

RISK MANAGEMENT STRATEGY

Document Control

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Author:	Tanya Jacobs, Interim Risk Manager

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Distribution

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RAF Divisional Director	Responsible for the management of RAF.	RCU	-	I		-
Corporate Risk Steering Group (CRSG)	Support and review the Risk Management Strategy/Policy and related guidance.	-	RCU	-	-	--
Corporate Strategic Board (Performance)	Considers the key finance and performance standing of the Council, including corporate risks, and endorses Cabinet papers.	-	-	RSU		
Governance, Audit and Risk Management Committee (GARM)	Responsible for reviewing internal policies and arrangements, including the Risk Management Strategy.	-	-	-	RSA	-
Cabinet	Responsible for the preparation/agreement of other policies and plans for making key decisions, including risk management.	-	-	-		S

Code	Reason For Issue:
-	Not issued.
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R	For review – comments to be directed to the Risk Manager
S	For endorsement / approval.
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EXECUTIVE SUMMARY

INTRODUCTION

Risk management forms an important element of the London Borough of Harrow's (the Council's) corporate governance arrangements. The Risk Management Strategy (the Strategy) sets out the high-level risk management framework for the Council and is a mandatory requirement across the Council.

The Strategy draws on Government requirements and best practice in risk management and is supplemented by the Risk Management Guide, which provides further guidance on the Council's risk management process.

In dealing with the Council's strategy on risk, this document covers:

- the Council's risk management objectives;
- the core principles of risk management;
- an outline of the Council's risk management framework;
- the roles and responsibilities for all managers, staff and partners in managing risk;
- the Council's risk appetite and delegated risk appetite (risk tolerance levels), including the mechanisms for managing, escalating and reporting risk;
- sources of further support and guidance; and
- a glossary of risk management terms.

Objectives

To support the achievement and delivery of the Council's Corporate Priorities and Sustainable Community Strategy through effective risk management, the Council aims to:

- Establish risk management as an intrinsic part of the Council's processes to support the achievement of objectives.
- Support and promote risk management through training / awareness activities.
- Clearly state and communicate to managers, staff and partners the Council's risk management policies and all parties' roles and responsibilities by promoting a consistent approach.
- Continuously develop the Council's risk management framework.
- Manage risk in line with recognised best practice

Purpose of Risk Management

The purpose of risk management is to limit the Council's exposure to an acceptable and quantifiable level of risk. The objective of risk management is not to remove all risks; it is to:

- fully understand the nature of the risks to which the Council is exposed;
- implement sensible, cost effective measures to increase the probability of success; and
- reduce the probability of failure and the uncertainty of achieving business objectives.

Benefits of Risk Management

Risk management helps the Council to get where it wants to go and avoid pitfalls and surprises along the way. Specifically, the benefits of risk management include:

- more realistic business planning and greater certainty of achieving objectives;
- actions being implemented in time to be effective;
- appreciation of, and readiness to, exploit all beneficial opportunities arising from risk;
- improved resource management and loss control;
- increased flexibility as a result of understanding all options and their associated risks;
- greater control over innovation and business development; and

- fewer costly surprises through effective and transparent contingency planning.

Risk Management Responsibility and Function

All Members, managers and staff have a responsibility to manage risk as an integral part of their role. A list of risk management roles and responsibilities are provided in this Strategy. The risk management function is part of the Risk, Audit and Fraud (RAF) Division within Corporate Finance.

SCOPE

This Strategy is relevant to all Members, managers and staff within the Council, including partners.

Whilst the management of risk at the different management levels within the Council will vary in terms of focus and level of formal analysis, it is important that consistency and clarity of risk information is achieved across the Council. To ensure this, the mandatory adoption of a standard risk register format, or where appropriate a risk action plan, is required. The risk register template in the standard format is provided in the Risk Management Guide and is available on the intranet.

Managers, project managers and partners, whilst retaining the 'core' information, may adapt the standard risk register (for example adding additional fields such as risk category and/or proximity, etc), where justified by business or project need. However, more substantive revision to the standard risk register format must be referred to the Risk Manager within the RAF Division in Corporate Finance, who will advise on the proposed changes and how they fit within the Council's risk framework.

