

RISK MANAGEMENT STRATEGY

SEPTEMBER 2008

Harrow Council Risk Management Strategy 2008

This strategy document replaces the previous Risk Management Strategy as approved in July 2007.

The risk management objectives for Harrow Council are to:

- Manage risk in accordance with recognised best practice
- Understand the risks affecting the Council at all levels and integrate risk management into day to day culture
- Embed risk management to ensure that it is incorporated into our business
- Develop, use and maintain strategic, directorate, partnership/project and service level risk registers
- Support the achievement of corporate goals and objectives through the implementation of risk management techniques and best practice
- Continuously develop a robust framework for identifying, analysing, managing and reviewing risk whether they be threats or opportunities
- Support the Council's corporate governance and performance management frameworks.
- Have in place a clear definition of roles and responsibilities for individuals, and groups within the Council and external partners for managing risk.

Where are we now?

Currently there is in place:

- A 2007 risk management strategy in place
- A Strategic Risk Register, which has been signed off by the Chief Executive and has received approval for quarterly review going forward.
- Directorate risk registers, which are reviewed quarterly at their respective Improvement Boards.
- A requirement that all reports to Cabinet include an assessment in terms of risk and that key findings are reflected in the report and where appropriate a risk register is compiled.
- An element of the project management toolkit where users are required to apply the risk management process and identify and implement appropriate controls.
- A training programme on risk management for Managers.

- A process to assess the effectiveness of risk management as part of the CPA use of resources assessment, at which we are currently rated 3.
- A Corporate Governance working group with a risk management representative who contributes to the Annual Governance Statement (formerly Statement of Internal Control), which documents the Council's arrangements for identifying, analysing and monitoring risks.
- Two of the Corporate Improvement Programme strands are targeted at risk management improvement. (Appendices 1 and 2)

While good work has been done to further develop and embed risk management at Harrow Council, the process is not routinely used as a management tool to facilitate effective risk taking and enhance the success of work undertaken across the Council. This was highlighted in the IDeA report published in March 2008.

Where do we want to be?

To position Harrow Council as one of the best London Councils by 2012, a risk aware organisation that successfully manages risk while enabling innovation with a UoR score of 4.

What we need to get there?

Policy

A clear policy, endorsed by CSB that details the approach the organisation will take to risk management. This policy document will:

- Clarify responsibilities for identifying and managing risks
- Signpost a process to carry out risk management
- Enable an appropriate level of risk management to be consistently applied across the Council
- Define a process to review strategic risk registers

Commitment to the policy and a clear message to staff that this is to be applied will be significant in blending the risk management process in standard practice at the Council. .

Further training

Risk Management Guidance will be further developed to give users more information, ideas and support for users to effectively apply the policy. All guidance will be available on the intranet. Specific training will be developed for risk champions and partnership managers. Further work is planned with respect to management development and ensuring core business processes is delivered in an integrated planning framework. Further risk management training for Members will also be developed through Governance, Audit and Risk management Committee and the wider Member Development Programme.

Risk Management Steering Group

Re-establish the risk management group to support staff in service areas, share best practice and ensure consistency of the risk management process across the Council and carry out various other tasks as identified in its terms of reference. This group will also share experience, information, provide mutual support links and review effectiveness of the risk management policy and strategy. Another key role of this group will be to understand and learn lessons from previous experience.

Monitoring

The risk management team should continue to facilitate risk workshops, hold copies of risk registers for the Council and regularly review registers to assess whether risks are being actively managed. The risk management team is key to ensuring that the Council risk management process is in line with external audit requirements and Cabinet reports are monitored for risk content.

