

EAST HERTS COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 23 NOVEMBER 2016

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (JULY TO SEPTEMBER
2016)

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 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 21 September 2016. (Period April to June 2016). The content of the register has been updated with controls implemented between July and September 2016 recorded as detailed in **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 2016/17 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 Target scores have also been included with effect from 1st April 2016. These demonstrate where Officers believe the likelihood and / or impact can be mitigated.
- 2.5 Controls implemented during the period July to September 2016 have been recorded, and scores amended as necessary as detailed within **Essential Reference Paper B**.
- 2.6 In quarter two the current likelihood scores for SR4 and SR7 have both reduced from 3 to 2, and the current likelihood score for SR9 has reduced from 4 to 2. These changes are due to the controls implemented.

- 2.7 Target likelihood scores have been reduced for SR9 from 3 to 2, SR12 from 2 to 1 and for SR15 from 3 to 2.
- 2.8 The Executive will consider the Strategic Risk Register on 6 December 2016.
- 2.9 All strategic risks can be viewed on 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

2016 /17 Quarter 1 risk management monitoring report to Audit and Governance Committee 21 September 2016

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

Contact Officer: Philip Gregory
Head of Strategic Finance and Property
philip.gregory@eastherts.gov.uk

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