



Haringey Council

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| Report for: | Corporate Committee 19 September 2013 | Item number | |
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| Title: | Corporate Risk Register |
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| Report authorised by : | Director of Corporate Resources <i>J. Parker 10/9/13</i> |
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| Lead Officer: | Anne Woods, Head of Audit and Risk Management Tel: 020 8489 5973 Email: anne.woods@haringey.gov.uk |
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|------------------------------|-------------------------------------|
| Ward(s) affected: ALL | Report for: Non-Key Decision |
|------------------------------|-------------------------------------|

1. Describe the issue under consideration

- 1.1 A copy of the current corporate risk register is provided for review by Members. The Corporate Risk Management Policy and Strategy is also provided for review and approval.
- 1.2 The Corporate Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. In order to facilitate this and provide information on its implementation across the Council, reports are provided to members on a regular basis.

2. Cabinet Member Introduction

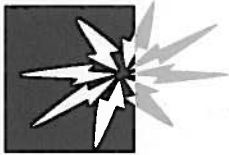
- 2.1 Not applicable

3. Recommendations

- 3.1 That the Corporate Committee reviews the current version of the Corporate risk register and provides comments as appropriate; and
- 3.2 That the Corporate Committee approves the current corporate Risk Management Policy and Strategy.

4. Other options considered

- 4.1 Not applicable.



5. Background information

- 5.1 Risk management is included within the Corporate Committee's terms of reference. In order to demonstrate that the terms of reference are fulfilled, the Council's Risk Management strategy and policy is reviewed on an annual basis to ensure that it reflects current operational requirements and best practice. The corporate risk register is also presented for review by Members on an annual basis.
- 5.2 The Corporate risk register was last presented to the Corporate Committee for review on 28 June 2012. The risk management policy was last reviewed and approved by the Corporate Committee at its meeting on 21 July 2011.

6. Corporate Risk Register

- 6.1 The Council uses an electronic system (Covalent) to record the risks faced by business units, departments and at a corporate level in a consistent manner. The output from Covalent is in the form of risk registers for business units, directorates and at the corporate level.
- 6.2 Directors Group consider that the risks included in the corporate risk register are those areas which present the highest risks to the Council not achieving its objectives. These areas have been assessed as either having a very high impact on the Council if the risk should materialise, or having a high likelihood of the risk occurring in the next 12 months. As a consequence, Directors Group will focus on ensuring that the Council has appropriate controls and planned actions in place to manage these risks and will keep the corporate risk register under review on a quarterly basis.
- 6.3 The latest review of the corporate risk register was undertaken at the Directors Group meeting on 3 September 2013 and this version of the corporate risk register is attached as Appendix 1 to this report.

7. Risk Management Policy and Strategy

- 7.1 The corporate risk management policy and strategy brings together all key processes involving risk, including business planning, health and safety, business continuity planning, emergency planning, performance management and project management. A corporate Risk and Emergency Planning Steering Group is in place, with representatives from all directorates, which reviews key risk issues on a regular basis and ensures implementation of the risk management policy and strategy across the Council.
- 7.2 The risk management strategy and policy has been reviewed to ensure that it reflects current operational practices and best practice requirements. The policy was updated extensively in 2011 to take account of organisational changes and it was reported to Corporate Committee as requiring no changes in 2012.



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7.3 Some minor changes have been made to appendices C and D to update the terminology e.g. to include the current Council Plan priorities, but no further changes are recommended to the substantive part of the policy at present. However, it is good practice to obtain Member approval for policies on a regular basis to confirm their continued application.

7.4 The policy is kept under review and as changes to the organisation's processes and procedures take place, the Corporate Risk Management Policy and Strategy will be updated to reflect agreed practice and presented to the Corporate Committee for review and approval. The policy is published on the Council's intranet.

8. Comments of the Chief Financial Officer and Financial Implications

8.1 There are no direct financial implications arising out of this report as the work associated with updating and monitoring the Council's corporate risk register is included within service revenue budgets.

8.2 The risks included in the corporate risk register could have significant financial implications for the Council if they were to materialise. Regular review and monitoring of existing and emerging risks helps to mitigate any potential financial implications.

