

# NON EXEMPT

## HAVANT BOROUGH COUNCIL

### GOVERNANCE & AUDIT COMMITTEE

DATE 3 March 2015

**REPORT TITLE** – Quarterly Update on Corporate Risks from the Executive Board

**Report by Jane Eaton, Executive Head: Governance and Logistics**

**FOR NOTING**

**Cabinet Lead for Governance & Logistics**

**Key Decision: No**

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#### **1.0 Purpose of Report**

- 1.0 Risk is a part of life and of business. If the Council avoided risk it would not be able to deliver its services or achieve its ambitions outlined in the Corporate Strategy. Risk management is a way of understanding, evaluating and mitigating risks to ensure we can achieve the Council's objectives. Efficient organisations have clear frameworks and processes led from Board level. The Council's Constitution names the Governance & Audit Committee as the Councillor board responsible for managing risk.
- 1.1 The details of how the Council manages risk are outlined in the statement of arrangements for managing risk. The Governance & Audit Committee reviews this statement every year in June. In their role as the Councillor body overseeing the way Council officers manage risk the Governance & Audit Committee reviews the highest risks remaining in the Council after each management meeting.
- 1.2 This report gives the Committee an update on the highest corporate risks reviewed by the Executive Board in, alongside the Health Check, in February.

#### **2.0 Recommendation**

- 2.1 The Committee notes the most serious corporate risks reviewed by the Joint Executive Board on 10 February.

#### **3.0 Summary**

- 3.1 This report tells the Committee about the risks the Executive Board felt remained high after mitigation at their last review meeting.

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### 4.0 Subject of Report

- 4.1 To oversee the effectiveness of risk management the Governance & Audit Committee note the most important risks facing the Council at the last quarterly review of the risk registers by the Executive Board. The last quarterly review was on 10 February 2015.
- 4.2 The only risk showing red on our risk matrix (see appendix A) after mitigation was a “Poor understanding or poor approach to competitive landscape for services leading to missed opportunities leading to too expensive or old fashioned services.” The Joint Executive Board felt this remained a high risk in the critical specification phase of the 5 districts’ contract and in the run up to designing the future offering of waste collection, landscape and open spaces, crematoria, public convenience and street cleaning. The Board has mitigated the risks around these services by appointing a specialist in these services to the role of Executive Head: Environmental Services and a Strategic Procurement Manager. However, despite their confidence on the ability of these newly appointed officers JEB felt the dependency of the Council’s future on correct procurement of these services meant although the likelihood of a loss of this type is lower than before mitigation the risk remains at level B2.

### 5.0 Implications

#### 5.1 Resources: (*finance, staffing, property etc*)

There are no resource implications of this report because risk management is one of the regular funded functions of the management of the Council.

#### 5.2 Legal:

There are no legal implications arising from this report.

#### 5.3 Strategy:

Sound risk management supports the Council’s objective of financial sustainability by ensuring financial risks are controlled and customer service excellence by ensuring the continuity of our services.

#### 5.4 Risks: (Environmental, Health & Safety and Customer Access Impact Assessment)

This report forms part of the Council’s risk management arrangements.

#### 5.5 Communications:

There is no need for communications following this report.

#### 5.6 For the Community:

There is no community impact from this report but it will assist in ensuring the community continue to receive vital council services.

## **NON EXEMPT**

5.7 **The Integrated Impact Assessment (IIA)** is not needed for this report because it does not contain a decision.

### **6.0 Consultation**

Executive Board and the Risk Management Group.

#### **Background Papers:**

None

#### **Agreed and signed off by:**

Legal Services: 10/2/15

Executive Head of Governance & Logistics: 10/2/15

Cabinet Lead: 10/2/15

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HAVANT BOROUGH COUNCIL'S RISK MATRIX

RISK MATRIX

		1	2	3	4
A		<b>A1</b>	<b>A2</b>	<b>A3</b>	<b>A4</b>
B		<b>B1</b>	<b>B2</b>	<b>B3</b>	<b>B4</b>
C		<b>C1</b>	<b>C2</b>	<b>C3</b>	<b>C4</b>
D		<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>
		<p><b>LIKELIHOOD</b>                  A – very likely                  B – likely                  C – unlikely                  D – very unlikely</p>		<p><b>IMPACT</b>                  1 - Major - service unable to be delivered                  2 - Significant - material effect on resources and disruption                  3 - Moderate - contained within resources and service                  4 - Minor - Hardly noticeable - minor effect on service</p>	