



## AGENDA ITEM: 7

### SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>25 November 2014</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Risk Management Report Quarter 2 2014/15</b>
Contact:	Councillor Nick Tiley, Portfolio Holder for Finance Resources James Deane, Assistant Director, Finance and Resources Linda Dargue, Insurance & Risk Manager
Purpose of report:	<ol style="list-style-type: none"> <li>1. To provide the Quarter 2 update on the Strategic Risk Register</li> <li>2. To provide the Quarter 2 update on the Operational Risk Registers</li> </ol>
Recommendations	That the content of this report is noted
Corporate objectives:	Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives
Implications:	<u>Financial</u>  None identified
'Value For Money Implications'	<u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget exercises for 2013/14 have ensured that the minimum balance requirements will also be met for the next financial year.
Risk Implications	Effective risk management is an important factor in all policymaking, planning and decision making.

	Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments
Equalities Implications	Not applicable
Health And Safety Implications	Not applicable
Monitoring Officer/S.151 Officer Comments	<b>Monitoring Officer:</b>  No further comments to add.  <b>S.151 Officer</b>  No further comments to add to this report.
Consultees:	CMT  ROSC
Background papers:	Risk Management working paper files  Report to CMT – circulated electronically 21 October  Report to ROSC 5 November 2014
Glossary of acronyms and any other abbreviations used in this report:	

## BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q2 2014/15 is attached at Appendix A for ease of reference. The table below provides a comparison of the risk scores from the previous quarter.

Risk	Q1 14/15	Q2 14/15
F1 –Resource base affected by slow recovery from recession resulting in lack of funds to deliver in commitments and policies	4	4
F2 – Lack of effective procurement and contract management	6	6
F3 – Failure to achieve identified savings to ensure that the budget remains balanced	4	4

	Q1 14/15	Q2 14/15
F5 – Risk of extensive damage to property arising from adverse weather conditions and /or unstable ground within the Dacorum area	9	9
I2 - Failure to effectively manage health and safety	4	4
M1 - Failure to deliver required regeneration and economic growth	9	9
M2 - Failure to shape services based on robust understanding of customer's needs	4	4
R1 - Failure to align political aspirations for service delivery with budget pressures	3	3
R3 - Disclosure of personal data in breach of the Data Protection Act	8	8

2. The following table shows those operational risk s where there has been a change in the risk score since quarter1.

	Q1 14/15	Q2 14/15
FR_F02 – Delays to Capital Programme	8	4

3. At Audit Committee on 30 September members expressed the view that it was not always clear exactly how the controls listed in the 'Current Controls' section reduced the Inherent Risk Score; this has the effect of making the registers lack credibility in some cases. For the future Members requested that Assistant Directors explain the reason for the reduced score more explicitly.
4. A report on updates to the Strategic Risk & Opportunity Register was presented to Cabinet on 21 October 2014. This report recommends changes to governance arrangements for risk for 15/16 together with amendments to the Strategic Risk & Opportunity Register for the remainder of 14/15. These changes will appear in quarter 3.