



AGENDA ITEM: 9

SUMMARY

Report for:	Cabinet
Date of meeting:	17 September 2013
PART:	1
If Part II, reason:	

Title of report:	RISK MANAGEMENT PROCESS – Q1
Contact:	Councillor Nick Tiley, Portfolio Holder for Finance Resources Sally Marshall, Director Finance & Corporate Services Linda Dargue, Insurance & Risk Manager
Purpose of report:	<ol style="list-style-type: none"> 1. To provide the Quarter 1 report on the Strategic Risk Register 2. To provide the Quarter 1 report on the Operational Risk Register 3. To provide an update on progress on the Review of the Strategic Risk Register
Recommendations	That the content of the 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 <u>Value for Money</u>
'Value For Money Implications'	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 2012/13 have ensured that the minimum balance

	requirements will also be met for the next financial year.
Risk Implications	<p>Effective risk management is an important factor in all policymaking, planning and decision making.</p> <p>Failure to manage risk effectively could have serious consequences for the Council leading to increased costs,wasted resources, prosecution and criticism under external assessments</p>
Equalities Implications	<p>Equality Impact Assessment reviewed/carried out*</p> <p>*Not applicable</p>
Health And Safety Implications	Not applicable
Monitoring Officer/S.151 Officer Comments	<p>Deputy Monitoring Officer:</p> <p>No further comments to add to this report.</p> <p>Deputy S.151 Officer</p> <p>No further comments to add to this report.</p>
Consultees:	<p>CMT</p> <p>ROSC</p>
Background papers:	<p>Risk management working paper files</p> <p>CMT report – 20 August 2013</p> <p>ROSC report – 3 September 2013</p>
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 Q1 2013/14 is attached at Appendix A for ease of reference. The table below provides a comparison of the risk scores from quarter 4 2012/13.

Risk	Q4 12/13	Q1 13/14
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
F4 – Funding agreement with the Homes and Communities Agency is insufficient to cover the entire cost of the Highbarns chalk mine treatment works		8
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
R2 – Failure to respond to the opportunities presented by the Localism Bill	8	8

2. A new risk has been added in relation to the funding of the Highbarns chalk mine treatment works to reflect the current position.
3. The following table shows those operational risks where the risk score has changed since Quarter 4.

Risk	Resp Off	Q4	Q1
ND I04- Lack of fuel due to shortages, unavailability or price	DA	4	1
PDR F03 – Key income streams do not meet planning fees, building regulations and local land charges income budgets	J Doe	9	6
PDR I03 – Failure to deliver on the Regeneration and Sustainability agenda by failure of partners to engage	J Doe	9	6
PDR R01 – Local Development Framework fails to meet milestones in Local Development Scheme	J Doe	9	3

4. The review of the Strategic Risk Register has been delayed pending the receipt of the report from the Internal Auditors. This report will be received within the next few weeks. The outcomes from the Internal Audit Report will be reported to Audit Committee on 18 September.