

East Herts Council Report

Performance, Audit and Governance Oversight Committee

Date of Meeting: 19 May 2020

Report by: Bob Palmer, Head of Strategic Finance and Property

Report title: Annual review of Risk Management Strategy

Ward(s) affected: All

Summary

RECOMMENDATIONS FOR PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE:

- (a) The Risk Management Strategy be reviewed and officers advised of recommendations that could enhance or streamline risk management and the associated monitoring processes.**

1.0 Proposal(s)

- 1.1 This report explains the key changes to the Risk Management Strategy proposed for 2020/21.

2.0 Background

- 2.1 The Risk Management Strategy is reviewed annually by Leadership Team and Performance, Audit and Governance Oversight Committee. (Leadership Team considered in February 2020.)
- 2.2 This report was originally prepared for the meeting on 17 March 2020 that had to be postponed.

3.0 Reason(s)

- 3.1 Public services are facing unprecedented challenges and

the effective management of risk is needed more than ever. Our risk-managed approach to decision making will help the council achieve objectives and deliver services more efficiently, using innovative and cost-effective means.

4.0 Options

- 4.1 The council is not obliged to have a Risk Management Strategy but failure to do so would not meet best practice and would leave a hole in the council's governance structure.
- 4.2 No major changes have been proposed. The Strategy is generally fit for purpose, follows trade body guidance as detailed in 6.1, and was subject to an audit rating of 'good' in 2019. (Overall rating of 'satisfactory assurance'.) The primary changes are described in the next few paragraphs.
- 4.3 Risk monitoring processes have been scaled back over recent years but there is now an appetite to increase monitoring and participation. It is proposed that the Strategic Risk register be submitted to this committee quarterly and Members advised of the controls introduced or planned.
- 4.4 Operational / service risks are not monitored formally at present. It had been proposed that the highest level corporate, service and project risks are monitored by Leadership Team quarterly with effect from April 2020 although this will be delayed slightly due to the pandemic. Members will be able to view these risks on Pentana Performance in due course.
- 4.5 It has been necessary to change the risk scoring classifications to align with the new committee report template. Scoring thresholds have been refreshed.
- 4.6 Due to changes to the constitution the Risk Management Strategy is no longer to be submitted to

the Executive. (Until 2019 the Strategy went to Executive and Council). A copy of the final document will be circulated to all Members given their responsibility to consider risk in the decision making process.

5.0 Risks

- 5.1 Implementation of risk management produces many benefits for the Council which are documented within the Strategy.

6.0 Implications/Consultations

- 6.1 The Risk Management Strategy is based on guidance from the Association of Local Authority Risk Managers. The processes proposed are considered proportionate to the size and needs of the council and changes hopefully reflect feedback received from members of Leadership Team, the Executive and Performance, Audit and Governance Oversight Committee.

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be

demonstrated and the annual audit plan is risk based.

Health and Safety

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

Human Resources

No

Human Rights

No

Legal

No

Specific Wards

No

7.0 Background papers, appendices and other relevant material

- 7.1 Appendix 1 is a clean version of the Risk Management Strategy proposed for 2020/21. Appendix 2 tracks the changes proposed, as requested by Members in the past.

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