

HAVANT BOROUGH COUNCIL

GOVERNANCE & AUDIT COMMITTEE

Review of the Council's Statement of Arrangements for Managing Risks and 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

1.0 Purpose of Report

- 1.1 This report tells the Committee about the Council's corporate governance and risk management arrangements and gives the Committee an update on the highest corporate risks reviewed by the Joint Executive Board in May.

2.0 Recommendation

- 2.1 The Committee notes Council's arrangements for the management of risk for the year 2014/15.
- 2.2 The Committee notes the most serious corporate risks reviewed by the Joint Executive Board on 13 May.

3.0 Summary

- 3.1 This report introduces the Committee to the Council's statement of arrangements for managing risk in 2014/15. The report also tells the Committee about the 5 risks the Executive Board felt remained high after mitigation at their last review meeting.

4.0 Subject of Report

- 4.1 To ensure everyone who works for the Council understands the importance of risk identification and management we have a statement of arrangements for managing risk. We review this statement every year. The 2014/15 statement of arrangements is shown as an appendix to this report. In their role as the Councillor body overseeing the way Council officers manage risk the Governance & Audit Committee receives this document at its June meeting.
- 4.2 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 13 May 2014. The most important risks, those showing red on our corporate risk register after mitigation, at this time were:

- 4.2.1 IT provision remained a high risk, largely around the implementation of the new Finance System in April 2015 because this is such an important IT system. However, the upgrade to the current financial system that had caused some instability in March and April is now complete and operating well and lessons learnt for the 2015 implementation.
- 4.2.2 The Executive Board felt manpower and resources remained a high risk and could put some corporate objectives at risk because some professional services were experiencing difficulties with recruiting staff. Key services with difficulties reported are planning, finance and property. Management have taken action in these areas with 3 new accountants starting work this month following a targeted recruitment campaign and property have a reasonable shortlist in place for their vacancies.
- 4.2.3 Continuity of political leadership showed as a high risk in May due to changes in the party leadership of the majority party and several Cabinet members being due for re-election in the District elections.
- 4.2.4 Service continuity also showed as a high risk in May due to potential changes in portfolios and committee chairs following the change in leadership of the Conservative Group.

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.

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.

Appendices:

The appendix is the Council's statement of arrangements for managing risk during the 2014/15 financial year.

Background Papers:

None

Agreed and signed off by:

Executive Head of Governance & Logistics: 30 May 2014

Relevant Executive Head: 30 May 2014

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