9. Legal Implications

9.1 The Head of Legal Services has been consulted in the preparation of this report, and makes the following comments.

9.2 In view of the fact that the various policy and strategy documents reported on continue to follow industry best practice, means that there are no direct legal implications arising out of the report

10. Equalities and Community Cohesion Comments

10.1 There are no direct equality or community cohesion implications arising out of this report.

11. Head of Procurement Comments

11.1 Not applicable.

12. Policy Implications

12.1 There are no direct implications for the Council's existing policies, priorities and strategies.

13. Use of Appendices

13.1 Appendix A – corporate risk register September 2013

Appendix B – corporate risk management policy and strategy 2013

Directors Group - Corporate Risk register

Generated on: 06 September 2013



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| Risk Code | Risk Title | Internal Controls | Risk and Control Ownership | Date of last review | Residual Impact | Residual Likelihood | Residual Risk Score | RAG status | Further Action Code | Further Action(s) | Progress (% complete) | Further Action Completion Date |
|-----------|---|--|---|---------------------|-----------------|---------------------|---------------------|------------|---------------------|--|-----------------------|--------------------------------|
| DG_R001 | Failure to maximise the regeneration opportunities afforded by significant government investment in Tottenham | Programme Team in place. Programme Delivery Board overseeing the Tottenham Regeneration Programme in place. Theme groups established to own and manage the projects within the identified ten key themes. Risk strategy and risk registers in place. High level programme established, including budget management, and list of candidate projects, some of which are already in delivery phase. Reporting arrangements in place - monthly to Programme Delivery Board, to Cabinet and to Joint Strategic Forum. Established a network of stakeholder groups e.g. landowners forum with regular communications in place. | Risk Owner: Director of Place & Sustainability Control Owner: Interim Director - Tottenham Regeneration | 28-Aug-2013 | 9 | 5 | 45 | ● | DG_R001_F001 | Undertake additional targeted research to allow strategic investment decisions specifically around growth and employment opportunities | 0% | 31-Dec-2013 |
| | | | | | | | | | DG_R001_F002 | Theme Groups to produce key outcome and output performance measures for each strategic theme. | 0% | 31-Dec-2013 |
| | | | | | | | | | DG_R001_F003 | Establish support services, including financial, engagement, legal, procurement and property for the programme and the projects | 0% | 31-Mar-2014 |
| | | | | | | | | | DG_R001_F004 | Project dossier review to be undertaken alongside resource alignment planning | 0% | 31-Dec-2013 |
| DG_R002 | Failure to ensure that every child in | Continued investment in support to achieving school | Risk Owner: Director of | 20-Aug-2013 | 5 | 5 | 25 | ▲ | DG_R002_F001 | Review the In Year Fair Access panel to improve its impact | 0% | 31-Mar-2014 |

| | | | | | | | | | | | | |
|---------|--|--|-------------|---|---|----|--|--|--------------|--|-----|-------------|
| DG_R003 | standards; Greater concentration of school improvement resource on the EYFS; Childrens Centres Review to be implemented and early help offer to be revised to increase its impact; Separation of Commissioning role from provider and improvement roles The outstanding for all project is in place and on track School admissions has moved to the commissioning service | Children's Services Control Owner: Deputy and Assistant Directors of Children's Services | | | | | | | DG_R002_F002 | Establish 14-19 partnership | 0% | 31-Mar-2014 |
| DG_R003 | Failure to manage the impact of Welfare Reform Act and Benefits Cap on Council resources, and applicants for support | Risk Owner: Director of Adults & Housing; Assistant Chief Executive Control Owner: Deputy Director - Housing; Head of Revenues, Benefits & Customer Services | 03-Sep-2013 | 6 | 7 | 42 | | | DG_R003_F001 | Work to discharge duty to the Private Rental Sector. Determine rent policy. | 40% | 31-Mar-2014 |
| DG_R004 | Non-accidental death or serious injury to a child | Risk Owner: Director of Children's | 03-Sep-2013 | 9 | 7 | 63 | | | DG_R004_F001 | The QA Board has a target set of audited practice to be 60% of higher good or better against | 0% | 31-Mar-2014 |
| | | | | | | | | | DG_R002_F003 | Obtain Big Lottery Funding to support 0-3s in targeted areas. | 0% | 31-Mar-2014 |
| | | | | | | | | | DG_R002_F004 | Draft Early Help Policy on Forward plan | 0% | 31-Mar-2014 |
| | | | | | | | | | DG_R002_F005 | Implement a model of accountability for Early Years settings | 0% | 31-Mar-2014 |
| | | | | | | | | | DG_R003_F002 | Universal Credit implementation preparation | 10% | 31-Mar-2014 |
| | | | | | | | | | DG_R003_F003 | Council Tax Reduction Scheme Year 2 report to Full Council | 0% | 31-Jan-2014 |
| | | | | | | | | | DG_R003_F004 | Support Fund procurement | 85% | 31-Dec-2013 |

