



## AGENDA ITEM:

### SUMMARY

<b>Report for:</b>	<b>Resources Overview &amp; Scrutiny</b>
<b>Date of meeting:</b>	<b>4 June 2013</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Risk Management Report Q4 2012/2013</b>
Contact:	Councillor Nick Tiley Portfolio Holder for Finance Resources Sally Marshall, Director Finance & Corporate Services Linda Dargue, Insurance & Risk Manager
Purpose of report:	<p>(1) To provide the Q4 report on the Strategic Risk Register</p> <p>(2) To provide the Q4 report on the Operational Risk Registers</p> <p>(3) To advise that a review of the Strategic Risk register be undertaken in the light of the content of the Corporate Plan 2012 -2015</p> <p>(4) To present the revised draft Risk Management Strategy for comment and approval</p> <p>(5) To present the revised draft Dacorum Guide to Managing Risk</p>
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 2012/13 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 14 May 2013

## BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q4 is attached at Appendix A for ease of reference. The table below shows a comparison of the risk scores from quarter 3 2012/13.

Risk	Q3 12/13	Q4 12/13
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
I2 – Failure to effectively manage health and safety	4	4

M1 – Failure to plan for change and growth in the Borough and to deliver required regeneration and restructure	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

- There have been no new risks added to the Strategic Risk Register during 2012/13 and there has been very little change in the risk scores during this time. This is due in part to the majority of the risk scores being in the low risk category, so there is little room for change.
- With regard to M1, relating to regeneration and restructure then it is likely that this risk score will remain at the same level, until such times as the various projects are completed.
- Looking to the future the Strategic Risk Register will be reviewed to better reflect the Council’s present position. Consideration will be given as to whether or not some of the above risks can still now be regarded as posing a significant risk to the achievement of the Council’s objectives. A revised Strategic Risk Register will form part of the 2013/14 Quarter 1 report.
- The following table shows those operational risks where the risk score has changed since Quarter 3.
- There have been a number of changes in residual risk scores on the operational risk registers during quarter 3. In the main the risk scores have reduced, reflecting the completion of risk control measures. Assistant Directors will be able to provide a more detailed explanation as required of any changes within their respective areas when they present their performance and risk reports to the relevant overview and scrutiny committees.

<b>Risk</b>	<b>Resp Off</b>	<b>Q3</b>	<b>Q4</b>
LDR F01 – Lack of resources to be able to spend the appropriate time analysing the Council’s 3 <sup>rd</sup> party expenditure	SB	3	8
LDR F02 – Lack of resources to be able to design and implement a Category Management approach to the Council’s 3 <sup>rd</sup> party expenditure	SB	3	6
LDR M01 – Failure to reach our most vulnerable citizens, in particular the elderly and disabled in the provision of housing assistance, grant aid schemes	SB	3	4
LDR R04 – Failure to have a robust system in place to deal with contingencies	SB	4	8
PDR R01 – Local Development Framework fails to meet milestones in Local Development Scheme	J Doe	6	9

7. Both the Risk Management Strategy and the DBC Guide to Managing Risk have been reviewed and updated. The draft revised versions are attached at Annex B and C for information. Changes have been made in the following areas:
  - The reporting of operational risk registers to the relevant Overview and Scrutiny committee. This provides Members with an opportunity to consider the risks within their specific areas
  - Updating the Guidance in relation to the completion of the risk registers on Corvu. In particular with regard to risk owners ensuring that the Assurance and Risk Owner comment columns are completed. This enables explanations to be given as to any changes in risk scores or equally reasons why the risk score has remained the same.
  - Updating the Guidance in relation to Project risks, in particular the addition of a new template for recording such risks
8. It is hoped that the implementation of these changes will further improve the Council's overall management of risk.