

# **RISK MANAGEMENT STRATEGY**

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## Document Control

### Document Information

<b>Reference</b>	London Borough of Harrow Risk Management Strategy
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<b>Owner</b>	David Ward, Division Director – Risk Audit and Fraud
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### History of Changes

Version	Date	Incorporates Changes By:
0.1		Neale Burns, Interim Risk Manager
0.2		David Ward, Divisional Director – Risk Audit & Fraud
0.3		Corporate Director Cross-Section Consultation
0.4		Corporate Risk Steering Group
0.5		Governance Audit and Risk Management Committee [Draft]
0.6		Corporate Strategic Board
0.7		Governance Audit and Risk Management Committee [Final]
0.8		Cabinet

### Distribution

Name	Role	v0.1	v0.2	v0.3	V0.4	v0.5	v0.6
Neale Burns, Interim Risk Manager	Responsible for ensuring that the Council, directorates, services and staff are supported in the development and implementation of the risk management strategy and framework.	-	-	-			
RAF Divisional Director	Responsible for the management of RAF.		-				
Corporate Director Cross- Section Consultation	Considers they key finance and performance standing of the Council, including corporate risks, and endorses Cabinet papers.			-			
Corporate Risk Steering Group (CRSG)	Support and review the Risk Management Strategy/Policy and related guidance.						
Governance, Audit and Risk Management Committee (GARM) [Draft]	Responsible for reviewing the efficacy of internal policies and arrangements, including the Risk Management Strategy.						
Corporate Strategic Board (Performance)	Considers they key finance and performance standing of the Council, including corporate risks, and endorses Cabinet papers.						
Governance, Audit and Risk Management Committee (GARM) [Final]	Responsible for reviewing the efficacy of internal policies and arrangements, including the Risk Management Strategy.						
Cabinet	Responsible for the preparation/agreement of other policies and plans for making key decisions, including risk management.						

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<b>Code</b>	<b>Reason For Issue:</b>
-	Not issued.
I	For information only – no action required.
R	For review – comments to be directed to the Risk Manager
S	For endorsement / approval.
A	Endorsed or Approved for issue.
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C	Comments received.
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U	Updated

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## 1. INTRODUCTION

- 1.1 Risk is the uncertainty of an event occurring, which could be a negative threat, or a positive opportunity, that could have an impact on the achievement of the Council's key objectives. It is the "effect of uncertainty on objectives" (BS ISO 31000:2009 Risk Management – Principles and Guidelines). Risk Management is "the process of understanding and managing the risks that an organisation is inevitably subject to in attempting to achieve its corporate objectives" (CIMA Official Terminology) and is the process whereby the Council methodically addresses those risks or barriers to achieving its vision, corporate and directorate objectives. 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 captured in risk registers.
- 1.2 Risk can also be operational in nature and exist at service or team level within an organisation, such as disaster recovery risks, health and safety risks or in risks relating to the care and protection of vulnerable clients, but are likewise to be seen as barriers to achieving operational outcomes and objectives. Unless effectively managed, such risks can escalate in their nature and impact to become much more significant and strategic in their potential impact.
- 1.3 Harrow Council provides a wide range of services that improve the quality of life for residents, support vulnerable people and which enhance community cohesion. Over the last five years, the quality of those services generally has improved from in some areas being one of the worst performing Councils in London to being awarded the title of best achieving Council in the UK in the Municipal Journal awards in June 2011. The Council's key challenge is to maintain and advance its excellent services while managing significant reductions in spending power. The Council's key objectives and priorities are:
- Keeping neighbourhoods clean, green and safe;
  - United and involved communities: a Council that listens and leads;
  - Supporting and protecting people who are most in need; and
  - Supporting our Town Centre, our local shopping centres and business;
- These will help decide how to best allocate our reducing resources. We will do this in strong collaboration with our partners and our communities demonstrating our vision: Working Together; Our Harrow, Our Community.
- 1.5 Harrow is generally a pleasant and prosperous place to live. Recently, however, there have been increases in relative income deprivation and a sharp increase in relative income deprivation of children. Harrow's economy is dominated by public sector employment but with a high proportion of small enterprises, both of which are under great pressure in the current economic circumstances.
- 1.6 The most distinctive aspect of Harrow is the diversity of its population. Harrow is the fifth most ethnically diverse place in England and Wales and the most religiously diverse in the entire country. 78% of the school population have a non-white British heritage showing that demographic change is continuing and will accelerate. The nature and future predictive profile of our borough is a changing one.
- 1.4 In support of the Council's corporate strategy has been the risk management strategy which has evolved to help drive Harrow forward in the knowledge that the key risks we now face, particularly financial, savings and efficiencies risks in implementing the strategy, are being effectively identified, assessed and managed.
- 1.7 Effective risk management is also a keystone of effective corporate governance and the maintenance of a strong control environment. It is at its most effective as an integral part of the Council's key business processes, particularly its business planning, budgeting and performance review processes. Risk management is the process whereby the Council identifies and controls the level of risk attached to its business and service activities that could impact upon the achievement of our objectives. However, the aim of risk management is not to remove all risks, but to understand the nature of risks and to implement controlled, sensible, balanced and cost

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effective measures, to manage risk and achieve objectives within each activity and across the portfolio of all activities. Risk management is not about being 'risk averse,' but about being 'risk aware' and this awareness will mean that the Council and its leadership team is better able to avoid threats and hazards and also take full advantage of opportunities/benefits that arise in the course of our business.