REVIEW AND MAINTENANCE

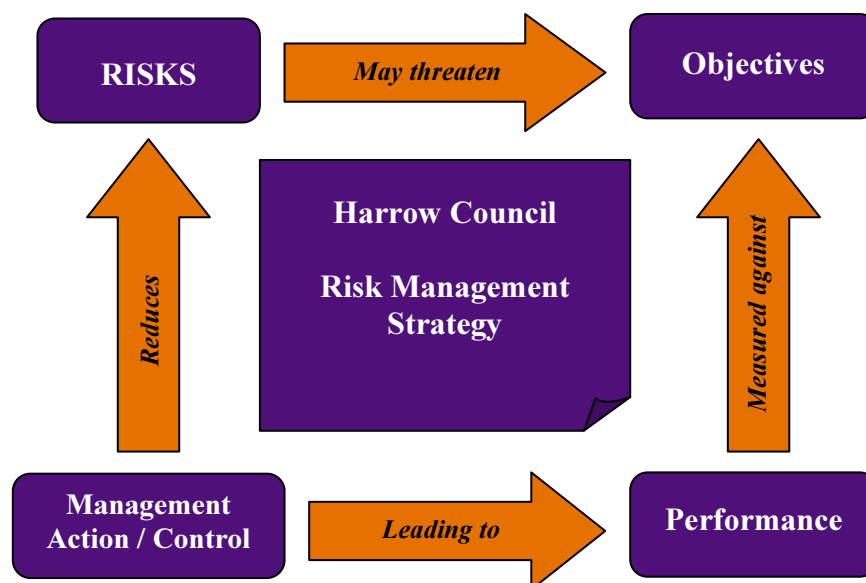
This Strategy will be subject to regular review (at least annually) by the RAF Division in Corporate Finance. As appropriate, any changes will be reflected in related guidance, training and tools.

RISK MANAGEMENT PRINCIPLES AND FRAMEWORK

RISK, OBJECTIVES AND PERFORMANCE

Central to the Strategy is the assessment of Risk against Objectives, and the alignment of Risk and Performance reporting arrangements. This model is represented in Diagram 1 below and is appropriate to objectives at all levels within the Council, from those set out in the Corporate Plan, Service Plans and Programme and Project Plans, to individual staff performance objectives (as identified in the individual performance and development (IPAD) process).

Diagram 1: Risk, Objectives and Performance



In essence, the broad principles underpinning the Strategy are that risk management should:

- **Embedded** in all management processes and managed in all functions, projects, contracts/SLAs, and allocated to risk owners.
- **Transparent** and open approach for the identification and escalation of risk, and risk registers are shared across the business.
- **Action Orientated** approach to addressing risk (not simply recording them) and where appropriate, Action Plans to address risk are agreed, documented and performance managed.
- **Accountable** Members, managers and staff, risk owners are identified for each risk and control owners for each control/action to manage risk.

THE CORE PRINCIPLES

What do we mean by 'Risk'?

Risk is defined as:

effect of uncertainty on objectives¹

BS ISO 31000:2009 Risk management – Principles and guidelines

Risk arises from possible threats to objectives, as well as failure to take advantage of possible opportunities. Only those risks that impact on the achievement of objectives should be identified and captured in risk registers.

Risks should be identified at a level where a specific impact can be identified and a specific action(s) to address the risk can be implemented. When a risk is identified it may be relevant to more than one objective, its impact may vary with the different objectives and the best way of addressing the risk may be different in relation to different objectives.

A table of common risk categories is provided in the Council's Risk Management Guide available on the Intranet.

¹ An effect can be positive (e.g. opportunity) or negative (e.g. threats) deviation from the expected.

What is 'Risk Management'?

Risk management is a central part of the Council's strategic, programme, operational and project management. It is the process whereby the Council identifies and controls the level of risk attached to its activities and that impact upon the achievement of objectives. Its aim is not to remove all risks, it is to understand the nature of risks and to implement sensible, cost effective measures to manage risk and achieve business objectives and sustained benefit within each activity and across the portfolio of all activities.

Risk management is not about being 'risk averse,' but being 'risk aware' and this awareness will mean that the Council is better able to take advantage of opportunities that arise. Risk management is a continuous and developing process, which runs throughout the implementation of the Council's objectives. It must be integrated into the culture of the Council and led by senior management, with responsibility assigned to managers and staff responsible for the management of risk as part of their individual job profile and performance objectives. It supports accountability, performance measurement and reward, thus promoting operational efficiency at all levels.

Links to Internal Control

Any action taken by the Council to address risk forms part of what is known as 'internal control'. The resulting system forms a central element in support of the Annual Governance Statement, along with other issues relating to corporate governance, and is subject to audit review by both internal and external audit. It is therefore important that documentation of the risk management process is retained to act as an audit trail of decision making, and as a valuable source of both lessons learnt and good practice.

Who is involved?

All Members, managers and staff have a responsibility to manage risk as an integral part of their role. Managers responsible for business objectives, programmes or projects, or any operational activity must:

- **Identify** risks the impact upon the achievement of objectives, e.g. those risks to the protection of the public, finance, delivery of objectives and reputation – drawing on the knowledge of operational staff.
- **Assess** the scale of risks, looking at the likelihood that they will happen, and the impact if they do.
- **Prioritise** the key risks based on the risk scale (impact and likelihood).
- **Identify** controls / key actions needed to reduce the risk to a tolerable level.
- **Record** this on a risk register.
- **Monitor** the risk and its controls frequently (at least quarterly).
- Apply healthy critical **challenge** - not blaming people for identifying and highlighting risks.
- Adopt and utilise appropriate mechanism to **escalate** those risks that exceed the delegated risk appetite (risk tolerance level).

