

FAREHAM

BOROUGH COUNCIL

Report to Portchester Crematorium Joint Committee

Date: 10 March 2014

Report of: Treasurer to the Joint Committee

Subject: RISK MANAGEMENT

SUMMARY

The Joint Committee adopted a Risk Management Framework and Policy in June 2009 and a forward looking Risk Management Strategy in December 2009. This included the publication of a set of Strategic and Operational Risk Registers.

These documents 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 revised Strategic and Operational Risk Registers set out in Appendix C and D are approved.

RISK MANAGEMENT

1. Risk Management is an area that is subject to internal and external 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 organisation's 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. In June 2009 the Joint Committee adopted a Risk Management Framework and Risk Management Policy Statement. These two documents are subject to annual review and 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 Appendix 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. The Registers covering Strategic and Operational Risks at Appendix C and D respectively have been reviewed for their continued suitability and relevance to the Joint Committee by the Officers Governance Assurance Group, and are presented to the Joint Committee for approval.
6. As can be seen in the Risk Registers, only one 'High' ranked strategic risk has been identified, being 'Another crematorium built within the Joint Committee's area removes customers', along with one operational risk , being 'Major reduction in income collected compared to budget'. It is felt that, at the current time, there is no evidence to suggest that the probability and impact assessment should be changed.
7. One new risk has been added to the Operational Risk Register :

Risk No : 29
Appointed planned maintenance consultants unable to deliver agreed repairs and renewals programme and capital programme
Category : Low
8. The remaining risks are all ranked as Medium or Low, and will continue to be monitored by the assigned Risk Manager who will report to the Joint Committee on developments should the need arise.

APPENDIX A

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

Framework Element	Process agreed
Risk Management	
Risk Management Policy/Strategy	<p>Figurehead - 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>Risk assessments updated annually.</p> <p>Additional risks to be identified by officers and members 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>Service and Employer registers maintained</p> <p>Service Risk Register Owner - James Clark Employer Risk Register Owner - John Haskell</p> <p>Service Risk Register to be reviewed annually by the Governance Assurance Group and approved by the Joint Committee. Employer Risk Register agreed in officers meetings.</p> <p>Risk Assessments updated annually.</p> <p>At minimum, 12 monthly progress review of control / mitigation actions to be completed by the Governance Assurance Group and officer meetings for reporting to the Joint Committee.</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**

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