



AUDIT COMMITTEE

Subject Heading:

Governance and Risk Update

SLT Lead:

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Report Author and contact details:

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Policy context:

To inform the Committee of progress against significant governance issues (as reported in the 2018/19 Annual Governance Statement) and an update on Risk Management.

Financial summary:

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report advises the Committee on the progress against significant governance issues as reported in the 2018/19 Annual Governance Statement (AGS) and updates on Risk Management.

RECOMMENDATIONS

1. To note the contents of the report.
2. To raise any issues of concern and ask specific questions of officers where required.

REPORT DETAIL

1. Risk Management Update

- 1.1 A revised draft Risk Management Strategy was presented to Audit Committee in April 2019 along with an outline of areas of improvement, as identified in a review by Zurich.
- 1.2 A risk identification and horizon scanning session was held at the Governance and Assurance Board (GAB) and a training session has also been held with CLT members.
- 1.3 Progress has been made on developing the directorate risk registers with a risk workshop held with the Regeneration senior management team and an initial workshop held with Adults. Some work has been undertaken with Housing on their compliance risks with wider discussions on the Directorate risk register expected to commence in January 2020. A directorate risk register is now in place for the Chief Operating Officer (COO).
- 1.4 Workshops with Children's Services and Public Health are expected to be scheduled to take place in February 2020.
- 1.5 A draft Corporate Risk Register comprising of fourteen risks has been agreed by GAB and will be presented at an SLT meeting in January 2019. A revised Corporate Risk Register is expected to be presented at the next Audit Committee meeting in April 2020.
- 1.6 Risk Management continues to be co-ordinated by the Audit Manager.

2. Governance Update

- 2.1 Regulation 6(1b) of the Accounts and Audit Regulations 2015 requires all relevant bodies to prepare an Annual Governance Statement (AGS). The purpose of the AGS is to communicate to stakeholders the standards of corporate governance the organisation demonstrates and identify any significant issues that have arisen in year, and what is planned to address these issues. The Council has an officer Governance and Assurance Board

which meets at least quarterly and is made up of the following standing members:

- Chief Operating Officer (S151 and Chair)
- Head of Assurance, oneSource
- Monitoring Officer (Deputy Director of Legal & Governance oneSource)
- Director of Finance (oneSource)
- Head of Finance (Strategic)
- Head of Procurement (oneSource)
- Head of the Programme Office
- Director of Human Resources / Organisational Development (oneSource)
- Assistant Director Transformation (customer representative)
- Technical Services Director (customer representative)
- Head of the Joint Commissioning Unit (customer representative)

2.2 This group oversees the process to produce the AGS annually and as a standing meeting item monitors and updates the action plan to address significant governance issues raised. The group maintains a record of new issues raised during the year and a detailed action plan to capture outcomes and achievements. Actions are allocated to responsible officers for progression between meetings.

2.3 The Governance Group is non-decision making and escalates issues to Senior Leadership Team. The output informs the Annual Governance Statement, Corporate Risk Register and other policies and procedures etc. as appropriate.

3. Annual Governance Statement (AGS) 2018/19 – action taken in relation to significant governance issues

3.1 The 2018/19 AGS was reported to the April 2019 Audit Committee.

3.2 The significant issues raised in the 2018/19 Annual Governance Statement are set out in detail in Appendix A and progress against each of these is reported there. For members' ease of reference the three areas identified are:

- Delivery of a balanced budget
- Embedding the governance culture and framework within the organisation; and
- EU Exit; preparations and impact.

Appendices: Provide supporting detail for Members' information

Appendix A: Governance and Assurance Board AGS 2018/19 Significant Issues Action Plan updated December 2019.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are none arising directly from this report which is for noting and/or providing an opportunity for questions to be raised.

However, it should be noted that failure to appropriately manage risk could result in significant financial loss for the Council. Regular review and monitoring of the significant issues action plan will help to mitigate against this possibility. Failure to comply with best practice may lead to the Council not being viewed as open and transparent by stakeholders.

Legal implications and risks:

The Council is responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the authority is effective and includes effective arrangements for the management of risk (Regulation 3 of the Accounts and Audit Regulations 2015). The Council must carry out an annual review of the effectiveness of its system of internal control which must be considered by the relevant committee. In the light of that review, the Council must produce an annual governance statement which must be approved by the relevant committee in advance of the Authority approving the statement of accounts (Regulations 6 (1), (2) and (4) of the Accounts and Audit Regulations 2015).

There are no apparent risks in noting the content of this report.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report. Equality and social inclusion are key factors to consider in the Council's governance arrangements and any changes to the Code of Governance or other related policies and procedures are assessed in order to ensure the impact is appropriately identified.