A full list of risk roles and responsibilities for the Council is provided in the *Risk Management Roles and Responsibilities* section of this Strategy.

Role of the Risk Management Function

The risk management function is part of the RAF Division in Corporate Finance. The role of the risk management function includes:

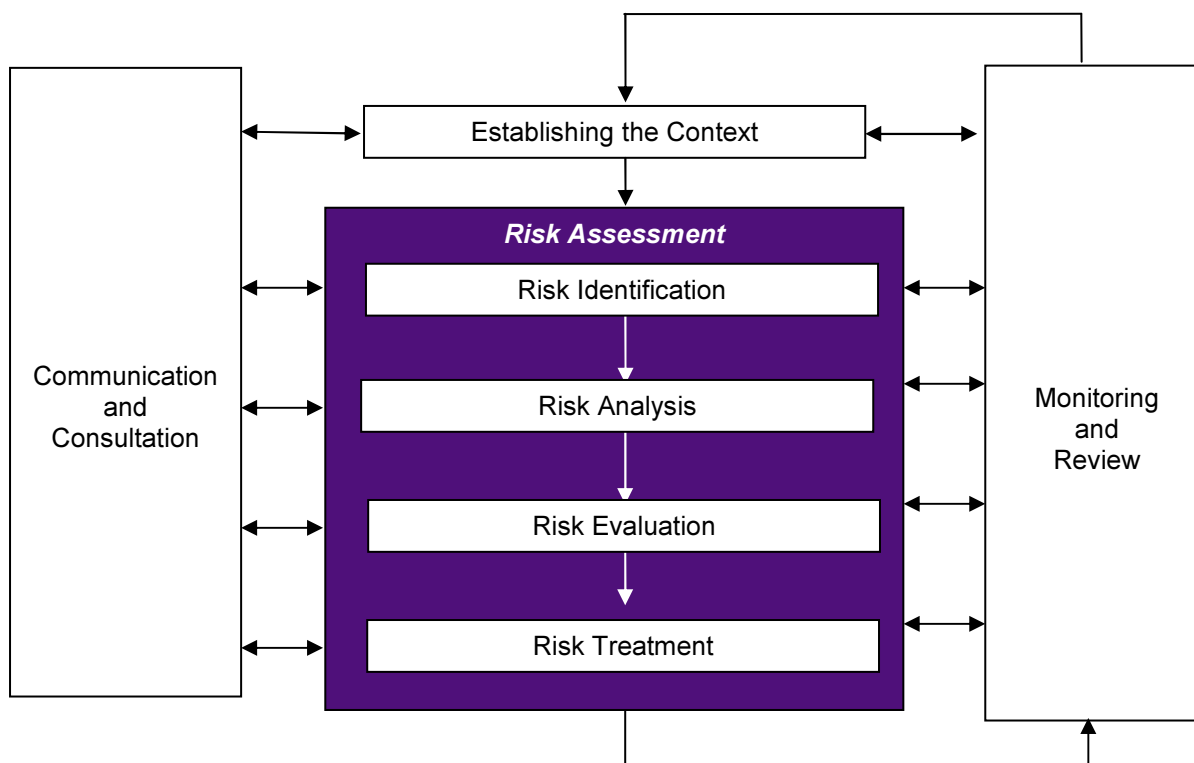
- developing, setting and reviewing strategy and policy, processes and related guidance for risk management;
- building a risk aware culture within the Council through the provision of appropriate training and awareness;
- providing support and advice to the various functional activities that advise on risk management issues within the Council, such as Directors and Risk Champions; and
- preparing reports on risk for the Corporate Strategic Board (CSB), Governance Audit and Risk Management Committee (GARM), Corporate Risk Steering Group (CRSG) and other bodies as necessary.

RISK MANAGEMENT FRAMEWORK

Risk Management Process

The risk management process, as shown in Diagram 2, is a continuous cycle, ensuring that risks are constantly evaluated, monitored and managed within the lifetime of the associated activity. The risk management process is an integral part of business, linked to business planning and performance. As such, the structured risk management approach must be applied to all key business activities, including plans, programmes and projects.

Diagram 2: Risk Management Process



Detailed information on the process is provided in the Risk Management Guide. The Risk Management Toolkit for Council Officers provides a simplified guide for the risk management process.

