

FINANCE, AUDIT AND RISK COMMITTEE

18 DECEMBER 2017

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

7

TITLE OF REPORT: RISK MANAGEMENT UPDATE

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT
EXECUTIVE MEMBER: COUNCILLOR JULIAN CUNNINGHAM
COUNCIL PRIORITY: PROSPER AND PROTECT / RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

This report provides the Committee with an update on the assessment of Corporate risks. There are no proposed changes to these risks.

This report also provides an opportunity for the Committee to review the proposed Risk and Opportunities Management Strategy and Policy. The proposed changes are detailed and are fairly minor and are detailed in section 8.2.

2. RECOMMENDATIONS

- 2.1 That the Committee notes that there are no changes to the Corporate risks for the Quarter.
- 2.2 That the Committee notes and refers the changes in the Risk & Opportunities Management Strategy (Appendix A) and Policy (Appendix B) documents to Cabinet.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The responsibility for ensuring the management of the risks is that of Cabinet.
- 3.2 This Committee has responsibility to monitor the effective development and operation of risk management.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options that are applicable

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation has been undertaken with SMT and the Risk Management Group (this includes Councillor Julian Cunningham as Risk Management Member 'champion') and these recommendations were supported. Lead Officers discuss these risks with the relevant Executive Member.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1 At the September meeting of the Finance, Audit and Risk Committee it was noted that there were no proposed changes to the Corporate risks for the Quarter.

8. RELEVANT CONSIDERATIONS

8.1 Corporate Risks

- 8.1.1 The Corporate Risks summarised in Table 1 have been reviewed and agreed by SMT. Members are able to view the current risk descriptions on Petana (was Covalent), the Council's performance and risk management software.

Likelihood	3 High	4	7 <ul style="list-style-type: none">Income Generation ProjectsSustainable Development (2 x Sub Risks)	9 <ul style="list-style-type: none">Local PlanManaging the Council's FinancesNorth Hertfordshire Museum and Hitchin Town Hall Project
	2 Medium	2	5 <ul style="list-style-type: none">Increased Homelessness and Use of B&BOffice AccommodationWorkforce Planning	8 <ul style="list-style-type: none">Cyber RisksWaste and Street Cleansing Contract Renewal (8 x Sub Risks)
	1 Low	1	3	6
		1 Low	2 Medium	3 High
		Impact		

- 8.1.2 Although a number of risks were reviewed by Officers and the Risk Management Group, there are no proposed changes to the Corporate risks in this update.

8.2 Risk and Opportunities Management Strategy and Policy

8.2.1 The Risk & Opportunities Management Strategy has been reviewed and is attached as Appendix A (tracked changes version) and Appendix B (new clean version). The main changes are:

- Section 2 of the Strategy (Objectives) has been updated in line with the revised Local Code of Corporate Governance, published as part of the Annual Governance Statement, which includes risk management as one of the seven key principles.
- Section 4 (Assessing Risks & Opportunities) has been updated in order to simplify the classifications for “Likelihood”, provided as guidance to Officers when making decisions on how to assess the level of risk.
 - Low likelihood description amended to “Unlikely in the next 12 months.”
 - Medium likelihood description amended to “Possible in the next 12 months.”
 - High likelihood description amended to “Likely in the next 12 months.”
- Section 6.13– wording has been updated to align with the Finance Audit & Risk Committee terms of reference.
- Section 6.14 currently states that the Risk Management Policy is referred to Council. It is proposed that this is deleted, as only the Annual Report is referred on from Cabinet.
- Section 7.14 and 7.15 updated to reflect that Cabinet approves the Risk & Opportunities Management Policy Statement, and not Full Council.
- Other changes are minor wording changes, along with updated references to the change from Covalent to Pentana Performance, and updates to the timetable.

8.2.2 The Risk & Opportunities Management policy has been reviewed and contains only minor wording changes. This is attached as Appendix C (tracked changes version) and Appendix D (new clean version).

9. LEGAL IMPLICATIONS

9.1 The Committee’s Terms of Reference include “to monitor the effective development and operation of risk management and corporate governance, agree actions (where appropriate) and make recommendations to Cabinet.” This report gives the Committee the opportunity to review and comment on the high level Risks and how they are proposed to be managed.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications from this report.

11. RISK IMPLICATIONS

11.1 The Risk & Opportunities Management Strategy requires the Finance Audit & Risk Committee to consider regular reports on the Council’s Corporate Risks. Failure to provide the Committee with regular updates would be in conflict with the agreed Strategy and would mean that this Committee could not provide assurances to Cabinet that the Council’s identified Top / Corporate Risks are being managed.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their 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.

- 12.2 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, and especially to its most vulnerable residents such as those who are homeless

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

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

15. APPENDICES

- 15.1 Appendix A – The revised Risk & Opportunities Management Strategy (tracked changes version).
- 15.2 Appendix B – The revised Risk & Opportunities Management Strategy (new clean version).
- 15.3 Appendix C – The revised Risk & Opportunities Management Policy (tracked changes version).
- 15.4 Appendix D – The revised Risk & Opportunities Management Policy (new clean version).

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 The risks held on Petana the Council's Performance and Risk Management IT system.