

EAST HERTS COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 15 JUNE 2016

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (JANUARY TO MARCH
2016)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report relates to action taken to mitigate and control strategic risks in the period January to March 2016.

<u>RECOMMENDATION(S) FOR THE EXECUTIVE: That:</u>	
(A)	The risk management controls implemented be approved.

1.0 Background

1.1 The Strategic Risk Register was last considered by Audit Committee on 16 March 2016. (Period October to December 2015). The register has been updated to reflect controls implemented between January and March 2016 and is attached at **Essential Reference Paper ‘B’**.

2.0 Report

2.1 Risk management can be defined as: The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).

2.2 Managing threats and opportunities helps to create an environment of “no surprises” and the Authority is in a stronger position to deliver services in accordance with corporate priorities.

By managing opportunities, it is better positioned to provide continuous improvement in its services and better value for money.

- 2.3 The system of rating listed below applies to the 2015/16 financial year.

Rating the potential impact if the risk was to occur using the following scores

- 4 **High** - Greater than £300,000 and / or national criticism and / or catastrophic fall in service quality
- 3 **Medium** - £150,000 to £300,000 and / or regional criticism and / or major long term fall in service quality
- 2 **Low** - £50,000 to £150,000 and / or long term local media criticism and / or minor long term or major short term fall in service quality
- 1 **Negligible** - Below £50,000 and / or short term local media criticism and / or short term fall in service quality

Rating the likelihood of occurrence using the following scores

- 4 **Probable** - The event is likely to occur within a year
- 3 **Possible** - The event is likely to occur within, or more than one in three years
- 2 **Unlikely** - The event could occur less frequently than every three years
- 1 **Rare** – The event could occur in exceptional circumstances

These scores are further assessed to classify whether risks are considered to be critical, caution, contingency or control.

- 2.4 Controls implemented in the period January to March 2016 have been recorded. Please refer to Essential Reference Paper B for more information.
- 2.5 All scores remain unchanged from the previous quarter. The Executive considered the report on 7 June 2016 so any amendments or comments will be relayed verbally at the meeting.
- 2.6 All strategic and operational risks can be viewed on the Council's performance management system, Covalent (www.covalentcpm.com/eastherts).

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Quarter 3 Healthcheck report to Executive 5 April 2016

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