Barriers, Actions and Incentives

In establishing effective risk management across the Council, the typical barriers, along with actions and incentives to address the barriers, are:

Typical Barriers.	Actions and Incentives.
Risk averse culture.	Better recognition for initiative, innovation and well managed risk taking, such as stopping a project when required or seizing an opportunity arising from risk. Risk management training and awareness for all staff.
Risk taking is perceived as difficult.	Clear senior management engagement and ownership of the risk management process.
Lack of resources / time.	Emphasis that good risk management saves funds / time.
Risk is not integrated into the broader business. It is a 'bolt on' rather than a tool to help determine business decisions.	Ensure risk management is fully embedded in the organisation, including training, workshops and regular review of risks by key managers.
Overly bureaucratic approach, with emphasis on 'procedure above purpose'.	Risk monitoring and control of key risks to be a dynamic process for the business, and not just form filling.

RISK MANAGEMENT ROLES AND RESPONSIBILITIES

Accountability is a key principle underpinning risk management. The formal roles and responsibilities for the Council are defined below to ensure all staff are aware of their risk management accountability and responsibilities.

Position	Role / Responsibilities
Council Officers	<ul style="list-style-type: none"> Develop a risk aware culture. Raise/escalate any risks identified or considered are not being sufficiently addressed via their line managers or directly to the appropriate Directorate Risk Champion. Consider risk management implications when writing Cabinet/Committee reports.
Risk Champions	<ul style="list-style-type: none"> Promote, support and co-ordinate risk management within their Directorate, including providing guidance to staff across within their Directorate. Maintain hold their respective Directorate risks registers (commissioning and collating contributions from all parts of their business) Provide quarterly risk reports to the appropriate Improvement Boards. Provide challenge on the content of Directorate risk register and scrutinise the effectiveness of controls (in place, planned or underway) to mitigate risks and enable value adding feedback to Risk Owners and Risk Control Owners. Provide copies of their Directorate risk registers to the Risk Manager each quarter. Attend risk related training/awareness, as required. Participate in the Corporate Risk Steering Group.

Position	Role / Responsibilities
Service Managers, Heads, Division Directors and Directors	<ul style="list-style-type: none"> • Ensure compliance with prescribed risk policies and procedures. • Accept responsibility for managing risk as a core function, taking a broad view of their responsibilities and considering the impact of risks beyond the immediate area, including any corporate implications. <p>In particular, Service Managers, Heads and Divisional Directors should:</p> <ul style="list-style-type: none"> • Ensure that the management systems in their area are robust for accountability, critical challenge and oversight of risk. • Link risk to discussions on finance and examining non-priority areas or projects to reduce risk, as well as to stay within budget. • Ensure staff are suitably trained in risk management. • Encourage staff to raise risks and send a message to staff that escalated risks will be acted on. • Where appropriate, ensure a risk register is in place for any business or project related risks, and the risk registers are reviewed at least quarterly. • Manage the risks associated with their area, including those crossing area boundaries within their Directorate. • Assess project plans for risk in timing, cost, quality and other factors. • Ensure that a broad range of risk is identified, including those that bring together minor risks in several areas into a more substantive risk. • Consider risk management implications when writing Cabinet/Committee reports. • Promptly advise senior managers of significant identified risks. • Report and escalate risk in line with the agreed risk reporting structure. • Ensure that, as part of the normal business process, staff are involved in the identification of risks and judging impact and likelihood. • Communicate downwards what the key risks are and promote a culture of communicating risk up and down. • Ensure alignment between operational objectives and operational risks. • As required, as a part of their delegated authority, to manage the risks associated with their budget allocation and Service Plan responsibilities.
Corporate Directors	<p>Accountable for ensuring:</p> <ul style="list-style-type: none"> • Management systems in their area are robust for accountability, critical challenge and oversight of risk. • A formal risk assessment is conducted each year for their Directorate (as part of the business and budget planning process) and any risks that impact upon the achievement of objectives are formally captured in the Directorate Risk Register. <p>In particular, Corporate Directors should:</p> <ul style="list-style-type: none"> • Manage the risks associated with their Directorate, including those crossing business or directorate boundaries. • Monitor and report to the Accounting Officer and CSB on how strategic and corporate operational risk is being managed. • Review their Directorate risk registers each quarter. • Provide advice to Directorate Risk Champions on key risks to the objectives for quarterly reporting to Improvement Boards. • Ensure that a broad range of risks is identified, including those that bring together minor risks in several areas of their Directorate into a more substantive risk. • Ensure alignment between strategic / corporate operational risks and