CAA and Risk Management development

Risk management is at the heart of the new Comprehensive Area Assessment framework, both from a use of resources (KLOE 2.4) rating perspective and in relation to the implementation of the area risk assessments. The final specification for the CAA Framework will be issued at the end of July. Currently one of the most important aspects of the requirements is that partnerships risks are understood, assessed and managed. The area risk assessment reflects the likelihood that the Council and its partners will meet stated objectives. Communication with the Policy and Partnership Team has commenced and out of this a work programme will need to be developed that will include:

- Defining significant partners and roles within the partnerships re risk management
- Running risk workshops with significant partners
- Ensure risks registers are created and revised that align closely with outcome-based objectives of the partnership.
- Monitoring to ensure risks are being effectively managed

Member/Senior Management Support

High-level support is essential in ensuring that the risk management process is endorsed at all levels of the Council.

The Governance, Audit and Risk Management (GARM) Committee are responsible for reviewing the risk management strategy and monitoring progress on risk management issues. A dedicated risk representative on GARM Committee has been appointed to champion the process.

Since the introduction of the compulsory risk management implications in the report template, Cabinet now have more exposure to the risks associated with proposals and projects and various other report subjects. There is therefore the opportunity to challenge areas and make real risk-based decisions. The Corporate Strategy Board are to review their strategic risk register quarterly and will also have more exposure to risk management implications through reports. Members of the Board must ensure that risk management awareness is filtered downwards to Directorate, service and project level.

Emergency Planning and Business Continuity Development

Both of these areas are separate and yet related to successful risk management across the Council. Work is ongoing with respect to these areas and both of them are identified in the Improvement Programme, which outlines milestones for improvement. These areas of work are reported on periodically to CSB.

Insurance Service

The insurance service provides support to the organisation with respect to transferable risks. There is ongoing developmental work to improve processes and develop the service to provide a more proactive support to the Council in order to identify and mitigate risks.

Future Developments

- Review available options for an e based risk management system to streamline process and further develop accountability.
- Develop more sophisticated systems/process to identify and manage risks corporately.
- Develop loss prevention practices with links with Insurance, Health and Safety and other sections of the Council.
- Create a communication strategy to enhance the profile and use of risk management principles at the Council.
- Develop performance measures to provide assurance that identified significant risks are effectively managed

Appendix 1 - Enhancing Risk Management

Project sponsor: Myfanwy Barrett, Corporate Director - Finance

Project manager: David Ward, Divisional Director – Audit and Risk

Project objective: To ensure the council is effective in identifying and mitigating risk

Date by which the project will be concluded: March 2010

First milestone and date by which it will be achieved: Continue to consider the council's risks through the Corporate Strategy Board and Improvement Boards on a regular basis – April 2008

Second milestone and date by which it will be achieved: Establish system whereby risks are reflected in all reports to Cabinet – May 2008

Third milestone and date by which it will be achieved: Determine whether all relevant partnerships the council is involved in have had the risks around them identified - March 2009

Fourth milestone and date by which it will be achieved: Ensure risk registers are developed for those partnerships where gaps are identified - December 2009

Fifth milestone and date by which it will be achieved: Ensure all services have systematically identified, and are mitigating, the risks that they face – March 2010

Disaster recovery and business continuity

Project sponsor: Myfanwy Barrett, Corporate Director - Finance

Project manager: David Ward, Divisional Director – Audit & Risk and Mahesh Patel, Divisional Director - IT

Project objective: To ensure the council has robust arrangements in place to enable it to operate as necessary in the event of a disaster impacting any of its functions

Date by which the project will be concluded: March 2009

First milestone and date by which it will be achieved: Identify and prioritise the disaster recovery and business continuity requirements of the organisation through a service area by service area needs analysis – July 2008

Second milestone and date by which it will be achieved: Report to Corporate Strategy Board on the prioritised disaster recovery and business continuity needs of the organisation – July 2008

Third milestone and date by which it will be achieved: Identify and corporately agree the most effective ways of fulfilling the priority disaster recovery and business continuity needs of the organisation – September 2008

Fourth milestone and date by which it will be achieved: Implement the most effective ways of fulfilling the priority disaster recovery and business continuity needs of the organisation – March 2009