

EAST HERTS COUNCIL

AUDIT COMMITTEE – 21 SEPTEMBER 2011

REPORT BY LEADER OF THE COUNCIL

RISK MONITORING REPORT (1 MAY TO 30 JUNE 2011)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report relates to action taken to mitigate and control strategic risks during May and June 2011.

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

1.0 Background

1.1 The 2010/11 Strategic Risk Register was considered by Audit Committee on 12 July 2011. The register has been revised for 2011/12, and actions taken to mitigate risks have been updated. This 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 May to 30 June 2011, together with planned mitigating actions. This information was presented to Executive on 6 September 2011 as part of the Corporate Healthcheck report. (Any comments received will be reported verbally). Full progress comments can be accessed by referring to the Council's performance management system, 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 'B'**.

Background Papers

Risk Monitoring Report (1 February to 30 April 2011) – Audit Committee
12 July 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.