

EAST HERTS COUNCIL

AUDIT COMMITTEE – 16 MARCH 2016

REPORT BY THE LEADER OF THE COUNCIL

RISK MANAGEMENT STRATEGY

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- Members are invited to support approval the Risk Management Strategy which has been reviewed and updated, annually as required and to make a recommendation or not, to the Executive and Council.

**RECOMMENDATIONS FOR AUDIT COMMITTEE:**

**That Council via the Executive be advised that:**

<b>(A)</b>	<b>the updated Risk Management Strategy be approved.</b>
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1.0 Background

1.1 The Risk Management Strategy is reviewed annually. This report details the amendments made.

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 By managing risks effectively, 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 Risk Management Strategy is reviewed annually and was last presented to Audit Committee on 18 March 2015.
- 2.4 Since then risk management has been subject of internal audit (July 2015) and received a 'substantial assurance' rating.
- 2.5 Comparisons with the Strategies of other Hertfordshire Authorities took place in autumn 2015, led by the Shared Internal Audit Service. The contents are generally similar. (Our strategy is based on a 'toolkit' prepared by the Association of Local Authority Risk Managers, which remains in place).
- 2.6 A review was then conducted by the Executive Member for Finance and Support Services, Chairman of Audit Committee, Director of Neighbourhood Services, Director of Finance and Support Services, Head of Governance and Risk Management, and the Risk Assurance Officer. Minimal changes were considered necessary:
- 2.6.1 Target scores have been introduced to ensure that risk mitigation is documented, and planned / achieved actions are recorded.
- 2.6.2 Greater emphasis has been placed on maximising opportunities.
- 2.6.3 Changes in Council structure and procedure have been reflected.
- 2.7 The risk identification and challenge processes are still considered to be robust and remain unchanged.
- 2.8 Alterations have been tracked in ERP 'B'. The Strategy will also be submitted to The Executive and Council.
- 2.9 Changes to the Council's staffing structure and management team meetings will be updated during 2016/17.
- 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 Management Strategy – Audit Committee 18 March 2015,  
Executive 2 June 2015 and Council 29 July 2015.

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