



## AGENDA ITEM: 6

### SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>31 January 2012</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Risk Management Quarter 1 Update</b>
Contact:	Councillor Nick Tiley Portfolio Holder for Finance Resources Sally Marshall, Director Finance & Corporate Services Linda Dargue, Insurance & Risk Manager
Purpose of report:	(1) To provide the quarter 3 report on the Strategic Risk Register for comment  (2) To provide the quarter 3 report on Operational Risk Registers for comment
Recommendations	1. That the content of the report is noted and recommended to Cabinet for approval together with any associated comments.
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 2011/12 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
Consultees:	CMT
Background papers:	Risk Management working paper files  Report to CMT 24 January 2012

## BACKGROUND

1. The Strategic Risk Register is available on CorVu , copies of the following reports are attached at annex A for ease of reference:

- The Strategic Risk Register
- Direction of Travel report

These reports show the position as at the end of quarter 3. The following amendments to risk scores have been made:

- Risk R1 – Failure to align political aspirations for service delivery with budget pressures. The residual risk score has changed from a 6 to a 3; reflecting the recent review of the Council's priorities and successful preparation for subsequent years' budgets .
2. Although the scores for the other risks have remained unchanged, the comments boxes have been updated, reflecting the present position. This provides a clear understanding of progress to date on the management of these risks.
  3. The Direction of Travel report for quarter 3 shows an improvement in the overall management of the Strategic Risks.
  4. The Operational Risk Registers are now available on CorVu; a copy is attached at annex B for ease of reference. The updates to these risk registers are being undertaken by Assistant Directors. As with the Strategic Risks the updating of the comments boxes provides a clearer picture of the current position regarding these risks.
  5. The following amendments to risk scores have been made:

### **Finance & Governance – Finance & Resources**

- Risk F2 – Capital Programme not delivered -the risk score reduced from 9 to 6 as a result of a review of the Capital Programme during November 2011
- Risk R2 – Personal hardship caused by poor processing of benefits – the risk score has increased from 4 to 8. A number of factors have contributed to this increase; increased demand as a result of the economic downturn, loss of permanent staff during Quarter 3 and ICT issues which have reduced the capacity to use temporary staff and created backlogs. However resources have been allocated to resolve short term issues.
- Risk R4- Opportunity to use alternative service delivery models to identify efficiencies and improvements – the risk score has reduced from 12, reflecting progress on shared service and outsourcing projects to date.

### **Finance & Governance – Legal Democratic & Regulatory**

- Risk R3 – Failure to achieve Lexcel accreditation – this risk is now complete as Lexcel accreditation was achieved In October 2011.

### **Housing & Regeneration – Housing Landlord**

- Risk M1 – Failure to have systems in place which exert effective financial control over contractors – the risk score has reduced from 8 to 4 as a result of a review and enhancement of contract monitoring arrangements.

### **Housing & Regeneration – Planning, Development & Regeneration**

The update for this area is currently awaited and will be circulated separately.

### **Performance, Improvement & Transformation – Neighbourhood Delivery**

Although the risk scores have not changed the risk comments box has been updated to reflect ongoing progress in the management of these risks.

### **Performance, Improvement & Transformation – Strategy & Transformation, Community & Organisation**

The update for this area is currently awaited and will be circulated separately.

6. Risk reporting via CorVu has been well received; in particular the use of the comments box gives an opportunity for greater understanding on the position at the end of each quarter.