

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

1. SUMMARY

- 1.1 To provide the Committee with an update on the management of the Strategic/Corporate risks owned by the Senior Management Team (SMT) and Cabinet.
- 1.2 For the Committee to consider the revised Risk and Opportunities Management Strategy 2012-2015 and Policy Statement and refer these to Cabinet.

2. FORWARD PLAN

- 2.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

3. BACKGROUND

- 3.1 The Audit and Risk Committee received an update report on the Top Corporate / Strategic Risks at its September 2012 meeting. The Committee referred to Cabinet the increase in the probability assessment for the Top Risk of Waste & Recycling.
- 3.2 The Committee noted the increase in the probability assessment of the New Ways of Working and the reduction in the impact and probability assessment for the Procurement, Tendering & Letting of Contracts SMT Top Risks.
- 3.3 The Senior Management Team have had the opportunity to review and challenge the Top Risks on 20 November 2012.

4. TOP RISKS

- 4.1 The risks have been reviewed and where appropriate changes have been made to the scope of the risk and updates made to progress against the mitigating actions. Full details of the risks can be viewed by the Committee on Covalent (the Council's Performance & Risk Management software), otherwise, they are summarised in Appendix A.
- 4.2 It is proposed that the SMT Top Risk of Shared Services and New Ways of Working is deleted as this summarised the Top Risks to NHDC from the

Shared Support Services project with East Herts Council and Stevenage Borough Council.

5. RISK AND OPPORTUNITIES MANAGEMENT STRATEGY AND POLICY STATEMENT

- 5.1 The Risk and Opportunities Management Strategy has been reviewed to reflect the new Priorities and recommendations from the internal audit completed earlier in 2012. A summary of the changes is attached as Appendix B with the revised Strategy attached as Appendix C.
- 5.2 The Policy Statement has also been revised and is attached in Appendix D.

6. LEGAL IMPLICATIONS

- 6.1 No legal implications arise from Risk Management updates to the Finance, Audit and Risk Committee. The Committee's Terms of Reference make it responsible for monitoring the effective development and operation of risk management and corporate governance in the council.

7. FINANCIAL AND RISK IMPLICATIONS

- 7.1 Any additional resources to complete risk management actions are included in the Corporate Business Planning process. There are no direct financial implications from this report. Key financial risks are currently being reviewed by each Head of Service/Corporate Manager and cross referenced to the risk register. These risks that, should they arise, might impact on the General Fund are being considered and will be built into the General Fund balance for 2013/14.
- 7.2 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council's Top Risks.

8. HUMAN RESOURCE IMPLICATIONS

- 8.1 There are no direct Human Resource implications arising from this report but it should be noted that there is a separate Top Risk relating to Workforce Planning.

9. EQUALITIES IMPLICATIONS

- 9.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 9.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.

- 9.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 9.3 Reporting on the management of risk provides a means to monitor whether the council are meeting the stated outcomes of the district priorities, its targets or delivering accessible and appropriate services to the community to meet different people's needs. The risks of NHDC failing in its Public Sector Equality Duty are recorded on the Risk Register. The Council's risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risks of not delivering a service in an equitable, accessible manner. This then fulfils the council's obligations arising from the Public Sector Equality Duty.

10. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 10.1 Consultation has been undertaken with the SMT and the Risk Management Group (this includes Councillor T Hone as Risk Management Member 'champion').

11. RECOMMENDATIONS

It is recommended that the Committee :

- 11.1 Notes the deletion of the SMT Top Risk of Shared Services & New Ways of Working .
- 11.2 Recommend the revised Risk and Opportunities Management Strategy and Policy Statement to Cabinet for endorsement..

12. REASONS FOR RECOMMENDATIONS

- 12.1 The SMT Top Risks are monitored by the Finance, Audit and Risk Committee.
- 12.2 Cabinet have responsibility for approving the Strategy and Policy Statement.

13. APPENDICES

- 13.1 Appendix A – Summary Matrix for the Top Risks
- 13.2 Appendix B – summary of changes to the Risk & Opportunities Management Strategy
- 13.3 Appendix C – Risk & Opportunities Management Strategy 2012-15
- 13.4 Appendix D – Policy Statement

14. CONTACT OFFICERS

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