| | | | | | | | | | | | |
|-----------|---|---|--|-------------|---|---|----|--|---|-------------------|---|
| DG_R005 | Failure to manage significant future reductions in local and national income streams | well trained and supported staff; Dedicated OD professional supports practice development; Multi agency safeguarding arrangements are in place which identify children at risk and support plans to reduce risk and support families to safeguard children; LSCB provides clear governance arrangements which challenge and support the partnership in its safeguarding duties; Multi Agency Safeguarding Hub (MASH) arrangements are embedded; Performance management approach identifies individual, service and partnership performance issues; Our performance data compares our rates of performance against that of good or outstanding statistical neighbours; Ofsted grade descriptors for good and outstanding practice are used in case file audits and supervision to improve the consistency of practice; Principal Social Worker in place to support practice development. | Services Control Owner: Assistant Director of Children's Services | 21-Aug-2013 | 9 | 4 | 36 | DG_R005_F001 DG_R005_F002 DG_R005_F003 | Ofsted standards in order to reduce likelihood. | 50% 75% 20% | 31-Mar-2014 31-Mar-2014 31-Mar-2014 |
| DG_R005_5 | Medium Term Financial Plan is in place and is subject to review by officers and members on a regular basis. Corporate Plan in place for 2013/14. Savings plans in place for 2013/14 and monitored by Directors and senior managers on a monthly basis. Savings plans for 2014/15 | | Risk Owner: Director of Corporate Resources Control Owner: Assistant Director - Finance | | | | | | Ensure there is a focus on responding to central government announcements as they affect LB Harlington. Consider the reporting arrangements for the monitoring of savings plans. Progress the actions to identify the service changes needed for 2015/16. | | |

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|---------|--|---|-------------|---|---|----|--|--------------|--|----|-------------|
| DG_R006 | Failure to manage increased service demands - and resultant budget pressures - from residents impacted on by deteriorating economic conditions | (£20m) considered by June 2013 Cabinet. Monitoring of the implementation of the plans undertaken monthly by Directors and senior managers. New legislation is considered for potential financial impact. Implications of the localisation of business rates and the localisation of council tax benefit monitored. Preparations for the service modelling for the setting of the 2015/16 budget in place. Budget proposals are risk assessed prior to approval. Contingency and reserve levels are reviewed. Estimates of future funding levels within the MTFP reviewed by officers after each spending announcement. Service and financial planning process enhanced to ensure continued focus on targeting resources to service priorities as set out in the corporate plan. | 21-Aug-2013 | 8 | 4 | 32 | | DG_R006_F001 | Develop regeneration plans that open up work opportunities to the residents, | 0% | 31-Mar-2014 |
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London Borough of Haringey
The Management of Risk
Corporate Policy and Strategy

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|--------------------------------|--------------|
| Author: | Anne Woods |
| Owner: | Anne Woods |
| Version: | 7.3 |
| Classification: | UNCLASSIFIED |
| Issue Status: | FINAL |
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| Date of Latest Re-issue | 20/09/13 |

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RISK MANAGEMENT POLICY

Haringey is committed to implementing a Risk Management Strategy, framework and the necessary supporting processes as part of the Council's on-going improvement programme. This will help to improve and strengthen corporate governance and front-line service delivery throughout the Council. The aim is to minimise the incidence and impact of risk taking activity, improve decision making and increase opportunities for innovation.

The Council undertakes that this policy will promote and ensure that:

1. The management of risk is linked to performance improvement and the achievement of its priorities and service objectives.
2. Members, the Council's Directors' Group and senior management own, lead on and support risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
4. There is a commitment to embedding risk management into the Council's culture and organisational processes at all levels including strategic, programme, project and operational.
5. All Members and officers acknowledge and embrace the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
7. Open and inclusive processes are established and maintained by involving all those associated with the planning and delivery of services, including stakeholders and partners.
8. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
9. Accountability to stakeholders is fully demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.
10. The Council's approach is regularly benchmarked against high performing public and private sector organisations.
11. The Risk Management Strategy is reviewed and updated (where appropriate) annually, in line with the Council's developing needs and requirements.

