

Meeting:	Cabinet
Date:	18 th September 2008
Subject:	Risk Management
Key Decision	Yes
Responsible Officer:	Myfanwy Barrett, Corporate Director – Finance
Portfolio Holder:	Councillor David Ashton, Leader and Portfolio Holder for Strategy, Partnership and Finance.
Exempt	No
Enclosures:	Appendix 1 – Risk Management Strategy Appendix 2 – Risk Management Policy

SECTION 1 – SUMMARY AND RECOMMENDATIONS

SUMMARY

Cabinet is the main body for governance with respect to risk management. The Governance, Audit and Risk Committee has a monitoring role. This report sets out the current position with regard to risk management within Harrow Council with recommendations:

RECOMMENDATIONS:

Cabinet are asked to note the current position and review and agree the following items:

- Risk Management Strategy/Policy for 2008
- Recommencement of the Corporate Risk Management Steering Group
- Support the principle of an e-based risk register system.
- Confirmation of the process for reviewing the strategic risk register

SECTION 2 - REPORT

2.1 Brief Background

Risk Management is progressing well and embedding is moving down the organisation from the senior management team. The enhancing of risk management is a key strand in the wider Council Improvement programme and milestones have been set for this project. This report outlines some key initiatives that will assist in meeting these milestones as well as other commitments such as the Comprehensive Area Assessment.

Key achievements during 2007/08 were:

- Embedding of risk management at the Improvement Boards with Directorate registers a routine agenda item.
- Approval of 'risk management implications' section on all Cabinet/Committee reports.
- Implemented sign-off process for risk registers.
- Member training for Governance, Audit and Risk Management Committee.
- Full review of Strategic Risk Register and approval of quarterly review.

Key developments that are planned for 2008/09 include:

- Preparation for the Comprehensive Area Assessment
- Re-commence the risk management steering group
- One to one training for dedicated risk champion on GARM Board
- Directorate risk champion training
- Benchmarking risk with other local authorities

2.2 – Options Considered

Progress against the existing strategy has gone well, Cabinet are asked to review and endorse the new strategy and accompanying policy.

Why a change is needed

The main proposed changes for 2008 are:

- Clear distinction between strategy and policy, the former being a concise document outlining the vision and objectives for risk management at Harrow.
- Better definition of roles and responsibilities for risk management across the Council.
- Recognition of mechanisms for moving risk management forward.
- Identification of future developments.

2.3 - Corporate Risk Management Steering Group

This group was in place a few years ago and due to the ever-increasing agenda for risk management, it is necessary for the group to be re-formed. The group will consist of Risk Champions from each Directorate, professionals from risk-related fields such as Health and Safety, Insurance, Internal Audit and Performance Management and other relevant individuals as needed. The Group will: undertake to share Directorate risk registers to ensure consistency across the Council; keep Managers and Directors up to date on changing risk management issues; support and review the risk management policy and strategy and review the strategic risk register and bring to the attention of the CSB significant areas of risk or areas where risk reduction is not effective. For a full terms of reference see appendix of policy.

2.4 - Risk Management Software system

The risk management process at Harrow is currently carried out via a combination of Microsoft packages but to further strengthen the process there is a need for a dedicated risk management system. A good risk system will allow risk champions to dynamically create and update risk registers on line while generating reminders for both Champions and risk owners. Even more importantly it will enable the production of specific risk management reports. This report seeks initial support for the principle for such a system.

2.5 - Strategic Risk Register

The Council's Strategic Risk Register has been refreshed annually since 2002. The register was signed off in February 2008. CSB have agreed it is to be reviewed quarterly and was last reviewed in June as part of the performance monitoring programme. It is important that Directors and Portfolio holders are proactive in identifying and assessing strategic risks for update on a regular basis. It is recommended that the risk team meet with CSB Members quarterly on a one to one basis for a thorough review of the register. At the quarterly CSB performance meetings, the team can then collectively review any changes/updates that may have arisen during the one to one meetings.

2.6 - Comprehensive Area Assessment

Risk Management is at the heart of the new Comprehensive Area Assessment (CAA), both from a Use of Resources rating perspective and in relation to the implementation of the area risk assessment. A key requirement of the assessment is around risk management in partnerships. Communication with the Policy and Partnership team has commenced and a work programme developed.

2.7 - Cabinet/Committee reports – risk management implications

Following the approval of the 'Risk Management Implications' section in the Cabinet/Committee report template, the new template has been circulated by Legal Services and communicated to Directorates by the risk management team. Initial analysis of the June Cabinet reports shows a 100% success rate with all reports addressing the risk section. The risk management team will monitor the outputs of the reports on a regular basis and challenge authors where necessary.

2.8 - Training

Risk Management now features as a module in the Manager's Induction and going forward in the general staff and first line manager's induction. Further training for the Directorate risk champions is planned going forward, as well as a dedicated one to one session with the Governance, Audit and Risk Committee Monitoring members.

2.9 - Communication

In order to ensure we meet our outlined objectives, as well as the Council Improvement Programme targets, a formal Communications strategy will be developed in conjunction with the Communications team. Relevant staff members will receive regular updates and guidance to ensure the risk management message is embedded.

Implications of the Recommendation

Enhancing risk management is one of the projects under the Council's Improvement Programme. It affects all areas of the Council's activities. The recommendations seek to support the mainstreaming of a sound risk management process across the Council.

Financial Implications

There are no direct financial implications associated with this report.

Performance Issues

The Use of Resource judgements assess how well council's manage and use their financial resources. Risk Management is a key element for the internal control judgement and at present the internal control rating is 3. The most recent reports published by the Audit Commission in relation to 2006/07 highlighted risk management at a strategic level as being 'embedded and effective', but pointed to a lack of embedding of audit committee terms of reference and also raised concerns around partnership arrangements with specific reference to the PCT.

Key findings to enable us to achieve a 3 out of 4 score were:

- A risk management strategy in place that is reviewed.
- There is risk management training for Managers and Elected Members.
- Risks are included in Board Papers.
- Significant risks are assigned to individual managers.
- A risk management tool is available on the intranet.
- Risks were identified in relation to partnerships.

Risk Management Implications

Should the recommendations in this report not be approved, there is the risk of ultimately failing to deliver on the Council Improvement Programme's objective of enhancing risk management. All of the recommendations requiring approval will impact on this project. The approval of all of the report items will ensure that risk management is enhanced and embedded throughout the Council and reduce the risk of risk management becoming a tick box exercise as opposed to an organisational driver.

SECTION 3 - STATUTORY OFFICER CLEARANCE

Name: Jennifer Hydari.	<input checked="" type="checkbox"/>	on behalf of the* Chief Financial Officer
Date: 15.08.08.....		
Name: ... Helen White	<input checked="" type="checkbox"/>	on behalf of the* Monitoring Officer
Date 15.08.08.....		

SECTION 4 – PERFORMANCE OFFICER CLEARANCE

Name: Tom Whiting.....	<input checked="" type="checkbox"/>	Assistant Chief Executive
Date: 15.08.08		

SECTION 5 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact:

Paul Williams, Risk and Insurance Service Manager x2362

Background Papers:

Appendix 1: Risk Management Strategy

Appendix 2: Risk Management Policy