- 1.8 The relationship between risk management and objectives outlined above is shown below in Diagram 1:-

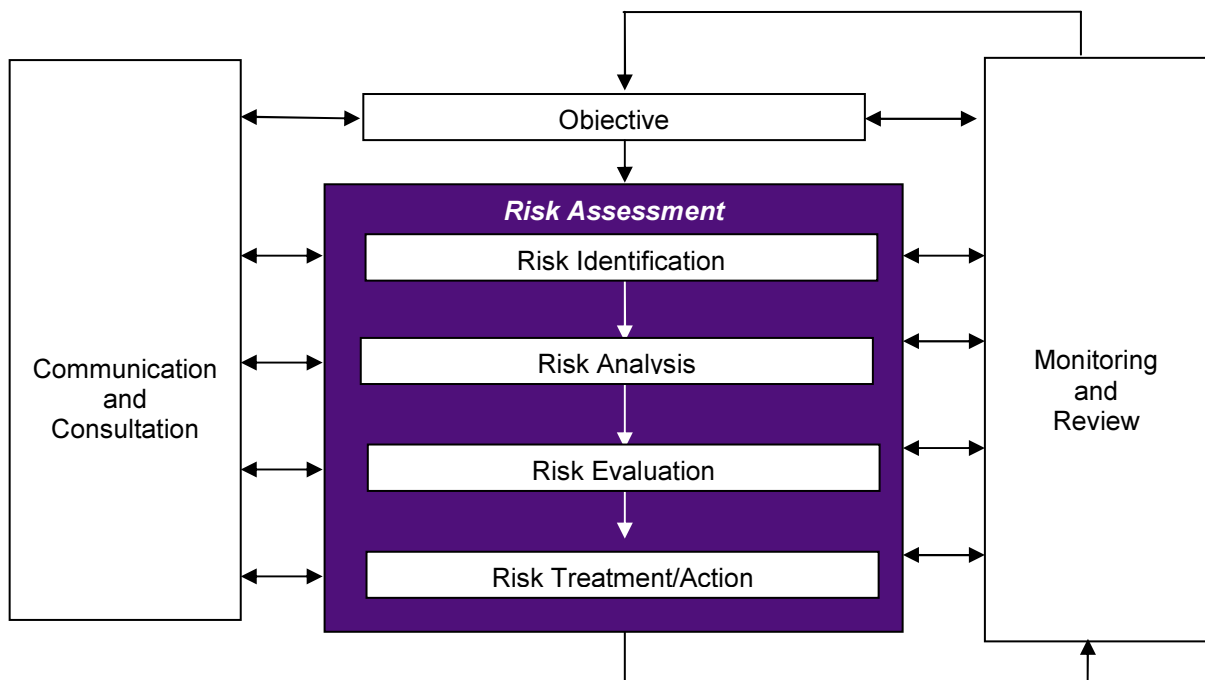
Diagram 1: Risk and Objectives



## 2. THE RISK MANAGEMENT PROCESS

- 2.1 The risk management process underlying this relationship with objectives above is shown in Diagram 2 below,

Diagram 2: The Risk Management Process



- 2.2 This process ensures that risks are constantly identified evaluated, monitored and managed as part of a continuous cycle within the lifetime of the associated activity.

- 2.3 As mentioned above, risk can also exist at more operational levels as part of the Council's day to day activities and also programmes and project management. At Harrow, and similar to the strategic level, this has already been embedded and integrated into the culture of the Council, with responsibility assigned to managers and staff responsible for the management of risk as part of their individual job profile and performance objectives.
- 2.4 It is also important to note that risk management is a tool whose benefits and use can extend beyond managing risk directly via the operation of risk registers and which can also be used to support managers in decision-making in other activities, such as the basis for allocating their limited resources, designing business processes and for choosing and prioritising what areas of performance are monitored and the level of that monitoring. All directorates and services within the Council are contingent and frequently may not carry the same risk profile and priorities for their focus and action in risk terms.
- 2.5 In seeking to take action, manage and mitigate its risks the Council will have recourse to a number of broad control strategies available to manage those risks. These include:-
- **Tolerate:** The exposure may be tolerable without any further action being taken. Even if it is not tolerable, ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be to tolerate the existing level of risk. This option, of course, may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.
  - **Treat:** By far the greater number of risks will be addressed in this way. The purpose of treatment is that whilst continuing within the organisation with the activity giving rise to the risk, action (control) is taken constrain the risk to an acceptable level.
  - **Transfer:** For some risks the best response may be to transfer them. This might be done by conventional insurance, or paying a third party to take the risk in another way. If a risk is transferred, accountability for the management of the risk remains with the Council.
  - **Terminate:** Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. This option can be particularly important in project management if it becomes clear that the projected cost / benefit relationship is in jeopardy.
  - **Take the Opportunity:** This option is not an alternative to those above; rather it is an option that should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating risk, an opportunity arises to exploit positive impact. The second is whether circumstances arise, which, whilst not generating threats, offer positive opportunities.