Position	Role / Responsibilities
	<p>strategic objectives.</p> <ul style="list-style-type: none"> • Take personal responsibility for managing risk. • As required, as a part of their delegated authority, manage the risks associated with their budget allocation and Service Plan • Nominate a Directorate Risk Champion. • Ensure appropriate arrangements are in place for partnership and contract arrangements where risks are shared, so that: <ul style="list-style-type: none"> ○ risks are identified and captured; ○ joint risk registers are in place; ○ risks are assessed and risk ownership allocated; and ○ risks are regularly monitored and reviewed.
Directorate Management Teams	<ul style="list-style-type: none"> • Make arrangements for embedding risk management throughout their respective directorates. • Develop and maintain Directorate Risk Registers • Participate in reviews of risk registers as required.
Portfolio Holders	<ul style="list-style-type: none"> • Champion the work of risk management and act as an interface with Members. • Review relevant Directorate risk exception report / risk register at Improvement Boards.
Chief Executive	<ul style="list-style-type: none"> • As Accounting Officer, responsible for the effective management of risk across the Council, as part of a sound system of internal control, and the Council's overall exposure to risk. • Ensure a formal strategic risk assessment is conducted each year as part of the business and budget planning processes and any risks that impact upon the achievement of the Council's strategic objectives/priorities are formally captured in the Strategic Risk Register / Corporate Operational Risk Register.
Cabinet (Elected Members)	<ul style="list-style-type: none"> • Champion risk management and provide leadership to achieve cultural change. • Formally approve the Council's Risk Management Strategy. • Consider the strategic risks associated with the decisions taken. • Monitor the Council's risk management arrangements, including via the Council's strategic performance and audit reports. • Participate in reviews of risk registers, as required. • Assess risk management implications on Cabinet reports and provide challenge, where necessary.
Council Boards, Committees, Steering Groups and Internal Audit	<ul style="list-style-type: none"> • The specific risk management roles and responsibilities for CSB, Improvement Boards, GARM, CRSG Internal Audit and each Programme/ Project Board is identified in their respective Terms of Reference.
Risk Management Team (RMT)	<ul style="list-style-type: none"> • Develop the Risk Management Strategy and related guidance, templates, tools and training/awareness materials. • Contribute to risk management activity throughout the Council. • Support Corporate Directors in the update of their strategic and corporate operational risks and Risk Champions in the update of directorate risk registers.

Position	Role / Responsibilities
	<ul style="list-style-type: none"> • Hold the Council's Strategic and Corporate Operational Risk Registers and a copy of the Directorate risk registers. • Facilitate risk assessments, including as part of the Council's business and budget planning process. • Provide risk management awareness training. • Evaluate the effectiveness of risk management, and ensure that risk and control procedures are up to date, fit for purpose and comply with external audit requirements. • Monitor Cabinet reports for consistency and quality. • Inform the Annual Governance Statement. • Provide Secretariat functions to the CRSG.
Partners	<ul style="list-style-type: none"> • Ensure that appropriate arrangements are in place to manage partnership related risks. • Actively manage risks within the partnership and participating in the regular update and maintenance of a joint partnership risk register. • Report on risk management issues to the respective partnership board. • Show a clear link between objectives and outcomes that is customer focused. <p><i>(Partners are defined as organisations with which the Council works to deliver their objectives with a formal agreement of roles.)</i></p>
Risk Owner	<ul style="list-style-type: none"> • Ensure action is taken to manage risk in the agreed way (not necessarily the person who will personally undertake all actions).
Risk Control Owner	<ul style="list-style-type: none"> • Undertake implementation of the controls identified to manage risk and within agreed timescales.
Programme / Project Sponsor	<ul style="list-style-type: none"> • Overall responsibility for ensuring that a programme/project meets its objectives and delivers the programme/project benefits. • Ensure that the programme/project maintains its business focus, that it has clear authority and that the work, including risks and risk reporting, is actively managed. • Owns the business case and ensures the risks are regularly updated and reviewed, and benefits are achieved by the project
Project Manager	<ul style="list-style-type: none"> • Establish and assure the effectiveness of the risk processes to be used in the project. This includes: <ul style="list-style-type: none"> ○ adhering to the Council's Risk Management Strategy and related project management guidance, and making it visible to all project team members; ○ maintaining a risk register that is regularly reviewed and updated; ○ reporting and escalating risk in line with the agreed reporting structure; ○ reporting / escalating risks to the relevant Project Board; and ○ coordinating across affected businesses to ensure impacts are fully understood.

RISK APPETITE AND DELEGATED RISK APPETITE

The amount of risk, at the strategic level, the Council's is willing to accept, tolerate or be exposed to in the pursuit of its objectives is known as its **risk appetite**. The amount of risk that the Council is willing for the programme, operational and project level to tolerate is known as the **delegated risk appetite** (also known as risk tolerance level - the threshold level of risk exposure).

Risk appetite and delegated risk appetite is expressed in terms of boundaries: a combination of Impact x Likelihood, which gives clear guidance to each level (strategic, programme, operational and project) on the amount of risk exposure they can take before action is necessary, e.g. risk escalation. Risk appetite does not have to be static and can be adjusted by the Corporate Strategic Board (CSB) or Cabinet.