1. BACKGROUND

- 1.1 It is now recognised that all organisations face a range of risks which may affect the achievement of their objectives. Risk management is therefore an essential part of securing the 'health' of an organisation. Risk management is an important element in the running of any business: ensuring that threats to corporate objectives and service delivery are minimised; and that business opportunities are exploited to maximise resources or revenue.
- 1.2 Risk management is part of the overall arrangements for securing effective corporate governance. Corporate governance can be described as the systems which local authorities use to direct and control their operations and relate to their communities.
- 1.3 Good corporate governance can provide the authority's various communities, partners and other organisations, with confidence that the council maintains the highest possible standards in delivering their services. It is impossible for any organisation to achieve effective corporate governance arrangements without an effective risk management framework.
- 1.4 The council also has to comply with various statutory requirements which include issues relating to corporate governance or risk management. The Accounts and Audit (Amendment) (England) Regulations 2011 require local authorities to review, at least once a year, systems they have in place to control and manage the services they provide. The Council must also publish an Annual Governance Statement, which represents the end results of its annual review, with its financial statements.
- 1.5 Other key statutory issues for the council in relation to risk management include the requirements of the Civil Contingencies Act 2004 and the Health and Safety at Work Act 1974 and its related legislation. Internally, the council has developed various business planning, performance and project management frameworks, including business continuity and emergency planning - which all require risk management to be considered.
- 1.6 Everyone within the council has a role to play in managing risk. In order to put this in context and provide an explanation of how the various statutory and local requirements should be met, this corporate policy and strategy has been developed. This builds on the Council's previous risk management strategies to indicate where the various statutory and key corporate requirements fit in.

2 INTRODUCTION

- 2.1 This strategy provides an overview of Haringey's risk management position and what the council needs to do to assist in recording, managing and reporting its significant risks and clarifies the various roles, responsibilities and governance structures.
- 2.2 Haringey Council, via statutory requirements and corporately set objectives, must balance the demands of service users and tax payers; involve communities in service provision; deliver, commission and regulate services; and enter into strategic and local partnerships, often involving complex funding arrangements.
- 2.3 Balancing all of these, sometimes conflicting, objectives means that the council needs a framework which ensures that a pro-active approach is taken and risks are considered before decisions are taken by the appropriate body.
- 2.4 The aim of this strategy is to ensure that risks are identified at the right time to enable good decisions to be made, including:
- reducing the impact and/or number of risks which could prevent the council achieving its objectives;
 - ensuring that the council takes advantage of opportunities to improve its performance; and
 - working with third sector, other public sector organisations, and other key external partners, to maximise opportunities available.
- 2.5 Risk management can make a difference and enhance the performance of the council by:
- Identifying and preventing the bad things from happening; and
 - Ensuring that all the good things we want to do actually happen.
- 2.6 The aim of this strategy is to ensure that everyone responsible for managing and taking decisions is aware not only of the key risk management functions, but also their responsibilities in relation to them.
- 2.7 From departments' and business unit managers' perspectives, the emphasis should be to achieve their objectives and deliver their services. Risk management should be used to facilitate this in the most effective way possible. By using a systematic approach, managers will ensure that they consider all the options available to them, and be in a better position to anticipate and respond to changing social, environmental and legislative requirements.

3 WHAT IS RISK?

3.1 For a public body such as Haringey Council, risk can be defined as:

Anything that poses a threat to the achievement of our objectives, programmes or service delivery to the residents, businesses and communities of Haringey.

3.2 Risks can come from inside or outside the council, and may include financial loss or gain, physical damage to people or buildings, client dissatisfaction, unfavourable publicity, failure of equipment, or fraud. Failing to take advantage of opportunities may also have risks for the Council, for example not bidding for external funding, or not publicising successes.

3.3 Taking advantage of new opportunities, for example working with the voluntary sector or other councils and organisations to deliver services, can also mean the Council has to deal with different types of risks. However, not taking advantage of these opportunities may leave the Council facing bigger risks in the future.

3.4 Therefore, some risks should not necessarily always be avoided. However, this means the Council should always carefully think through decisions which may cause losses of confidence, finance, or reputation. If risks are identified and managed effectively, they can allow the council to take opportunities for improving services.