### 3. OBJECTIVES

- 3.1 The objectives set for this risk management strategy are to: -
- Continuously develop the Council's embedded risk management framework to support the achievement of Working Together; Our Harrow, Our Community
  - Clearly state and communicate to all council officers, managers, partners and residents their risk management responsibilities
  - Promote risk-awareness and risk management throughout the Council and its partners
  - Ensure where appropriate risks are effectively escalated and escalation is timely
  - Manage the corporate risk function efficiently in resource terms with a focus on the customer
  - Manage risk in line with public sector best practice in corporate governance
  - Capture and expand positive risk opportunities
  - Ensure risk management processes are engaging and relevant to all staff
- 3.2 This risk management strategy draws on recognised best practice guidance in risk management in the public sector [such as the Turnbull Report (2005), CIMA and CIPFA guidance] and is supplemented by the Risk Management Guide, available on the intranet at

[http://harrowhub/info/200193/risk\\_management/313/risk\\_management/2](http://harrowhub/info/200193/risk_management/313/risk_management/2) which provides further detailed guidance on the Council’s risk management processes.

#### 4. RISK MANAGEMENT ROLES AND RESPONSIBILITIES

- 4.1 Although the corporate risk management framework is set and regularly monitored by Members who have ultimate responsibility for it, and the Council Strategic Board (CSB), working in conjunction with the Risk, Audit and Fraud (RAF) Division, core delivery of the approved risk management framework, and of the above related risk management processes, is led by and rests with corporate directors, acting individually and collectively in CSB, and supported by their directorate management teams, or equivalent. The corporate risk management function will work in collaboration, advice, training, challenge and reporting and monitoring terms only to this protocol.
- 4.2 Furthermore, all staff, managers, members at the Council, as well as our partner organisations, have a general responsibility and duty to manage risk as an integral part of their role.
- 4.3 In addition, specific core risk-related/risk-driven support service activities, such as internal audit, health and safety, insurance, emergency business continuity planning, performance management and project management all contribute to the overall corporate risk management process. A summary overview of responsibilities for risk management at the Council is outlined below:-

*Diagram 3: Overview of Risk Management Responsibilities*

RISK STRATEGY ACTIVITY	COUNCIL GROUP/TEAM/OFFICER					
	Develop the Corporate Risk Management Strategy	Agree the Corporate Risk Management Strategy	Provide Advice, Training and Support on the Strategy	Implement the Strategy	Share experience of risk management issues	Review the effectiveness of the Strategy
Cabinet		●				●
GARM Lead Member				●	●	●
CSB	●			●	●	●
Council Risk Champion			●		●	●
Corporate Directors	●			●	●	●
Directorate DMTs			●	●	●	●
Hds of Service/Service Managers			●	●	●	●
Improvement Boards				●	●	
Programme & Project Boards				●	●	
Council Committees/Boards/Groups				●	●	
Partnerships & Large Contracts					●	
GARM			●		●	●
Risk Manager	●		●	●	●	●
Support Services	●		●	●	●	●
CRSG & Risk Champions			●		●	●
Council Staff				●	●	
Harrow Residents					●	



*(Model source: CIPFA; Risk Management in the Public Services 2001)*

- 4.5 A more detailed breakdown of these responsibilities is attached at Annex A.
- 4.6 Whilst the management of risk at different management levels within the Council will vary in terms of focus and level of formal analysis, in order to ensure further to good practice that “a common language is spoken on risk across the organisation” (Turnbull Report 2005), it is important that consistency and clarity of risk information is achieved on risk registers.
- 4.7 For this reason, the mandatory adoption of a standard risk register format or where appropriate a risk action plan is required. The standard risk register template, which covers both the corporate and directorate risk registers, is maintained on an Excel format, and is provided in the Risk Management Guide available on the intranet and is also attached at Annex C. It is to be noted that the former strategic risk register is now in the process of being merged into the former corporate operational risk register to form a single new unified corporate risk register in the standard risk register template.
- 4.8 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 the Chief Executives directorate, who will advise on the proposed changes and how they fit within the Council’s overall risk framework.

## **5. RISK APPETITE AND DELEGATED RISK APPETITE**

- 5.1 The amount of risk, at the strategic level, the Council’s and its leadership team is willing to take on, accept, tolerate or be exposed to, in the pursuit of its objectives, is known as its risk appetite.
- 5.2 Risk appetite and delegated risk appetite is expressed in terms of boundaries, which give clear guidance at each level (strategic, programme, operational and project) on the amount of risk exposure they can take before action is necessary.
- 5.3 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).
- 5.4 The Council maintains an effective control framework designed to manage risks. Any risks that are an unacceptable exposure to the Council are mitigated as far as possible. Where a proposed activity or venture has a residual risk that is considered unacceptable and there is no means of reducing the risk to an acceptable level the activity may be rejected. However there may be occasions where there is a statutory obligation to undertake the activity despite the risk exposure. There will also be occasions where, in entrepreneurial terms, it will be appropriate to take measured levels of risk, in furtherance of the Council’s business and service objectives. Where it is feasible and cost effective to do so, the financial impact of risks may be minimised by insurance or other third party indemnities.
- 5.5 Risk appetite is normally reviewed annually, is not static and can be adjusted by the Cabinet with supporting advice from the Corporate Strategic Board (CSB).
- +
- 5.6 In deciding the risk appetite and delegated risk appetite (risk tolerance levels), Cabinet considers:
- Environmental and wider macro-economic factors, including current government required reductions in budgetary spending
  - The Council’s funding levels and its overall capacity to bear risk.