CSB have set the Council's risk appetite and delegated risk appetite as **C2+** (significant likelihood x critical impact). This means that any risks with a risk ranking of C2 or more (red risks) must be escalated to the next management level for discussion, as part of normal risk reporting, e.g. Division to Directorate, Directorate to Improvement Boards to CSB, or project to Project Boards to Programme Boards.

In deciding the risk appetite and delegated risk appetite (risk tolerance levels), CSB considers:

- The amount of risk that is acceptable (what risk could be justified if it actually happened).
- The Council's capacity to bear risk.
- The areas within the Council that have a preference for taking risk and vice versa.

RISK ESCALATION AND REPORTING

Risk Escalation

A key element to effective risk management is the communication and escalation of risk information to the appropriate management level. The framework for the reporting and escalation of risk within the Council is based on the organisational structure and normal reporting lines. Programmes and projects can ensure communication by reporting and escalating risks to their respective Boards/Committees through the appropriate channels.

Risk escalation is based on the following key principles:

- **Escalation needs to be managed.** It is not sufficient to simply escalate a risk to the next management level. It is very important that when a risk is escalated, it is reassessed as to its impact on the achievement of objectives at that next level.
- **Escalation must be documented.** It is important that all risks are recorded, where appropriate, in Risk Registers or Risk Action Plans. Any verbal escalation must be followed up with written or email documentation detailing the risk and retained.
- **Escalation needs to be timely.** It is important that risks are escalated in time to affect a resolution.
- **Escalation is a risk mitigation process.** Under normal circumstances, it would have been communicated to the next management level that a risk might require escalation to mitigate it. The early communication of risk is a good risk management practice.
- **All Directors and Managers are empowered to escalate.** Escalation is not seen as failure. Escalation is a tool to ensure that risks that cannot be resolved by a director/manager can be escalated to the next management level to ensure that every effort is made to mitigate the risk.

Risk escalation is an important tool for ensuring that risks are known and understood by the people with the authority to appropriately manage them. A practical approach to (bottom-up) risk escalation is to ask:

To what extent are the actions to manage the risk under the control of your part of the Council?

Once escalated, the next management level becomes alerted to the risk, reassesses the risk as to its impact on the achievement of objectives at that next level and takes appropriate action. This may mean:

- managing the risk directly
- changing the activity; or
- adjusting the level of risk they judge suitable for the level below to manage.

It may be the case that higher management, with a wider portfolio of risk to manage, has scope to accept higher risks in particular areas, as they can offset them against other lower risks.

When escalating risk, the impact may be lower, due to the wider range of priorities and high level objectives considered. Alternately, the risk may be incorporated into an existing risk if it is related to that risk, or the controls in place to treat the risk would also mitigate / treat the escalated risk.

Escalating risk does not always delegate the management of risk upwards. Risks can be de-escalated if management feel there are appropriate resources to mitigate the risk at the lower level. Generally, this follows discussion and agreement between Managers/Directors in relation to the appropriate level of decision making to manage the risk.

The escalation and de-escalation of risk involves discussion and agreement between Managers/Directors in relation to the appropriate level of decision making to manage the risk. It is essential that an audit trail exists to show what has happened to risks. Annex B provides a diagram of the risk reporting (de-/escalation) structure.

Risk Reporting

Within the Council, risk reporting operates on the following reporting cycle:

When & Who?	What?
Quarterly	
Risk Manager	<ul style="list-style-type: none"> • Exception reporting to CSB concerning directorate, strategic and corporate operational risks and advising of CRSG recommendations. • Provide a copy of the strategic risk register, corporate operational risk register and Directorate risk registers to Internal Audit.
Directorate, Divisions and Teams CSB, Improvement Boards and Directorate/Divisional Management Teams.	<ul style="list-style-type: none"> • Review and update risk registers/action plans. • Escalate any risks that exceed the delegated risk appetite to the next management level. • Provide a copy of the updated risk register/action plan to the Risk Manager.
Programme/Project Managers	<ul style="list-style-type: none"> • Review and update programme/project risk registers. • Provide risk report to the appropriate Programme/Project Board.
Directorate Management Teams	<ul style="list-style-type: none"> • Review and update the Directorate Risk Register and provide to the respective Improvement Board as part of the quarterly risk exception reporting.
Improvement Boards	<ul style="list-style-type: none"> • Review and discuss risk exception reporting.

