

EAST HERTS COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 22 MARCH 2017

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND
SUPPORT SERVICES

RISK MANAGEMENT MONITORING REPORT (OCTOBER TO
DECEMBER 2016)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report relates to action taken to mitigate and control strategic risks in the period October to December 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 23 November 2016. (Period July to September 2016). The content of the register has been updated with controls implemented between October and December 2016 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 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, although the terminology has been changed to ‘residual risk’. These demonstrate where Officers believe the likelihood and / or impact can be mitigated. (The title ‘current risk’ has also changed to ‘inherent risk’).

2.5 Controls implemented during the period October to December 2016 have been recorded, and scores amended as necessary. Please refer to Essential Reference Paper B for more information.

- 2.6 No scores have been altered. One new risk has been added: SR16 'Development of Old River Lane, Bishop's Stortford'.
- 2.8 The Executive will consider the Strategic Risk Register on 4 April 2017.
- 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 2 risk management monitoring report to Audit and Governance Committee 23 November 2016

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