

EAST HERTS COUNCIL

AUDIT COMMITTEE–15 JULY 2015

REPORT BY EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (JANUARY TO MARCH 2015)

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report relates to action taken to mitigate and control strategic risks in the period January to March 2015.

**RECOMMENDATION FOR AUDIT COMMITTEE:**

**That:**

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| <b>(A)</b> | <b>the action taken to mitigate and control strategic risks be approved.</b> |
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1.0 Background

The Strategic Risk Register was last considered by Audit Committee on 18 March 2015. (Period October to December 2014). The register has been updated to reflect controls implemented between January to March 2015 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 applied to the 2014/15 financial year:

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 January and March 2015.

2.5 All scores remain unchanged.

2.6 The Executive did not receive a health check report for the quarter in question so there are no comments to relay from that meeting.

2.7 All strategic and operational risks can be viewed on the Council's performance management system, Covalent ([www.covalentcpm.com/eastherts](http://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

Risk Monitoring Report October to December 2014– Audit Committee 18 March 2015.

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