

EAST HERTS COUNCIL

AUDIT COMMITTEE – 10 JULY 2013

REPORT BY THE LEADER OF THE COUNCIL

15. RISK MANAGEMENT MONITORING REPORT – (FEBRUARY TO APRIL 2013)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report relates to action taken to mitigate and control strategic risks in the period February to April 2013.

RECOMMENDATION FOR AUDIT COMMITTEE: That:

(A)	The action taken to mitigate and control strategic risks be approved.
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1.0 Background

The Strategic Risk Register was considered by Audit Committee on 13 March 2013. The register has been updated to reflect controls implemented between February and April 2013 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 following system of rating has been adopted:

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

- 5 Catastrophic
- 4 Major long term impact
- 3 Major short term impact
- 2 Moderate long term impact
- 1 Moderate short term impact
- 0 Little impact

Rating the likelihood of occurrence using the following scores:

- 5 Highly probable (95% or more chance)
- 4 Very probable (70% to 95% chance)
- 3 Probable (30% to 70% chance)
- 2 Moderate (10% to 30% chance)
- 1 Unlikely (less than 10% chance)
- 0 Remote (below 1% chance in foreseeable future)

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

- 2.4 The Strategic Risk Register, **Essential Reference Paper 'B'**, has been updated to reflect controls implemented between February and April 2013.
- 2.5 Scoring remains unchanged.
- 2.6 This information was presented to the Executive on 4 June 2013 as part of the Corporate Healthcheck report and the controls and scores were approved.
- 2.7 Full progress comments can be accessed by referring to the Council's performance management system, Covalent (www.covalentcpm.com/eastherts). All operational risks can also be viewed.
- 2.8 The content of the 2013/14 Strategic Risk Register was agreed at CMT on 28 May 2013, following a review of service plans, the previous year's risk register, and consideration of trends and emerging risks. The current year's risks will remain, and a new risk concerning the impact of the welfare reforms will feature.

2.9 On 11 June 2013 Corporate Management Team agreed an updated Risk Management Strategy. The revised strategy will be presented to the next Audit Committee meeting.

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

Risk Monitoring Report October 2012 to January 2013 – Audit Committee 13 March 2013.

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