

**FINANCE AUDIT AND RISK COMMITTEE**  
**15 June 2022**

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: RISK MANAGEMENT UPDATE**

REPORT OF: THE SERVICE DIRECTOR - RESOURCES

EXECUTIVE MEMBER: FINANCE AND IT

COUNCIL PRIORITY: ALL

**1. EXECUTIVE SUMMARY**

To provide the Committee with an update on risk management, including the Annual Report on Risk Management for 2021-22.

**2. RECOMMENDATIONS**

- 2.1. That the Committee recommends to Cabinet the introduction of a new Corporate Risk relating to Council Resourcing.
- 2.2. That the Committee notes and refers the Annual report on Risk Management to Cabinet and then Full Council.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1. The responsibility for ensuring the management of 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 Leadership Team and the Risk Management Group (RMG). This includes the Executive Member for Finance and IT 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 contains a recommendation on a key Executive decision first notified on the Forward Plan on the 10 May 2022.

## 7. BACKGROUND

- 7.1 At the March meeting, the Committee discussed:

- The proposed Council Delivery Plan for 2022-23 and the implications for Risk Management
- The situation in Ukraine, and whether there should be a corporate risk.

## 8. RELEVANT CONSIDERATIONS

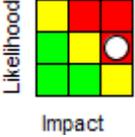
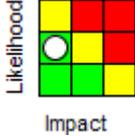
- 8.1. The Risk Management Group met on 11 May 2022. The agenda included:

- Discussion about resilience planning
- Annual report on Risk Management 2021-22
- Proposed new risks
- Updates from Internal Audit (SIAS), Health and Safety and Insurance
- Highlighting the need to discuss the Terms of Reference of the group at the next meeting- to include the wider focus on the Council Delivery Plan

- 8.2 The Annual Report on Risk Management for 2021-22 is attached at Appendix A and the Committee are asked to recommend the report to Cabinet, who in turn will be asked to recommend it on to Full Council. The production of this report helps to emphasise the importance of Risk Management, and the activities that are put in place to support it.

- 8.3 A new risk was presented to the Risk Management Group in relation to Council Resourcing. The Pentana extract for the new risk is shown below. The risk was originally considered in relation to the conflict in Ukraine, but deliberately takes a wider focus to include wider implications (e.g. Cost of Living). It also reflects that the Council generally has very little spare capacity to take on additional burdens, and where it does it will have an impact on the delivery of other work. It is proposed that this is adopted as a over-arching Corporate risk, given the potential impacts on the delivery of the Council Delivery Plan.

<b>Risk Code</b>	RR578	<b>Risk Title</b>	Resourcing
<b>Risk Owner</b>	Ian Couper	<b>Updated By</b>	
<b>Year Identified</b>	2022	<b>Council Objective</b>	People First
<b>Risk Description</b>	Vital additional actions require resources (e.g., staff and financial) to be redirected to enable them to be provided, which affects the delivery of other projects within the Council Delivery Plan. In the short-term, this is likely to include supporting the Homes for Ukraine scheme and providing financial hardship support.		
<b>Ongoing Work</b>	Risk mitigations:		

	<ul style="list-style-type: none"> <li>- Consider getting in additional staffing resource (especially where New Burdens funding available).</li> <li>- Signposting to external resources and support.</li> <li>- Process automation.</li> </ul>		
<b>Current Overall Risk Score</b>	8		
<b>Current Impact Score</b>	3	<b>Current Likelihood Score</b>	2
<b>Current Risk Matrix</b>		<b>Target Risk Matrix</b>	
<b>Date Reviewed</b>	29-Apr-2022	<b>Next Review Date</b>	29-Jul-2022

8.4 Under the new process for the monitoring of the Council Delivery Plan, the Overview and Scrutiny Committee will take on the monitoring of those risks affecting the delivery of the Plan. This Committee will focus on its role (as set out in the Constitution) of “monitor[ing] the effective development and operation of risk management”. To achieve this, the Committee will receive a mid-year (in December) and end of year (in June) report. The June report will focus on the Annual Report of Risk Management. It was highlighted that the next meeting of the Risk Management Group will need to consider the content of the mid-year update. Members of this Committee will also asked to comment.

## 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” (Constitution 10.1.5 (u)).

## 10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report. However, it should be noted that there are issues linked to the Resourcing risk (e.g. Cost of Living and inflation) that will affect the Council’s financial situation.

## 11. RISK IMPLICATIONS

11.1. The Risk and Opportunities Management Strategy requires the Finance Audit and Risk Committee to consider regular reports on the Councils Corporate Risks. Failure to provide the Committee with regular updates would conflict with the agreed Strategy and would mean that this Committee could not provide assurance to Cabinet that the Councils identified 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 Councils risk management approach is holistic, taking account of commercial and physical risks. It should also consider the risk 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" requirements do not apply to this report.

### **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1.1 The proposed Resourcing risk highlights the potential impact on staff of taking on new tasks.

### **16. APPENDICES**

- 16.1. Appendix A – Annual report on Risk Management

### **17. CONTACT OFFICERS**

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**18. BACKGROUND PAPERS**

18.1. None