3.5 Risks can be classified according to how they may affect the council as it delivers its services:

- **Corporate (strategic) risks** - risks which may affect the council's ability to achieve its plans.
- **Reputational risks** - risks that may undermine the confidence that the council's partners, customers, staff and the public have in it, e.g. adverse news articles.
- **Service (operational) risks** – risks which may prevent the council delivering its core services, e.g. lack of staff, damage to buildings, equipment failure.
- **Financial risks** – risks which may cause a breakdown in the council's financial systems e.g. fraud. Alternatively, risks arising from an economic downturn, e.g. on investments, debt management, etc.

4 WHAT IS AN ACCEPTABLE RISK?

4.1 As a general principle, the Council will seek to eliminate and control all those risks which:

- have a high potential for incidents to occur;
- would have a substantial adverse financial or reputational impact;
- would cause loss of public confidence in the Council and/or its partner organisations; or
- may stop the Council from carrying out its statutory functions or achieving its strategic objectives.

4.2 The Council recognises that it is impossible to eliminate all risks, especially those which it has no control over e.g. the UK economy, changes to legislation, climate and weather influences, or external power failure. This is not an exhaustive list, but provided for illustrative purposes only.

4.3 The Council will always try to reduce or eliminate risks wherever possible, but it needs to strike the right balance between how much it costs to manage or eliminate risks and taking no action. For example, the costs of eliminating risks in a system may be more than the amount of money the Council may lose if the system were to fail. In these circumstances, the Council would want to ensure that there were sensible precautions taken to manage the risks, but that these were balanced against what it would cost if the system were to break down.

4.4 Systems that the Council puts in place should therefore be flexible enough to encourage innovation and imaginative use of its limited resources, subject to any legal requirements, in order to deliver better services to its residents.

4.5 All projects and change programmes carry with them some risk of failure. The willingness to take advantage of opportunities or new innovation, in a managed way, is a sign of an ambitious organisation. It is important that risks associated with opportunities and innovation are identified and effectively managed, to ensure that the strategic objectives of the Council are achieved.

5 WHAT IS RISK MANAGEMENT?

5.1 There is no such thing as a risk-free environment, but many risks can be avoided, reduced or eliminated through good risk management. Good risk management also takes advantage of opportunities while analysing and dealing with risks.

5.2 Risk management is something that managers do every day as part of their normal work, although it may not always be written down, and managers may not use a formal procedure to make their final decision. Risk management can be explained as a tool for managers to use so that they are able to identify, evaluate and manage both risks and opportunities in a logical and consistent way.

5.3 Good risk management is forward looking and helps to improve business decisions and manage performance. It is not only about avoiding or minimising losses, but also about dealing positively with opportunities.

5.4 In addition to fulfilling statutory requirements, it should be recognised that there are many benefits to making sure that risk management is considered and applied at all levels in the Council, including:¹

- Allowing managers to focus on the issues that really matter;
- Spending less management time on operational issues;
- Fewer surprises;
- Managers are focused on doing the right things, in the right way;
- Better chance of achieving business objectives;
- Better chance that new developments can be delivered on time, in accordance with the planned programme and within budget; and
- More informed risk taking and decision making.

5.5 Risk management should be considered as a continuous process, which evolves as the Council gains more understanding of the risks and opportunities facing it and how to manage these effectively.

5.6 Risk management consists of a number of elements, which should be considered and applied regularly during the course of the year, as part of the Council's cycle of performance management and improvement processes:

- Understanding the Council's, department's, or business unit's objectives;
- Identifying and assessing the risks facing it;
- Assessing the actions in place to manage the risks;
- Taking action to improve, monitor and learn from experiences.

