

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	18 October 2011
<b>Subject:</b>	Risk Management Update and the Draft Risk Management Strategy
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Tom Whiting, Assistant Chief Executive
<b>Portfolio Holder:</b>	Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix One - The Risk Management Strategy Appendix Two - Equalities Impact Assessment

## **Section 1 – Summary and Recommendations**

The Cabinet supports the Council in its responsibilities by reviewing internal policies and arrangements. This includes providing an assurance to the Council that the Risk Management Strategy is in line with current guidance and best practice

### **Recommendations:**

Cabinet is requested to:

- note the risk management position; and
- approve the Risk Management Strategy (enclosed at Appendix One).

**Reason: (For recommendation)**

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

## **Section 2 – Report**

### **Introduction**

This report sets out the annual update of the Council's Risk Management strategy (attached at Appendix One) which has been developed in response to the changing requirements for managing risks in the Council and includes suggestions from a range of stakeholders including the GARM Committee, who formally endorsed the strategy on the 6<sup>th</sup> September 2011.

### **Current Situation**

The Council's key risk management achievements over the past 12 months and its planned initiatives in 2011/12 are:

#### **Key Achievements**

- The range of high-level strategic risks facing the Council captured and managed down to an acceptable level of exposure. For example, the risk of insufficient business continuity and disaster recovery managed down from a high red-risk status of C2 in March 2010 to a medium to low risk-rating of D1 as at June 2011
- Delivery of a council-wide assurance mapping project to identify and strengthen the operation of assurance groups at the Council and also the robustness of risk registers in relation to these key groups
- Best practice visit and sharing of information on risk management with Camden Council
- Review and update of the risk management strategy
- Attending CSB Performance meetings as required
- Quarterly update of the strategic risk register, corporate operational risk register and directorate risk registers with corporate directors, providing challenge to ensure risk registers were complete and robust.
- Facilitating meetings and provision of secretariat functions to the Corporate Risk Steering Group (CRSG).
- The Corporate Risk Steering Group met 4 times during 2010-11 covering such issues as risk management training, the assurance mapping project and the risk management strategy, as well as generally sharing information and lessons learned on risk and risk issues at the Council

- The CRSG also provided challenge on the robustness of the strategic and corporate operational risk registers and the adequacy of controls to mitigate the risk
- Membership and strong risk management input into to the following project groups/work streams at the Council – the Corporate Governance Working Group, the Capital Forum, the Corporate Contract Management Group, Planned and Reactive Maintenance, the Total Facilities Management Group and Harrow Highways Construction tender/procurements

### **Key Deliverables and Initiatives Underway / Planned**

- Ensure that approved changes to the risk management strategy are reflected in other council risk management policies, guidance and training, where appropriate.
- Integrate and embed the approved risk management strategy
- Continue to provide a framework to manage down the spectrum of strategic risks facing the Council to acceptable levels of exposure, including change-management risks
- Develop and extend the capture of positive risk opportunities in risk registers, eg of inter and intra joint-working within the public sector and the development of new models for service delivery
- Closely monitor the Council's heightened financial and operating environment to ensure any potential risks and also positive opportunities are picked up early and a proactive approach taken to managing them
- Participation in key projects to continue to ensure that risk management is a strongly-owned dimension of the management of projects at the Council
- Establish and develop the roles of GARM Lead Member Risk Champion and Council Risk Champion
- Merge, consolidate and streamline the strategic and corporate operational risk registers into a single corporate risk register
- Produce a high level risk summary report for distribution to CSB
- Investigate and recommend a course of action relating to the potential purchase and use of a risk management software system, particularly in regard to the generation of risk management reports.
- Review/refresh the terms of reference of the CRSG to ensure it continues to be effective and continues to meet the needs of members
- Overall in 2011-12 the objectives of the risk management strategy will be 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
  - Ensure the process of risk management is engaging and relevant to all council officers

## **Update of the Risk Management Strategy**

The Risk Management Strategy (October 2010) was reviewed to identify ways to further enhance it and to ensure it continues to reflect best practice. The updated strategy:

- Is linked more strongly and explicitly to the new strategic vision set for the Council of Working Together; Our Harrow, Our Community
- Streamlines risk reporting outputs/formats to more efficiently meet the information needs of users of risk management information, e.g. the strategic and corporate operational risk registers are being consolidated into a single corporate risk register so that all key strategic risks are reported in a consistent way in one risk register
- Recognises relevant changes since 2010 in the structure and workings of the Council affecting the risk management function e.g. in the introduction of commissioning panels.

To ensure the new Risk Management Strategy is fit for purpose, comments have been sought from a range of stakeholders in the risk management function, e.g. corporate directors, heads of service and the corporate risk steering group. The GARM Committee formally endorsed the strategy on the 6<sup>th</sup> September 2011.

Cabinet is now asked to formally approve the updated strategy.

### **Options Considered**

In considering the options for developing the risk management strategy, stakeholders views and comments were sought through a variety of means. The option put forward reflects how risk management has matured as a process since it was introduced in 2007.

### **Implications of the Recommendation**

The new enclosed risk management strategy simplifies the risk management process and supports services in the delivery of the Council's vision.

### **Financial Implications**

The Risk Management function is undertaken within existing budgets.

### **Performance Issues**

Effective risk management and good governance are crucial to enable performance improvement in a local authority. Performance and risk are considered alongside each other as part of the council's improvement cycle, at Improvement Boards, CSB etc.

### **Environmental Impact**

None

## Risk Management Implications

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

## Equalities implications

See Appendix Two

## Corporate Priorities

The Risk Management Strategy supports the achievement and delivery of all of the Council's Corporate Priorities and the vision set for it in Working Together; Our Harrow, Our Community

## Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 16 September 2011		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 21 September 2011		

## Section 4 – Performance Officer Clearance

Name: David Harrington	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Partnership, Development and Performance
Date: 16 September 2011		

## **Section 5 – Environmental Impact Officer Clearance**

Name: Andrew Baker



on behalf of the  
Divisional Director  
(Environmental  
Services)

Date: 16 September 2011

## **Section 6 - Contact Details and Background Papers**

Contact: Neale Burns, Interim Risk Manager, Ext 5299

Background Papers:

None

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Call-in applies]*