When & Who?	What?
	<ul style="list-style-type: none"> • Discuss and review Directorate risk register(s), as necessary. • Where appropriate, escalate risks for discussion and consideration by CSB for inclusion on the Strategic Risk Register or Corporate Operational Risk Register.
Internal Audit	<ul style="list-style-type: none"> • Provide a full/summary copy of the strategic and corporate operational risks to GARM and Cabinet, as appropriate.
CSB	<ul style="list-style-type: none"> • Review and discuss risk exception reporting. • Consider CRSG recommendations. • Approve updates to the Strategic Risk Register and Corporate Operational Risk Register. • Discuss two strategic risks in more detail, or other areas of risk as necessary each quarter. • Approve new risks to and/or risks to be removed from the Strategic Risk Register.
CRSG	<ul style="list-style-type: none"> • Review the Strategic Risk Register and the Corporate Operational Risk Register, providing challenge and scrutiny of risk ratings and the adequacy of controls. • Provide recommendations to CSB for the update of the Strategic Risk Register and Corporate Operational Risk Register.
Partnership Development & Performance	<ul style="list-style-type: none"> • Assist Harrow Strategic Partnership (HSP) Management Groups' with the quarterly update of their risk registers. • Provide quarterly risk exception reports on HSP Management Group risks to HCE. • Provide a summary/full version of HSP Management Groups' risks to HCE, as necessary.
Harrow Chief Executives (HCE)	<ul style="list-style-type: none"> • Review and discuss HSP Management Groups' risk exception reporting. • Discuss and review HSP Management Group risk registers, as necessary.
Harrow Strategic Partnership Board (HSP Board)	<ul style="list-style-type: none"> • Review and discuss risk exception reporting. • Review and update the joint strategic HSP risk register, as necessary.
Annually	
Risk Management Team	<ul style="list-style-type: none"> • As required, facilitate a formal Strategic Business Risk Assessment (CSB level) and Operational Risk Assessments (at the Directorate, Divisional and Team levels as part of the annual business and budget planning process. • Inform the Annual Governance Statement.
Corporate Governance Group and Internal Audit	<ul style="list-style-type: none"> • Prepare the Annual Governance Statement. • Provide draft (risk-based) Internal Audit Plan and copy of Strategic Risk Register and Corporate Operational Risk Register to GARM.
Chief Executive	<ul style="list-style-type: none"> • Approve the Annual Governance Statement and sign off the Strategic Risk Register and Corporate Operational Risk Register.
GARM	<ul style="list-style-type: none"> • Review and approve the Annual Governance Statement. • Approve the (risk-based) Internal Audit Plan.

Discussion of Risk

A range of meetings/forums are currently held within the Council that provide opportunity for the regular discussion and capturing of risk, including cross-cutting risks and risks with Partners (internal and external).

Corporate Directors, Directors, Divisional Directors, Service Managers and Programme/Project Managers are responsible for ensuring that, where appropriate, processes are in place to provide opportunities to regularly discuss and capture those cross cutting risks and risks with Partners that impact upon objectives. At a minimum, cross cutting risks and risks with Partners must be discussed and formally documented on a quarterly basis.

Horizon Scanning

Horizon Scanning is defined as:

the systematic examination of potential threats, opportunities and likely future developments, including (but not restricted to) those at the margins of current thinking and planning.

Government Office for Science, UK

Horizon scanning allows the Council to review a broad spectrum of information, beyond usual timescales and sources in order to explore novel and unexpected issues, persistent problems and future challenges and trends. Horizon scanning should be undertaken on a quarterly basis and during annual risk assessments conducted during the business and budget planning process. It should be undertaken in a structured and auditable manner.

Availability of Risk Information

The following risk information is provided:

What?	Format	Frequency	To Who?	How?
Strategic Risk Register	Summary of risks	Quarterly	All Council staff	Intranet
	Summary of risks	Annually	Cabinet	Report
	Full risk register	Annually	Governance, Audit and Risk Management Committee	Report
	Summary of risks	Quarterly	Governance, Audit and Risk Management Committee	Report
	Full risk register	Quarterly	Corporate Risk Steering Group	Report
Corporate Operational Risk Register	Summary of risks	Quarterly	All Council staff	Intranet
	Full risk register	Annually	Governance, Audit and Risk Management Committee	Report
	Summary of risks	Quarterly	Governance, Audit and Risk Management Committee	Report
	Full risk register	Quarterly	Corporate Risk Steering Group	Report
Directorate Risk Registers	Summary of risks	Quarterly	All Council staff	Intranet

What?	Format	Frequency	To Who?	How?
Governance, Audit and Risk Management Committee Minutes of Meeting	Full version of minutes	Quarterly	Members of the public, Members and all Council staff	Intranet and Internet
Corporate Risk Steering Group Minutes of Meeting	Amended version of minutes	Quarterly	Members and all Council staff	Intranet
	Full version of minutes	Quarterly	Corporate Risk Steering Group members	Email
Harrow Strategic Partnership Management Groups Risk Registers	Full risk register	Quarterly	HSP Management Groups	Report
	Summary of risks	Quarterly	Harrow Chief Executives	Report
	Full risk register	Annually	Harrow Chief Executives	Report
Harrow Strategic Partnership Strategic Risk Register	Summary of risks	Quarterly	Harrow Chief Executives	Report
	Full risk register	Annually	Harrow Chief Executives	Report
Programme and Project Risk Registers	Upon request from the relevant Programme / Project Manager.			