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- The areas/directorates within the Council that have an expertise and skill-set for taking risk and vice versa.
  - The amount of risk that is acceptable (what risk could be justified if it actually happened).
- 5.7 The Cabinet has 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 register risk ranking of C2 or more (red risks-see Risk Escalation and Reporting section below) must be escalated to the next management level for action and discussion, as part of normal risk reporting, e.g. department to division, division to directorate, improvement boards to directorate, project risks to project or programme boards.

## 6. RISK ESCALATION AND REPORTING

### Risk Escalation

- 6.1 A key element to effective risk management is on-going vigilance and 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 and which also recognises the increasing role of Harrow's residents. Programmes and projects can ensure communication by reporting and escalating risks to their respective Boards/Committees through the appropriate channels.
- 6.2 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 important that when a risk is escalated, it is reassessed as to its impact on the achievement of objectives at that next level.
  - **All Directors, managers, staff and residents are empowered to escalate.** Importantly, escalation should not be seen as a failure. Escalation is a tool to ensure that risks that cannot be resolved at one level are relayed to the next level to ensure that every effort is made to mitigate the risk.
  - **Escalation needs to be timely.** It is important that risks are escalated early and in good time to affect a resolution.
  - **Escalation should be documented.** It is important that all risks are recorded, where appropriate, in risk registers or risk action plans. Any verbal escalation should be followed up with written or email documentation detailing the risk and retained.
- 6.3 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.
- 6.4 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. Risk escalation is thus an important tool for ensuring that risks are known and understood by the council officers with the authority to appropriately manage them.
- 6.5 Escalating risk does not always delegate the management of risk upwards. Risks can sometimes 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.
- 6.6 Once evaluated and assessed by the appropriate managers or risk owner, any risks with a risk register risk ranking of C2 or more (ie red risks) must be escalated to the next management level

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for discussion, as part of normal risk reporting, e.g. department to division, division to directorate, improvement boards to directorate, project risks to project or programme boards.

6.7 Further detailed guidance for officers on assessing and evaluating risks can be found in the Risk Management Guide available on the intranet.

### Risk Reporting

6.8 On a quarterly basis each corporate director, or duly delegated officer, updates any corporate risks owned by them, or their directorate, which are stated on the corporate risk register, including newly emergent risks. This occurs via one-to-one meetings with the Risk Manager just prior to the Performance Morning meetings of CSB where the above corporate risks are collectively discussed.

6.9 Normally, only the corporate risk register, containing only corporate risks, is reported quarterly to CSB. However, any corporate director can request that any other risk, eg corporate, directorate, project or partnership risk, or any risk matter, or risk analyses, can be discussed or asked for in a CSB context.

6.10 In addition, a high-level strategic summary report is currently being developed, which will report to CSB, alongside the corporate risk register on quarterly basis, the overall risk position, trend and exposure of corporate risks. An in principle representation of this report is attached at Annex D. The purchase and use of a software system to produce this and similar risk reports is also currently being explored by the Risk Audit and Fraud section.

6.11 In seeking to designate a risk corporate in nature, and therefore to be monitored and reported to CSB for action, officers should consider a number of factors. For example:-

- Is the risk concerned corporate and cross-cutting in nature (ie a strategic risk)
- Is the risk concerned a business-critical risk fully justified in business planning, budgetary process and service delivery terms
- If a directorate risk, is it otherwise sufficiently serious to be discussed at CSB level
- Is it appropriate for the risk, or would it require, or benefit from, being discussed in the collective forum of CSB, eg CSB agreed and collective action is necessary for any mitigation.
- Is the risk free standing or should it be allied or aggregated into an existing risk?
- Does the risk increase the significance and threat of other risks or otherwise significantly or disproportionately increase the cumulative level of risk being taken by the Council
- Is the risk an emerging corporate risk (ie a new risk not yet captured in the corporate risk register) in the above terms

6.12 It is important to ensure that the number of risks being discussed at CSB is sufficiently few (but critical in risk terms) to avoid information overload on risk and to ensure CSB discussion and action is sufficiently strategic and targeted where it is most needed.

6.13 It is expected also that at directorate level, the directorate risk register, with an emphasis on red risks, will be reported quarterly and monitored for action by the directorate DMT, or equivalent, and this will often be in the forum of Improvement Board meetings and reporting.

