

EAST HERTS COUNCIL

AUDIT COMMITTEE – 26 NOVEMBER 2014

REPORT BY THE LEADER OF THE COUNCIL

RISK MANAGEMENT MONITORING REPORT (JULY TO SEPTEMBER 2014)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report relates to action taken to mitigate and control strategic risks in the period July to September 2014.

<u>RECOMMENDATION FOR AUDIT COMMITTEE: That:</u>	
(A)	The action taken to mitigate and control strategic risks be approved.

1.0 Background

The Strategic Risk Register was last considered by Audit Committee on 24 September 2014. (Period April to June 2014). The register has been updated to reflect controls implemented between July and September 2014 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

- 4 **High** - Greater than £280,000 and / or national criticism and / or catastrophic fall in service quality
- 3 **Medium** - £140,000 to £280,000 and / or regional criticism and / or major long term fall in service quality
- 2 **Low** - £50,000 to £140,000 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 The Strategic Risk Register, **Essential Reference Paper 'B'**, details these, and the controls implemented between July and September 2014.

2.5 The impact rating of both SR12 (Increased levels of demand from residents and businesses) and SR13 (Here to Help) have been reduced from 4 to 2 due to the controls implemented. Scores therefore now fall within 'control' so will no longer feature on the Strategic Risk Register. All others remain unchanged.

2.6 The owners of SR2 and SR6 have changed, and the description of SR5b has expanded slightly, but these minor amendments have no impact as far as the content of the register is concerned.

- 2.7 This information was presented to the Executive on 4 November 2014. There are no comments to relay.
- 2.8 All strategic and operational risks can be viewed on the Council's performance management system, Covalent (www.covalentcpm.com/eastherts).
- 2.9 The Risk Management Strategy is currently being reviewed and will be presented at a future 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 April to July 2014 – Audit Committee 24 September 2014.

Contact Member: Cllr Anthony Jackson
Leader of the Council
anthony.jackson@eastherts.gov.uk

Contact Officer: Simon Drinkwater
Director of Neighbourhood Services
Ext 1405
simon.drinkwater@eastherts.gov.uk

Report Author: Graham Mully
Risk Assurance Officer
Ext 2166
graham.mully@eastherts.gov.uk