

EAST HERTS COUNCIL

AUDIT COMMITTEE – 12 JULY 2011

REPORT BY LEADER OF THE COUNCIL

RISK MONITORING REPORT (1 FEBRUARY TO 30 APRIL 2011)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report relates to action taken to mitigate and control strategic risks during the period 1 February to 30 April 2011.

<u>RECOMMENDATION FOR: AUDIT COMMITTEE</u>	
(A)	The action taken to mitigate and control strategic risks during the period 1 February to 30 April 2011 be noted.

1.0 Background

1.1 The 2010/11 Strategic Risk Register was considered by Audit Committee on 23 March 2011. The register has been updated for the period February to April 2011, and is attached at **Essential Reference Paper 'B'**.

1.2 Risk management remains a key business process and a sound system of internal control.

2.0 Report

2.1 Risk is defined as something happening that may have an impact on the achievement of the Council's objectives. Risk management is about managing threats and opportunities to create an environment of "no surprises". By managing risks effectively, the Authority is placed in a stronger position to deliver services in accordance with its corporate priorities. By managing opportunities, it is better positioned to provide continuous improvement in its services and better value for money.

2.2 The following system of rating has been adopted:

Rating the potential impact if the risk was to occur using the following scores

- 5 Catastrophic
- 4 Major long term impact
- 3 Major short term impact
- 2 Moderate long term impact
- 1 Moderate short term impact
- 0 Little impact

Rating the likelihood of occurrence using the following scores

- 5 Highly probable (95% or more chance)
- 4 Very probable (70% to 95% chance)
- 3 Probable (30% to 70% chance)
- 2 Moderate (10% to 30% chance)
- 1 Unlikely (less than 10% chance)
- 0 Remote (below 1% chance in foreseeable future)

These scores are further assessed to classify whether risks are considered to be critical, caution / contingency or control.

2.3 Attached at **Essential Reference Paper 'B'** is a list detailing mitigating actions carried out during the period 1 February to 30 April 2011, together with planned mitigating actions. This information was also presented to the Executive on 5 July 2011 as part of the Corporate Healthcheck report. Any comments received from the Executive will be reported back verbally to this Committee. Full progress comments can be accessed by referring to the Council's performance management system, Covalent (www.covalentcpm.com/eastherts).

2.4 All risk ratings remain the same with the exception of SR1, SR2 and SR3. SR1, Pathfinder, reduced to zero as the project has been terminated. SR2, Performance Improvement, has dropped from a rating of impact 2 likelihood 4 to 2:3. SR3, evidencing and demonstrating performance consistently within current approaches, has dropped from impact 3 likelihood 2 to 2:2. The reductions in ratings are due to the mitigating actions listed.

2.5 No new risks above the reporting threshold have been identified for the reporting period.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'B'**.

Background Papers

Risk Monitoring Report (1 October 2010 to 31 January 2011) – Audit Committee 23 March 2011.

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ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	There are no specific consultation implications arising directly from this report.
Legal:	There are no specific legal implications arising directly from this report.
Financial:	There are no specific financial implications arising directly from this report.
Human Resource:	There are no specific human resource implications arising directly from this report.
Risk Management:	There are no additional risk management implications to those already contained in this report. However, it should be noted that if East Herts did not have a risk management monitoring process, the Authority would be seen to be not managing risks appropriately, which would have a significant negative impact on recommendations made by the External Auditors through the Annual Audit Letter.