SUPPORT, GUIDANCE AND TRAINING

An overview of this Strategy and supporting risk management guidance, templates and tools is available on the Council's intranet. A Glossary of Terms is provided at Annex A.

General Support

Support on the content of this Strategy and the Risk Management Framework is available through the Directorate Risk Champions and/or the Corporate Risk Manager. Contact details are available on the Council's intranet.

Specialist support and advice on risks around health & safety, information management, fraud, and business continuity/emergency planning, including the transfer of risk through insurance arrangements and risk-based audits/reviews is available from the RAF Division. Contact details are available on the Council's intranet.

Training Events / Materials

The RAF Division is responsible for developing risk management training courses and materials to assist embed risk management across the Council. Information on these courses and materials are available from the Risk Manager and are detailed in the Risk Management Training and Communications Plan available on the Council's intranet. Risk management courses are accessed via the Harrow Council e-Learning Portal at <http://www.learningpool.com/harrow/>, or via Coursebooker at <https://cb.learndev.ad.capita.co.uk/HarrowSSL/desktopdefault.aspx>.

Glossary of Terms

Term	Definition
Control	Any action, existing process, policy, device or practice originating within the organisation, that acts to manage risk and enhance the likelihood that objectives will be achieved. These actions, etc may be taken to manage either the impact if the risk is realised, or the frequency of the realisation of the risk.
Impact	Outcome or consequence of an event.
Inherent Risk	The exposure arising from a specific risk before any action has been taken to manage it.
Likelihood	A general description of probability or frequency.
Loss	Any negative consequence or adverse effect, financial or otherwise.
Monitor	To check, supervise, or record the progress of an activity or system on a regular basis to identify change.
Programme	A portfolio of projects selected, planned and managed in a co-ordinated way.
Programme / Project Sponsor	The single individual with overall responsibility for ensuring that a programme/project meets its objectives and delivers the project benefits. This person should ensure that the programme/project maintains its business focus, that it has clear authority and that the work including risks, is actively managed.
Project	A temporary organisation that is created for the purpose of delivering one or more business products according to a specified Business Case.
Project Manager	The person given the authority and responsibility to manage the project on a day-to-day basis, including risk management, to deliver the required products within the constraints agreed with the Project Board.
Residual Risk	The remaining level of risk after effective controls have been put in place / implemented, e.g. action has been taken to manage the risk.
Risk	Risk is defined as: <i>'effect of uncertainty on objectives'</i> An effect can be positive (e.g. opportunity), negative (e.g. threats), or a deviation from the expected).
Risk Analysis	A systematic process to understand the nature of and to deduce the level of risk.
Risk Appetite /Tolerance	Risk appetite is the amount of risk the Council is willing to accept, tolerate or be exposed to at any point in time. At the operational level, the delegated risk appetite is known as the risk tolerance. Risk tolerance is expressed in the same terms as those used in assessing risk, namely a combination of Impact and Likelihood. The criteria for setting risk tolerance boundaries varies according to the management level concerned and the nature of the objectives being pursued at that level, e.g. directorate, divisional or service level, etc.
Risk Assessment	The evaluation of a risk with regard to the impact if the risk is realised and the likelihood of the risk being realised.
Risk Control Owner	The person who is responsible for undertaking implementation of the internal controls identified to manage risk and within agreed timescales.
Risk Criteria	Terms of reference or criteria by which risk is assessed.
Risk Evaluation	Process of comparing the level of risk against the risk criteria.

Term	Definition
Risk Identification	The process of determining what, where, when, why and how something / an event could happen.
Risk Management	All the processes involved in identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress.
Risk Management Process	The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring, reviewing and communicating risk.
Risk Mitigation	To reduce likelihood, impact or both.
Risk Owner	The person responsible for ensuring action is taken to manage risks in the agreed way (not necessarily the person who will personally undertake all actions).
Risk Register	Documents risks, cause and effect, the assessment of risk in terms of likelihood and impact, relevant mitigation/control activities and owners.
Risk Transfer	Shifting the responsibility for the management of risk to a 2 nd party through legislation, contract, insurance or other means. Accountability for the risk remains with the Council (1 st party). Risk transfer can also refer to shifting a physical risk or part thereof elsewhere.
Risk Treatment	Process of selection and implementation of measures to modify risk.

Risk Reporting Structure

Annex B

(Risk registers are shown in orange and where they are reviewed is shown in purple. There is no mandatory requirement for risk registers to be in place at the team and divisional level.)