6.14 Directorates should also seek to apply the same principles outlined above but in directorate terms, so that the following factors are considered in designating a risk directorate in nature:-

- Is the risk concerned a business-critical risk to the directorate fully justified in business planning, budgetary process and service delivery terms
- If a divisional or service risk, is it sufficiently significant to be discussed at DMT level

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- If a divisional or service risk, does it require, or would it benefit from, being discussed in the collective forum of DMT, eg DMT agreed and collective action is necessary for any mitigation.
  - Is the risk free standing or should it be allied or aggregated into an existing risk?
  - Does the risk increase the significance and threat of other risks or otherwise significantly or disproportionately increase the cumulative level of risk being taken by the Council
  - Is the risk an emerging directorate risk (ie a new risk not yet captured in the directorate risk register) in the above terms
- 6.15 Likewise it is important to ensure that the number of risks being reported to DMT is sufficiently few (but critical in risk terms) to avoid information overload on risk and to ensure DMT discussion and action is sufficiently strategic and is targeted where it is most needed.
- 6.16 This principle should also be extended to reporting risks within a programme/project framework, including on the VERTO system, by reference to how critical/key it is to the achievement of project outcomes and objectives. Guidance on project risk management is provided in the Harrow Council Project Management guide on the intranet at [http://harrowhub/downloads/file/2319/project\\_management\\_toolkit](http://harrowhub/downloads/file/2319/project_management_toolkit).
- 6.17 It is expected that divisional directors will maintain divisional risk registers relating to their functions/services and that these are reviewed and updated at least on a quarterly basis. The maintenance of team/departmental risk registers on the same basis by service managers whilst good practice is optional.
- 6.18 It is to be noted that notwithstanding these arrangements, and in conjunction with the Assistant Chief Executive and the RAF Divisional Director, that any significant or serious risk, or risk related issue, demanding immediate attention or action, will be “flash reported” to relevant and responsible officers of the Council.
- 6.19 In addition to the above, a range of meetings/forums involving deliberative groups are currently held within the Council that provide the opportunity for regular discussion of risks, including directorate, cross-cutting risks and risks with partners (internal and external). These include the Corporate Leadership Group and Commissioning Panels.
- 6.20 Corporate directors, directors, divisional directors, service managers and programme/project managers are therefore responsible for ensuring that processes are in place to provide opportunities to regularly discuss and capture those risks, cross cutting risks and risks with partners that impact upon objectives. At a minimum, risks should be discussed and formally documented on a quarterly basis.

## 7. RISK MANAGEMENT RESOURCE

- 7.1 Sufficient resources are devoted to risk management to ensure that it is organisationally effective and co-ordinated.
- 7.2 At Cabinet level the risk management process is supported and actively promoted by the GARM Lead Member as Member Risk Champion of the Council. The Asst Chief Executive as Council Risk Champion acts in support of the above Member Risk Champion by leading, promoting and embedding risk management corporately across the Council.
- 7.3 The Risk Manager, working in close collaboration with the Internal Audit Services Manager, reports to the RAF Divisional Director who reports to the Assistant Chief Executive and is supported centrally by colleagues from the Risk, Audit and Fraud team.
- 7.4 At Directorate level the risk management process is supported and actively promoted by a network of directorate and divisional risk champions who meet collectively as the Corporate Risk Steering Group (CRSG) chaired by the Asst Chief Executive as Council Risk Champion. The group consists of representatives from across the Council who meet to co-ordinate, network and share experience on risk management issues. The Group also exercises a review and challenge function on corporate risks. Membership reflects the risk profile of the Council and the strategic,

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operational and risk management context within which the Council operates.

- 7.5 CRSG actively champion risk management as a key activity and responsibility of all staff in the Council and assist the Council in embedding and enhancing the risk management process. It also provides challenge on the robustness of the corporate risk register and the adequacy of controls to mitigate the risk.
- 7.6 Other specialist risk-related disciplines such health and safety, insurance, emergency & business continuity planning and performance management all closely contribute to the council's risk management process.

## 8. OWNERSHIP AND RESPONSIBILITY FOR RISK MANAGEMENT

- 8.1 It is important that Risk Management is integrated into the culture of the Council and led and owned at executive member level, senior management, with responsibility for the management of risk further delegated and assigned to individual council managers and staff as part of their individual job profile and performance objectives.
- 8.2 The Cabinet acting in conjunction with the GARM Lead Member are responsible for the agreement and approval of policies and plans relating to risk management and have ultimate responsibility for it.
- 8.3 The Governance, Audit and Risk Committee (GARM), further to good corporate governance practice, supports and advises the Cabinet by monitoring and annually reviewing the Council's risk management arrangements.
- 8.4 The Corporate Strategic Board (CSB), comprised of the Chief Executive and Corporate Directors, is responsible for considering the key finance and performance standing of the Council, including strategic and corporate operational risks.
- 8.5 The Divisional Director of Risk, Audit and Fraud (RAF) reports directly to the Assistant Chief Executive and has direct operational responsibility for the management of the corporate risk management function as part of the RAF Division. The RAF Division provides expertise/specialist support and advice to the Council relating to corporate risk management and its closely related activities, particularly the internal audit function, and also including health and safety, business continuity/emergency planning, corporate anti-fraud and information governance.
- 8.6 The Risk Manager reports to the RAF Divisional Director and is responsible for ensuring that the Council, its Directorates, services and staff are supported and engaged in the development, implementation and review of the Council's risk management strategy framework.
- 8.7 The Corporate Risk Steering Group (CRSG) support and review the risk management strategy and related guidance as detailed in its terms of reference. As mentioned above, CRSG is chaired by the Assistant Chief Executive and facilitated by the Risk Manager and its membership comprises a representative cross-section of staff with dedicated and specialist risk responsibilities and who share experience at the Council on risk management.
- 8.8 A full list of the formal and specific risk management roles and responsibilities are provided at Annex A. Notwithstanding this, all members, managers and staff at the Council have an indirect, if not a direct responsibility, to manage risk as an integral part of their role so as risk awareness and management is integral to the culture of the Council.