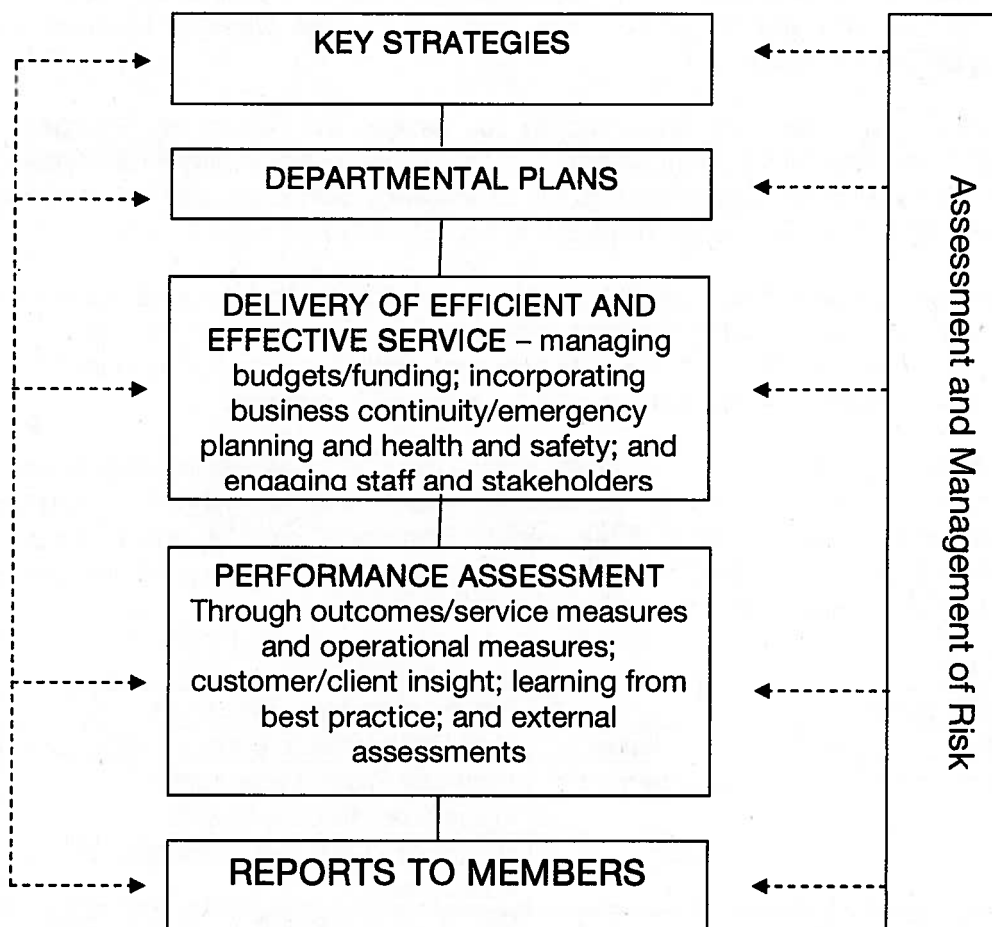
¹ Source: 'Embedding Risk Management into the Culture of your Organisation' The Institute of Internal Auditors – UK and Ireland, October 2003.

6 WHO IS RESPONSIBLE FOR RISK MANAGEMENT?

6.1 Directors and senior managers are responsible for managing their services. They are therefore responsible for identifying, assessing and managing the risks associated with planning, delivering and monitoring each of their services.

6.2 The following diagram illustrates the key processes in the council's overall approach to the provision of its services. The assessment and management of risk is essential to all aspects of this approach and is shown as an overarching aspect of service delivery.

Figure1



- 6.2 Additionally, the Chief Financial Officer has a specific statutory responsibility, under section 151 of the Local Government Act 1972, to ensure that the Council maintains high standards in managing its financial systems and that its procedures comply with all relevant legislation and local procedures.
- 6.4 The Council's Directors' Group is responsible for approving the Council's risk management policy and strategy at officer level and for ensuring that this is reviewed and updated on a regular basis. The Directors' Group is also responsible for reviewing and approving the corporate risk register, business continuity plan and health and safety policy on a regular basis.
- 6.5 The Council's Corporate Committee has responsibility for approving the risk management strategy at member level and is also responsible for reviewing, on an annual basis, the implementation of risk management across the Council. Risk management is included as part of the portfolio for the Cabinet Member for Finance and Carbon Reduction.
- 6.6 The Council has a statutory responsibility to "assess the risk of an emergency occurring" under the Civil Contingencies Act 2004. This responsibility is undertaken in partnership with other agencies (e.g. the Emergency Services), and the resulting Community Risk Register is signed off at the Local Resilience Forum.
- 6.7 The Council also has a responsibility, which is statutory in some cases, to ensure that the strategy covers bodies working in partnership with the Council. It is critical that both the risk appetite and risk management arrangements for all parties are discussed and clearly understood before a partnership is created.
- 6.8 Figure 1 above sets out the various areas across the council where managers need to consider the risks in relation to their business, and how these should be addressed. In practice, the council has various corporate systems and processes which should be completed in order to ensure that risks are appropriately considered. These are set out below in Table 1 below:

Table 1

| Area/Process | Action required/Response |
|--|---|
| Strategic and Departmental Planning | Risk Register(s) to be completed |
| Project & Programme Management | Haringey Project Management Framework to be followed |
| Business Continuity/ Disaster Recovery | Business Continuity Plan(s) to be completed |
| Health and Safety | Risk Assessment(s) to be completed |
| Performance Management | Outcomes, service measures and operational measures to be monitored |

7 RISK MANAGEMENT – THE FRAMEWORK

- 7.1 Our vision is that all significant risks which may prevent the Council from achieving its objectives and all appropriate opportunities are identified, assessed and cost effectively managed, as part of the whole Council performance management process.
- 7.2 The key objectives of the framework are to ensure that the Council has a consistent approach and basis for measuring, controlling, monitoring, follow-up and reporting of risk that is based on what the Council, not any individual, judges to be acceptable levels of risk.
- 7.3 The framework demonstrates how the management of risk is embedded in the various business processes across the council, including business planning, financial planning, business continuity, performance management and project management.
- 7.4 Table 2 below provides a summary of the council's business planning cycle and how the business processes operate within this.

Table 2

| Timing | Activity | Completed by | Key Contact |
|---------------------------------------|---|-----------------------------------|---|
| April | Finalise Departmental Plans | Business Unit Head | Policy Intelligence and Partnerships Team |
| April, June September, December | Review and update of risk registers (key risks) and progress against departmental plans – activity and key milestones | BU Head/ DMT/ Directors' Group | Head of Audit & Risk Mgmt/Policy Intelligence and Partnerships Team |
| April and September | Review and update of Business Continuity Plans and risk registers (all risks) | BU Head/ DMT/ Directors' Group | Emergency Planning and Business Continuity Manager |
| April - March | Collate and monitor outcomes, service measures and operational measures | BU Head | Policy Intelligence and Partnerships Team |
| April - March | Completion of Project Management Highlight reports in accordance with project requirements | Project Lead | Policy Intelligence and Partnerships Team |
| April | Undertake required risk assessments | BU Head/ DMT | Health & Safety Manager |

7.5 Education, training & awareness is achieved by:

- Facilitated workshops, training sessions and meetings with Members, managers and staff at various levels.
- A developing framework of standards, practical guidance notes and briefings.
- Regular meetings with managers and staff to heighten awareness and share views, ideas and experiences.

7.6 The Council uses Covalent as part of its corporate performance management framework. This electronic interactive database is used for the following:

- Departmental plans, including key outcomes, service measures and operational measures that will be reviewed in accordance with the Council's performance framework.
- Corporate, departmental and business unit risk registers that will be updated, based on risk, in accordance with the agreed framework.
- A database of risk data and information for analysis and reporting.
- The identification of control areas that need to underpin the Strategic and Annual Internal Audit Plans.
- Further integration with outcomes from value for money reviews; outstanding high risk audit recommendations; corporate health and safety risks; business continuity management; Civil Contingencies Act; Crime and Disorder; and Equalities.
- Effective links between risk management, performance management and business planning.

7.7 Previous sections of this strategy have listed the areas where the council requires managers to complete corporate processes. Table 3 below details the appendices which set out how the framework operates in practice for each of these areas:

Table 3

| Area | Appendix |
|---|-----------------|
| Completion of Risk Registers | A |
| Project & Programme Management | B |
| Business Continuity Plans | C |
| Performance Management Framework (Overview) | D |

