

EAST HERTS COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 21 SEPTEMBER 2016

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (APRIL TO JUNE 2016)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report relates to action taken to mitigate and control strategic risks in the period April to June 2016.

RECOMMENDATION FOR AUDIT AND GOVERNANCE COMMITTEE:

That:

(A)	The risk management controls implemented be approved.
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1.0 Background

1.1 The Strategic Risk Register was last considered by Audit and Governance Committee on 15 June 2016. (Period January to March 2016). The content of the register has been updated for 2016/17, and controls implemented between April and June 2016 have been recorded. Please see **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 applicable to the 2015/16 financial year remains unchanged for 2016/17:

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 The risk monitoring report considered by Audit Committee on 16 March 2016 detailed the scheduled content of the Strategic Risk Register for 2016/17, and the changes since 2015/16. One further new risk has been added following the referendum vote to leave the EU.
- 2.5 Controls implemented during the period April to June 2016 have been recorded together with scores for the risks as they currently stand. However new for 2016/17 is the introduction of a target score. This demonstrates where Officers believe the likelihood and / or impact can be mitigated. Please refer to Essential Reference Paper B for more information.
- 2.6 The Executive considered the Strategic Risk Register on 6 September 2016 so any amendments or comments will be relayed verbally at the meeting.

2.7 All strategic and operational risks will be loaded to Covalent shortly. All operational risks have been reviewed following the restructure, as has the Risk Management Strategy which will be submitted to the next meeting. 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

2015 /16 Quarter 4 risk management monitoring report to Audit and Governance Committee 15 June 2016.

2015/16 Quarter 3 risk management monitoring report to Audit and Governance Committee 16 March 2016.

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