## 9. PERFORMANCE MANAGEMENT

- 9.1 The effectiveness of the risk management function is reviewed on an on-going basis by CSB and also as outlined above its effectiveness is annually appraised and evaluated by GARM, who also closely monitor and challenge activities and progress in-year on a quarterly basis. Risk management is also regularly audited against public sector best practice by internal audit.

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- 9.2 The views of key stakeholders and internal customers in the risk management function, particularly corporate directors and the CRSG, are regularly sought. The risk management process will be continuously improved in line with this feedback.

### **10. RISK MANAGEMENT SUPPORT, GUIDANCE AND TRAINING**

- 10.1 This strategy and supporting risk management guidance, templates and tools is available on the Council's intranet.

#### **General Support**

- 10.2 Support on the content of this strategy and the Risk Management Framework is available through 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**

- 10.4 The RAF Division delivers management training courses and materials to assist and support staff in risk management across the Council. Information on these courses and materials is available from the Risk Manager. 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>.

### **11. REVIEW AND CONTROL**

- 10.1 This strategy will be subject to regular review (at least annually) with any changes reflected in related guidance, training and tools as appropriate,

## Detailed Risk Management Responsibilities

## Annex A

Position	Role / Responsibilities
<b>Cabinet</b>	<ul style="list-style-type: none"> <li>Formally and annually approve the Council's Risk Management Strategy</li> <li>Provide leadership on and champion risk management</li> <li>Consider the strategic risks associated with the decisions taken.</li> <li>Monitor the Council's risk management arrangements, including via the Council's strategic performance and audit reports.</li> <li>Assess risks in Cabinet reports and provide challenge, where necessary.</li> </ul>
<b>GARM Lead Member</b>	<ul style="list-style-type: none"> <li>Promote, support and co-ordinate risk management at Member level ensuring a positive attitude toward the understanding and treatment of risk at the Council</li> </ul>
<b>CSB</b>	<ul style="list-style-type: none"> <li>Develop, implement and review the Council's risk management strategy</li> <li>Seek assurance at least annually that all risks comprising barriers to achievement of the Council's strategic objectives [the Corporate Plan] have been identified and accurately assessed and are being managed</li> <li>Seek assurance at least annually that all directorates are appropriately complying with the Council's risk management policies and framework</li> </ul>
<b>Corporate Directors</b>	<ul style="list-style-type: none"> <li>Take personal responsibility for managing risk, including both negative threat risks and positive entrepreneurial/opportunity risks</li> <li>Manage the strategic risks associated with their directorates, including those crossing business, service or directorate boundaries</li> <li>Escalate and report risks, as appropriate, quarterly for consideration and action by CSB and the corporate risk management function</li> <li>Ensure that 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 captured</li> <li>As required, as a part of their delegated authority, manage the risks associated with their budget allocation and Service Plan</li> <li>Seek assurance that a risk-aware culture is appropriately and thoroughly embedded in their directorate and all staff</li> <li>Ensure arrangements are in place for partnership and contract activities where risks are shared, so that: risks are identified and captured and joint risk registers are in place and risks are regularly monitored and risk ownership allocated</li> <li>Nominate and provide advice to a directorate risk champion(s) on key risks to the Directorate's objectives for reporting to Improvement Boards</li> <li>Review their Directorate risk register(s) each quarter</li> <li>Comply with the Council's strategy, policies and framework on risk</li> </ul>
<b>Directorate Management Teams, or Equivalent</b>	<ul style="list-style-type: none"> <li>Collectively support and contribute to their Corporate Director and risk champion(s) discharge of their risk management responsibilities</li> <li>Make arrangements for continuing to embed risk management and a risk aware culture throughout their respective directorates</li> <li>Ensure risk is regularly reported (at least quarterly) to their Corporate Director and at Improvement Boards</li> <li>Maintain and review directorate risk register(s) on a quarterly basis</li> </ul>
<b>Hds of Service &amp; Service Managers</b>	<ul style="list-style-type: none"> <li>Accept responsibility for managing risk as a core managerial competency</li> <li>Manage the risks associated with their area, including those crossing area boundaries within their Directorate and their delegated budget allocation and service plan responsibilities</li> <li>Ensure a risk register is in place for any business or project related risks and the risk registers are reviewed at least quarterly</li> <li>Compliance with risk policies and ensure staff are trained in risk management</li> <li>Encourage staff to raise risks and send a message to staff that escalated risks</li> </ul>

Position	Role / Responsibilities
	<p>will be evaluated and acted upon if necessary</p> <ul style="list-style-type: none"> <li>• Promptly advise senior managers of significant identified risks</li> </ul>

