

SUMMARY OF CHANGES TO RISK AND OPPORTUNITIES MANAGEMENT STRATEGY 2012-15

Page and Section No.	Changes from 2010/13 Strategy	2012/15 Strategy
Throughout	Replace “Corporate Management Team” or “CMT” Replace “Audit and Risk Committee”	Now refers to “Senior Management Team” or “SMT” Now refers to “Finance, Audit & Risk Committee”
Cover page	For 2010/13 November 2010	For 2012/15 November 2012
Pg 3 1.3	Replaces approved by Cabinet	Accountability: There is clear accountability for our risks. This includes the risk section in committee reports; an annual Governance Statement, approved by the <u>Finance, Audit and Risk Committee</u> and included in the Council’s Annual Accounts;
Pg 3 1.5	Replaces Corporate Plan	The Risk & Opportunities Management Strategy is an essential element of strategic planning. NHDC has clear long-term goals and plans to achieve them. The Risk & Opportunities Management Strategy is seen as sitting under the broader umbrella of the <u>Priorities for the District</u> .
Pg 5 2.1	Deleted the word “and” from the first bullet point	NHDC’s Local Code of Corporate Governance includes risk management as one of the six key areas:- <ul style="list-style-type: none"> • Focusing on the purpose of the authority, on outcomes for the community and creating and implementing a vision for the local area.
Pg 5 2.2	Delete words “public/private” to refer to all partnerships	The purpose of the Risk & Opportunities Management Strategy is to provide a framework to drive forward embedding of risk management throughout the Council, in our activities and <u>partnership</u> arrangements
Pg 5 2.4	Add in the word ‘economic’ to the fourth bullet point	Anticipate and respond to changing social, <u>economic</u> , environmental and legislative requirements

Pg 7 3.1	Replaces previous Priorities	<p>Heads of Service, Corporate Managers, Strategic Directors and the Chief Executive are asked to consider the key risks to their services as they affect delivery of the Council's priorities. The Council's short and medium term priorities are :-</p> <ul style="list-style-type: none"> • <u>Living within our means to deliver cost effective services</u> • <u>Working with local communities</u> • <u>Protecting our environment for our communities</u>
Pg 7 3.1	Replaced 'partners in the Local Strategic Partnership (LSP)' with 'its strategic partners' and added in the words "and managing"	<p>In the longer term, the Council is working with <u>its strategic partners</u> to deliver the vision of North Hertfordshire as "a vibrant place to live, work and prosper". Understanding and being aware of the Council's priorities is a critical component to <u>identifying and managing</u> the Top Risks.</p>
Pg 7 3.2	Deletion of "In addition to the 3 priorities described above the Council strives for continuous improvement in everything it does" (now implicit in the Priority of "Living within our means to deliver cost effective services")	<p>Service Managers have to identify threats to service delivery/performance in their own work areas, when undertaking projects, letting contracts, formulating or introducing new policies and engaging in partnership working. These are recorded on the Risk Register</p>
Pg 7 3.5	Added in the sentence "Opportunities to demonstrate targeted service delivery, or increased opportunity for minority groups in the local community." to the "People" risk category	<p>Risks associated with employees, management and to the well being of the public, stakeholders & partners. <u>Opportunities to demonstrate targeted service delivery, or increased opportunity for minority groups in the local community.</u></p>
Pg 8 3.6	Added in "environmental" upheaval to the first bullet point and added in "and opportunity for 'self access'" to the third bullet point	<p>Managers need to be alive to the general type of external risk which could affect service delivery for example:-</p> <ul style="list-style-type: none"> • Worldwide events: global recession, rises in fuel availability & prices, political, social <u>and environmental</u> upheaval. • Changing public expectations to public sector services and an increasingly litigious and compensation-driven response to perceived failures in the provision of public sector services. • The expansion of e-government, <u>and opportunity for 'self access'</u> in the way we work and serve the community.

