assessments supporting any projects implemented at the Crematorium**