Position	Role / Responsibilities
<b>Improvement Boards</b>	<ul style="list-style-type: none"> <li>• Review and discuss risk exception reporting</li> <li>• Discuss and review Directorate risk register(s), as necessary</li> <li>• Where appropriate, escalate risks for discussion and consideration by CSB for inclusion on the Strategic or Corporate Operational Risk Register.</li> </ul>
<b>Programme and Project Boards</b>	<ul style="list-style-type: none"> <li>• Review and update risk registers/action plans.</li> <li>• Escalate any risks that exceed the delegated risk appetite to the next level.</li> <li>• Provide a copy of the updated risk register/action plan to the Risk Manager.</li> </ul>
<b>Other Council Boards, Panels, Steering Groups &amp; Committees</b>	<ul style="list-style-type: none"> <li>• Produce a written Terms of Reference which requires risks to achieving Board/Committee/Panel/Group objectives, or opportunities to accelerating or enhancing achievement, to be identified, assessed, managed and reported by the Board/Committee/Panel/Group</li> </ul>
<b>GARM</b>	<ul style="list-style-type: none"> <li>• Monitor, advise and report to Cabinet, at least annually, on the effectiveness of the Council's overall risk management framework and arrangements</li> <li>• Quarterly review the Council's key of risks to ensure these are being adequately managed</li> </ul>
<b>Organisational Partners</b>	<ul style="list-style-type: none"> <li>• Ensure that appropriate arrangements are in place to manage partnership related risks.</li> <li>• Actively manage risks within the partnership and participating in the regular update and maintenance of a joint partnership risk register.</li> <li>• Report on risk management issues to the respective partnership board.</li> <li>• Show a clear link between objectives and outcomes that is customer focused.</li> </ul>
<b>Risk Manager</b>	<ul style="list-style-type: none"> <li>• Engage, monitor and challenge in on-going terms the Council and its staff on key risk management issues,</li> <li>• Oversee, monitor and report compliance with the Councils risk management framework and policies</li> <li>• Develop the risk management strategy and related guidance, templates</li> <li>• Provide tools, training/awareness and materials in support of risk champions and council staff</li> <li>• Be a central and professional point of contact on risk management, creating alliances/liaisons with council staff, corporate directors and directorate risk champions to support them in their risk roles</li> <li>• Lead on quarterly corporate reporting of risk management to CSB</li> <li>• Undertake ad hoc risk assessments</li> </ul>
<b>Council Risk Champion</b>	<ul style="list-style-type: none"> <li>• Promote, support and co-ordinate risk management across all levels of the Council ensuring a positive attitude, understanding and treatment of risk</li> </ul>
<b>Risk Champions</b>	<ul style="list-style-type: none"> <li>• Promote, support and co-ordinate risk management within their Directorate including providing guidance to staff across within their Directorate</li> <li>• Participate in the Corporate Risk Steering Group</li> <li>• Maintain hold their respective Directorate risks registers (commissioning and collating contributions from all parts of their business)</li> <li>• Provide quarterly risk reports to the appropriate Improvement Boards</li> <li>• 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</li> <li>• Attend risk related training/awareness, as required</li> <li>• Provide copies of their risk registers to the Risk Manager each quarter</li> </ul>
<b>All Council Officers</b>	<ul style="list-style-type: none"> <li>• Raise/escalate any risks identified or considered are not being sufficiently addressed or directly to the appropriate Directorate Risk Champion</li> </ul>



## Appendix 1

<b>Position</b>	<b>Role / Responsibilities</b>
	<ul style="list-style-type: none"><li>• Maintain vigilance and a risk-aware attitude of mind at all times</li></ul>
<b>Residents</b>	<ul style="list-style-type: none"><li>• Raise any risk concerns considered not being sufficiently addressed by the Council, via your local statutory, residents, activity or consultative group(s), or through your councillor or other elected representative</li><li>• Maintain vigilance and a risk-aware attitude of mind at all times</li></ul>

## Risk Reporting Cycle

## Annex B

Author	Risk Report/Output/Analysis	Distribution	Frequency
Cabinet	Approval of Risk Management Strategy	CSB	Annual
Risk Manager	As required, facilitate a formal Corporate 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.	CSB	Annual
Chief Executive	Sign off the Corporate Risk Register. Review and approve the Annual Governance Statement (AGS)	CSB, Risk Manager, GARM	Annual
GARM	Evaluation of Risk Management Arrangements Approve Draft (risk-based) Internal Audit Plan Approve Final AGS	Cabinet, CSB	Annual
Corporate Governance Group and Internal Audit	Approve Draft AGS	GARM	Annual
Corporate Directors/DMTs	Directorate Risk Assessment to create directorate Risk Register	DMT, Dir. Heads of Service, Risk Manager	Annual
Improvement Boards	Review directorate risk registers and escalate any issues to CSB	CSB	Quarterly
Internal Audit	Draft (risk-based) Internal Audit Plan Draft AGS	GARM	Annual
CSB	Review & discuss risk exception reporting Consider CRSG recommendations. Review and approve updates to the corporate risk register Review high-level risk report Approve new risks to and/or risks to be removed from the corporate risk register.	Corporate Directors, Risk Manager, CRSG	Quarterly
Corporate Directors/DMTs/Improvement Boards	Review & update of Dir. Risk Register Escalate any risks that exceed the corporate and delegated risk appetite or have a corporate impact to CSB for inclusion on corporate risk register	CSB, DMT, Dir. Heads of Service, Risk Manager	Quarterly
Programme/Project Managers	Review/ update programme and project risk registers and Risk reports	Programme/Project Board	Quarterly & Ad Hoc