Pg 8 3.7	Replaced “the health authority” with “business and health partners” and added in the words “community and voluntary sector”	The successful delivery of the District’s vision depends on our strategic partners (such as the Police, the County Council, <u>business and health partners</u>). It is important that we look beyond the boundary of NHDC to identify risks or indeed opportunities offered to the achievement of our vision from our <u>partnership, community and voluntary sector</u> working.
Pg 8 3.11	Added in the word “funding”	Corporate Managers and Heads of Service, are required to sign an Assurance Statement that confirms that they have identified the principal threats to their service delivery, projects, policies, <u>funding</u> and partnerships on the Risk Register and put in place control arrangements to manage/mitigate their impact. Signing this statement also requires the manager to state that the control arrangements they have in place have worked effectively over the period of their existence.
Pg 10 4.11	Replacement of (such as the change in waste collection which although initially unpopular has now resulted in an improvement in the amount of waste that is recycled – supporting the Council’s “Green Issues” priority).	The Council’s risk appetite is the level of risk that the Council is prepared to tolerate without putting in place further mitigation or controls. Although this is normally be a risk matrix score of 7 or above it will depend on the individual circumstances. It may well be that the opportunities exceed the risk. For example changes to a service may affect operational delivery in the short – term and impact on the Council’s reputation. These short-term risks may however be worth accepting to deliver greater benefits - <u>such as the closure of Hitchin and Letchworth Museums and the refurbishment of Hitchin Town Hall to provide a new District Museum and enhanced community facility. This will lead to a reduction in revenue expenditure “living within our means to deliver a cost effective service” whilst by working with Hitchin Town Hall Ltd the Council is demonstrating how it is “working with local communities”.</u>
Pg 11 5.2	Added in the sentence “It may also be that a scheme working with a local community group increases engagement with and opportunity for the development of employees or volunteers from the local community.” to the “Taking an Opportunity” approach	Taking an Opportunity - This is an option to be considered whenever tolerating, treating or transferring a risk. Sometimes when exploring projects, partnership working etc savings can be made/ improvements to methods of service delivery can be achieved. <u>It may also be that a scheme working with a local community group increases engagement with and opportunity for the development of employees or volunteers from the local community.</u>

Pg 12 6.2	Replace “twice” per annum. As highlighted in the Risk Management internal audit Officers were not always reviewing risks twice a year – for certain risks this was too frequent and for others not frequent enough.	Due to the dynamic nature of risk management each service manager is expected to conduct a review of their risks on Covalent at least <u>once</u> per annum or more frequently should circumstances change. These reviews should consider any new risks not previously recorded, whether existing risks are still relevant, what progress has been made in managing them, whether the impact and probability assessments need reviewing and whether or not any additional controls have either been put in place or need to be actioned
Pg 12 6.3	As above	The Risk Register entries on Covalent are the basic building block in our strategy. The Risk Owner should review it <u>at least once</u> a year and the system generates reminder emails to managers.
Pg 12 6.12	Replace “quarterly” as this does not always fit into the Committee cycle.	After consideration by SMT, the Top Risks are reported to the Finance, Audit & Risk Committee <u>four times a year</u> .
Pg 13 6.20	Delete “Financial” Current recommendation on the report template recommends a separate section for risk implications.	The standard Committee Report template requires report writers to address the risks and opportunities raised in their report under the <u>Risk Implications</u> . This enables Members to be fully aware of the risks and opportunities they are taking when agreeing recommendations.
Pg 14 7.3	Replace “twice”	Service Managers should identify and assess the risks that threaten service delivery or the achievement of the Council’s priorities. New risks should be directly input onto Covalent. Formal reviews should occur <u>at least once a year or more frequently if necessary</u> . Managers are accountable for managing their risks by putting actions in place to treat, terminate or tolerate the identified risk.
Pg 14 7.7	Replace “Audit and Consultancy “	<u>Shared Internal Audit Service (SIAS)</u> <u>SIAS</u> has an integrated role in the Risk Management Strategy. It aims to focus audits on areas of risk and provide an independent opinion on the Council’s Risk & Opportunities Management Strategy.
Pg 15 7.10	Add in reference to the Chairman’s assurance statement	The Finance, Audit & Risk Committee oversees the effective management of risk by the Council by receiving and considering the Top Risks and risk management reports. Any changes to the Top Risks are referred to Cabinet. <u>The Chairman provides an assurance on the risk management framework in an annual assurance statement.</u>

Pg 16 Section 8	Timetable updated	Whole of timetable refreshed.
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