REPORT FOR:	**Governance Audit and Risk Management Committee**

Date of Meeting:	1 September 2010
Subject:	Risk Management
Responsible Officer:	Myfanwy Barrett, Corporate Director Finance
Portfolio Holder:	Councillor Graham Henson Portfolio Holder for Performance, Customer Services and Corporate Services
Exempt:	No
Enclosures:	Appendix – Risk Management Strategy

Section 1 – Summary and Recommendations

The Governance Audit and Risk Management Committee (GARM) supports Cabinet in its role by reviewing internal policies and arrangements. This includes providing an assurance to Cabinet that the Risk Management Strategy is in line with current guidance and best practice.

This report is provided to ensure GARMC is aware of the Council's progress in risk management, to comply with the governance framework and ensure the Council's risk management framework continues to align with best practice.

Recommendations:

GARM is requested to:

1. note the risk management position; and
2. endorse the Risk Management Strategy.

Section 2 – Report

Risk Management position

The Council's key risk management achievements in the past 12 months and planned initiatives in 2010/11are:

Key Achievements
- Reviewed and revised the Risk Management Strategy & Policy, Risk Management Manual and Members' Risk Management Induction Briefing.
- Developed new risk management templates and tools to support the new Risk Management Strategy and Guide.
- Developed the new Risk Audit and Fraud Division Risk Management Training and Communication Plan and training evaluation form.
- Engaged with Harrow Strategic Partnership (HSP) Management Groups to develop risk registers for Safer Harrow, Children's Trust, Adult Health & Wellbeing, Sustainable Development & Environment, and Community Cohesion.
- Assisted in the development of commercial partnership risk registers, e.g. Apollo mobilisation and contract management risk registers.
- Quarterly update of the Strategic Risk Register, Corporate Operational Risk Register and Directorate Risk Registers, providing challenge to ensure risk registers were complete and robust.
- Attended CSB Performance meetings as required.
- Worked with Performance (Chief Executive Directorate) to develop and implement risk 'exception' reporting and related guidance for CSB and Improvement Boards.
- Reviewed and revised 'Risk Implications' report writing guidance notes for Committee (Non-Executive), Overview and Scrutiny Committee, Cabinet, Cabinet Advisory Panels and Consultative Forums, and Individual portfolio holder reports.
- Provided risk management training as part of the Managers Induction.
- Revised the risk management component of the 2011-12 service improvement and budget proposal guidance for Directorates.
- Developed content for and redesigned the Intranet risk management pages.
- Developed and worked with Information Management to incorporate a new risk assessment and action plan process under the Information Management Policy.
- Conducted a survey with all Greater London local authorities concerning the availability of risk information (97% participation) to inform the new Risk Management Strategy.
- The Corporate Risk Steering Group met 4 times, reviewed its Terms of Reference, extended its membership to be more reflective of Council business and provided valuable input and comment on the risk management strategy, guidance, templates, tools and training programme. The CRSG also provided challenge on the robustness of the strategic and corporate operational risk registers and the adequacy of controls to mitigate the risk.
- Provided secretariat functions to CRSG and developed relevant templates.

- Attended the Corporate Risk Steering Group, Corporate Governance Working Group, Service Improvement and Planning Working Group and Hub Navigation Focus Group meetings.
- Collated evidence and drafted a response against Use of Resources / CAA risk management assessment criteria for all of Council.
- Participated in the King's College London postgraduate research project 'At the local level: the story of London Council's experience with risk management'.
- 75% of Cabinet reports from the last twelve months included adequate information on risk management implications, providing Members with visibility on the risks arising from its decisions.

Key Deliverables and Initiatives Underway / Planned
- Investigate and identify options for an e-based risk management system.
- Ensure that approved changes to the Risk Management Strategy are reflected in other Council policies, guidance and training, where appropriate.
- Support risk-based decision making at the strategic level.
- Complete an efficiency review of the risk management service.
- Review the Council's appetite for risk as the Transformation Programme progresses.
- Facilitate a workshop with Harrow Chief Executives to develop the HSP Joint Strategic Risk Register.
- Developed new risk management related e-Learning modules for corporate risk management, data protection, fraud, insurance, corporate governance, internal audit and business continuity & emergency planning.

Risk Management Strategy

The Risk Management Strategy (September 2009) and Risk Management Policy (September 2009) were reviewed by the Interim Risk Manager against the Audit Commission's recommended criteria, HM Treasury's 'Risk Management Assessment Framework'.

The review identified ways to improve the Strategy and Policy to ensure best practice is met and more clearly explain the Council's risk management framework. As such, the Risk Management Strategy and Policy (2009) have been merged and updated to create a new Risk Management Strategy. In line with best practice, the new Strategy now:

- identifies the purpose and benefits of risk management, scope of the Strategy and the review timeframe;

- specifies how risk management feeds into the Council's business planning and corporate governance systems, and the way in which risk is considered at each level of business planning (from the corporate to individual level);

- sufficiently explains the Council's risk appetite and delegated risk appetite;

- provides more detail on the structures for monitoring, reporting, reviewing and gaining assurance about the management of risk, including the more detailed assessment criteria;

- defines the types of controls to mitigate risk and the ways in which risk can be managed;

- identifies how risk relating to residents / partners/ service providers / other stakeholders is managed;

- specifies the availability of risk information and how staff can access risk management information and training;

- identifies the process of horizon scanning (for emerging risks) and how cross-cutting risks are managed; and

- refers, or provides links, to other key policies/guidance with risk management requirements and includes a glossary of terms.

To support the new Risk Management Strategy, a Risk Management Guide has been developed, which replaces the Risk Management Manual (September 2007). The new Guide provides detailed step-by-step advice on how to conduct a risk assessment and complete the risk register. The Corporate Risk Steering Group has approved the Guide.

To ensure the new Risk Management Strategy is fit for purpose, comment was sought from the Corporate Risk Steering Group and amendments made to make the Strategy even more Council specific.

In line with the governance framework comments are being sort GARMC at this point before the Strategy is presented to Cabinet in October 2010.

Financial Implications

No financial implications are associated with this report.

Risk Management Implications

There are no risks to the Council in approving the Risk Management Strategy. Should the recommendation not be accepted, there is a risk that the Council's Risk Management Strategy and related guidance will not continue to align with best practice or clearly define the Council's requirements for the management of its risk.

Corporate Priorities

The Risk Management Strategy supports the achievement and delivery of all of the Council's Corporate Priorities and the Sustainable Community Strategy.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett	√	Chief Financial Officer
Date: 18/08/10		
Name: George Curran	√	Monitoring Officer
Date: 19/08/10		

Section 4 - Contact Details and Background Papers

Contact: Tanya Jacobs, Interim Risk Manager, extension 2863.

Background Papers:

- H.M. Treasury's Risk Management Assessment Framework
- Equalities Impact Assessment
- Risk Management Strategy & Policy 2009