	Risk Report/Output/Analysis	Distribution	Frequency
Internal Audit	Provide a full/summary copy of corporate risks as appropriate	GARM, Cabinet	Quarterly
CRSG	Share experience on risk Review and challenge of the corporate risk register, eg in areas of ratings and controls. Provide recommendations to CSB for update and discussion of the corporate risk register related issues	CSB, CRSG, Risk Manager	Quarterly
Harrow Strategic Partnership Board (HSP Board)	Review and discuss risk exception reporting Review and update the joint strategic HSP risk register, as necessary.	Harrow Strategic Partnership Board (HSP Board)	Quarterly
Partnership Development & Performance	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 Strategic Partnership (HSP) Management Groups'  HCE  HCE	Quarterly
Harrow Chief Executives (HCE)	Review and discuss HSP Management Groups' risk exception reporting.  Discuss and review HSP Management Group risk registers, as necessary	Harrow Chief Executives (HCE)	Quarterly

RISK REGISTER

Review Date:

Next Review Date:

Risks

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

<i>LIKELIHOOD</i>				
<b>A</b> Very High				
<b>B</b> High				
<b>C</b> Significant				
<b>D</b> Low				
<b>E</b> Very Low				
<b>F</b> Almost Impossible				
<i>IMPACT</i>	<b>4</b> Negligible Impact / Benefit	<b>3</b> Marginal Impact / Minor Benefit	<b>2</b> Critical Impact / Major Benefit	<b>1</b> Catastroph ic Impact / Exceptiona l Benefit

Standard Risk Register Template

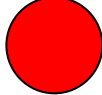
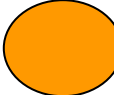
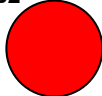

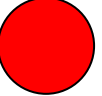
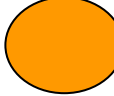
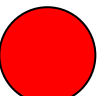
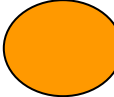
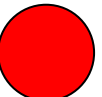

Annex C (Cont'd)

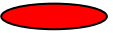
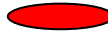


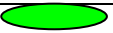
Risk No.	Objective No.	Risk Description			Risk Rating This Qtr (after controls)	Risk Rating Last Qtr	Controls (underway or planned)		Control Owner(s)	Target Risk Rating	Target Risk Date	Risk Owner
		Risk (Event)	Cause(s)	Consequence(s)			Further actions	Contingencies				

## High-Level Strategic Summary Report

## Annex D

## CSB HIGH LEVEL SUMMARY REPORT - [WIP EXTRACT/SAMPLE]

Risk No	Key Risk	Risk Rating	Control Strategy	Key Controls	Control Progress	Control Indicator
COR 18	Disruption to services to children due to CS directorate reorganisation	B2 	Treat	Robust project management & casework operational continuity plan in place Extensive pre-consultation on reorganisation model Fundamental of the model is that children will not be placed at risk Reorganisation roll-out is piloted/phased to reduce risk and disruption Planning/synchronization with corporate timetable and support Further consultation, e.g. with partners	75% complete	
COR 5	Successful legal challenge of a Council decision	B2 	Treat	Legal review & clearance of Member reports. Monitoring officer File reviews. Voluntary transparency notices Legal training for DMTs and MDP in relation to decision-making. Legal input into projects. Procurement & contract management strategy	65% complete	
SRR 2	Failure to deliver a balanced budget and medium term financial plan	B2 	Treat	Rigorous budget monitoring and reporting Challenge panels & 3 year financial plan (revenue and capital) Savings targets (with sanctions if necessary) set for all directorates Capital Forum & capital overspend improvement plan Member involvement throughout budget process. Clear Comms. Strategy	65% complete	
SRR 4	Ineffective Partnership working	C2 	Treat	Health & Well-Being & Clinical Commissioning Boards. Review of HSP Mgm. Groups. Regular HCE Group meetings & Updated HSP Governance Handbook Joint working PCT/LBH, BD4R, police. Sustainable Community Strategy	60% complete	
SRR 9	Damage to council reputation	C2 	Treat	Whistle-blowing policy. Member's Code of Conduct & Member Development Communications Strategy, Consultation Strategy Media training for senior members, chief officers and key staff Communications Team Business Continuity Plan. Branding guidelines & templates, fact sheets Liaison and partnerships with community and volunteer groups. Corporate Balanced Scorecard & involvement Tracker	80% complete	

RISK INDICATOR		CONTROL INDICATOR	
	Risk Increasing	No Progress On Controls (or No Controls)	
	Risk No Change	Progress Made on Control Implementation	
	Risk Reducing	All Controls Implemented	