Appendix

HAVANT BOROUGH COUNCIL'S STATEMENT OF ARRANGEMENTS FOR MANAGING OF RISK 2014/15

A1. Purpose of this document

A1.1. This document explains how we identify, control and record risks at Havant Borough Council.

A2. Types of risk

A2.1. Risks at the Council are managed at 3 levels: corporate risks, service risks and project risks.

A2.2. Corporate risks are those potentially affecting the overall objectives and delivery Council business.

A2.3. Service risks are those potentially affecting the delivery of individual services provided by the Council.

A2.4. Project risks are those potentially affecting the delivery of high profile projects.

A2.5. The Council maintains risk registers for all these types of risks.

A3. Risk responsibilities

A3.1. It is the responsibility of every officer in the Council to identify risks as part of their role and to undertake annual electronic training to assist them to do this. Officers with no electronic access receive training from their managers. When an officer identifies a risk they discuss it with their line manager.

A3.2. It is the responsibility of every manager in the Council to identify, evaluate and manage risks in their service areas. These include risks they identify themselves, risks reported to them from their team(s) and risks allocated to them through the risk governance mechanisms.

A3.3. Managers below service manager must ensure their service manager knows about the risks they are managing so they can be incorporated on the service risk register.

A4. Risk governance

A4.1. The Council has an officer Risk Management Group that oversees all risk registers. It reviews the registers each quarter and develops our risk approach.

A4.2. The Councils' lead officer on risk management is the Executive Head of Governance & Logistics. The Executive Head ensures the risk registers are maintained. Administrative support to the risk management process is provided by one of the Corporate Support Team Leaders. The Executive Head is the chair of the Risk Management Group.

A4.3. The Executive Board discusses Corporate Risks every month and members add any new risks to the register. Following a meeting of the Risk Management Group every quarter the Board reviews the full corporate risk register increasing or decreasing the likelihood the risks occurring, adding new risks and putting in and removing service areas where these issues are problem.

A4.4. The Service Managers group discusses risk every month and the chair of the meeting raises any service risks moving towards a corporate level with the Risk Management Group.

A4.5. Project Boards review project risks at every board meeting. The Project Sponsor agrees any risks developing corporate implications and the Project Manager raises with the Risk Management Group.

A4.6. The Governance & Audit Committee has the Councillor role in risk management. This is detailed in its terms of reference in the Council constitution. The Governance & Audit Committee receive an update on these arrangements in June each year. They receive an update on the key corporate risks as last reviewed by the Executive Board at every meeting.

A5. Risk ownership

A5.1. Each risk on our risk registers has a risk owner. This is the manager most able to address these issues. The risk owner decides, subject to scrutiny as part of our risk management process, how we manage the risk.

A6. Risk evaluation

A6.1. Managers evaluate risks on a scoring scheme of A-D for likelihood and 1-5 for impact. The definitions we use are:

A6.2. Likelihood

A – Very Likely, a more then 75% chance of occurring within the current financial year
B – Likely, a 51%-75% of occurring within the current financial year
C – Unlikely, a 10%-50% of occurring within the current financial year
D – Very Unlikely, less than <10% of occurring within the current financial year

A6.3. Impact

1 – Major - Service unable to be delivered
2 – Significant - Material effect on resources and disruption
3 – Moderate - Could be contained within resources and service
4 – Minor - Hardly noticeable - very minor effect on organisation

A6.4. Risk matrix

This chart gives a visual representation of the Council's risk matrix.

	1	2	3	4
A	A1	A2	A3	A4
B	B1	B2	B3	B4
C	C1	C2	C3	C4
D	D1	D2	D3	D4

A7. Risk control

A7.1. For each risk the risk owner decides how we will deal with the risk. If possible we try to avoid the risk, in these cases we can quickly remove it from our risk register. With the remaining risks the risk owner will decide to use one, or a mixture, of the following methods:

- risk transfer – if the risk can be transferred to another for a lower cost than it would cost the Council to retain the risk we will transfer the risk. The owner normally does this through the use of insurance. Other transfer options include transferring to a specialist organisation.
- risk mitigation – the risk owner will develop ways of lessening the potential impact of the risk.
- risk acceptance – because the cost of mitigation or transfer outweighs the cost of the potential loss, the risk owner will decide to accept the risk or, in most cases, a residual part of the risk.

A7.2. The risk owner details their risk management approach in the risk mitigation section of the risk register.

A8. Maintenance of records

A8.1. The service and corporate risk registers are kept and updated each month in the governance area of the Kahootz information sharing solution. Risk registers for the current financial year and the year before are kept on Kahootz. Risk management service's administrator transfers the service and corporate risk registers from the financial year 2 years before this one to the Meridio document imaging system.

A8.2. Project risk registers are stored on Kahootz with project documentation and are transferred to Meridio after the post-implementation review of the project is completed along with the rest of the project documentation.

All risk registers are destroyed after 6 years.