

EAST HERTS COUNCIL

AUDIT COMMITTEE – 25 NOVEMBER 2015

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (JULY TO SEPTEMBER
2015)

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 2015.

RECOMMENDATION FOR AUDIT COMMITTEE:

That:

(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 23 September 2015. (Period April to June 2015). The register has been updated to reflect controls implemented between July and September 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 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 July to September 2015 have been recorded. Scores remain unchanged. Please refer to **Essential Reference Paper B** for more information.
- 2.5 One new risk was introduced with effect from July 2015; 'safeguarding adults'. Please see SR15.
- 2.6 This information will be presented to the Executive on 1 December 2015, so no comments from the Executive are available in advance of this Audit Committee meeting.

- 2.7 A further new risk has been introduced concerning Old River Lane, Bishop's Stortford. Given that the Council completed the acquisition in October 2015, the risk will feature in the register for the period October to December 2015 and reported at Audit Committee in March 2016.
- 2.8 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

Risk Monitoring Report April to July 2015 – Audit Committee 23 September 2015.

Contact Member: Cllr Geoffrey Williamson
Executive Member for Finance and Support Services
geoffrey.williamson@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