8 HOW ARE RISKS REVIEWED AND REPORTED?

- 8.1 The council has various means of measuring and recording risks. The reporting of each of these areas, together with the links between each process, is set out below.
- 8.2 Risk registers are subject to regular review and update on a six monthly or quarterly basis, depending on risk, by business units, departments and the Directors' Group. The timing for the reviews coincides with and forms part of the annual business planning process. Key risks are escalated from business unit registers to departmental registers (where applicable) and ultimately on to the corporate register where the realisation of the risk may impact on the ability to achieve corporate or statutory objectives.
- 8.3 The Corporate Business Continuity Plan (BCP) is reviewed and subject to test on an annual basis. The Emergency Planning and Business Continuity Planning team maintain the corporate plan, incorporating lessons from incidents and exercises. Business Unit BCP's should be reviewed twice a year in line with the business planning cycle (in September and April). Reports are provided to the Directors' Group and members detailing the implementation and management of the Council's BCP's. Key BCP risks are included on business unit, departmental and the corporate risk register as appropriate.
- 8.4 The council's project management framework requires risks affecting each project to be reviewed prior to the completion of each project highlight report and reported to the relevant project board. Reports to the Directors' Group and members are provided on a regular basis as part of the reporting cycle. Projects which carry significant risks to the achievement of business unit or departmental objectives should be included in business unit or departmental risk registers, with escalation to the corporate risk register in cases where the failure of the project may impact on the ability to achieve corporate or statutory objectives.
- 8.5 Health and safety risks are addressed based on the Health and Safety Executive's 'Sensible Risk Management' strategy, which the council has adopted. Managers at all levels are required to ensure that key assessment processes e.g. display screen assessments and safe working practices are completed on a regular basis. Reports to the Directors' Group and members detailing compliance with the council's policies are provided on a regular basis.
- 8.6 Quarterly performance assessments against key service indicators and progress monitoring against departmental plans takes place in addition to reviews of performance monitoring and quality assessments within departments. The Council uses a dashboard reporting and RAG status format to highlight key risk areas.
- 8.7 The Council has to produce an Annual Governance Statement every year, which is an assessment of the systems the Council has in place to control and manage the services they provide. Compliance with this risk management strategy and framework will provide assurance to the Directors' Group and members that risks are being properly managed.

The completion of risk registers

1. Identification of risks

- 1.1 Risk registers should allow Business Unit Heads, Directorate Managers and members of the Directors' Group to record those risks and controls which have been identified as the most important in making sure that the Council delivers its services effectively.
- 1.2 The first stage of the process is to identify the risks (including opportunities) facing the Business Unit/Directorate/Council. In line with the CIPFA/SOLACE guidance, Haringey's risk management framework is linked to business and service delivery objectives. These business objectives are identified by departments and business units as part of the annual planning process.
- 1.3 The Council has a corporate risk register which identifies the most significant risks facing it. Each department has its own risk register (where appropriate) which identifies the key high level risks which could impact on the directorate or the Council as a whole. All business units within the Council also have their own risk registers which should focus on the key risks affecting each individual service, although some of the risks may have an impact on whether the department or the Council meets its objectives.
- 1.4 Business Units may choose to include only the key (high level) risks facing them on their risk register and to set up subordinate risk registers within Covalent, which can be cross-referenced to the business unit register. This would allow specific projects or risks to be allocated to service managers to monitor and report on and allow the business unit and departmental management teams to focus on managing and reviewing the key risks.

2. Assessment of risks

- 2.1 When all the relevant key risks have been identified, a numerical scoring system is used to determine which are the key risks to the department or business unit. Risks are scored using two factors:
 - **Likelihood.** An assessment is made of how likely the risk is to occur in practice; and
 - **Impact.** An assessment is made on if the risk did occur, what would be the impact on the department, business unit, or system.
- 2.2 Managers decide on the likelihood and impact of each of the risks identified for their department or business unit as they are in the best position to be able to assess the likelihood and impact of each of the risks on their specific departments.
- 2.3 In order to ensure a consistent approach across the Council, specific criteria have been agreed for the likelihood and impact scores. The Impact and Likelihood Scales are attached at Appendix A1, which also provides further detail on when the relevant managers should take action, or further action, to manage risks effectively and consistently.
- 2.4 The impact/likelihood scores are based on a 12 month assessment period, in line with the Council's business planning process, although with review of risk registers on a quarterly basis this is effectively a rolling 12 month assessment. The impact and likelihood of individual risks may change over time, depending on changing circumstances, therefore it is important to review the assessments which have been made on a regular basis.

The completion of risk registers

2.5 The identified control in place to manage each risk should either reduce the likelihood that a risk will occur, or the impact if it were to occur. If the score is still at an unacceptably high level having considered the controls in place, additional actions may be required in order to reduce the risk level further.

2.4 The Council's objective is to make sure that the most cost-effective controls are in place for each risk, and that managers have considered the cost against the benefit of the control. This may mean that certain risks have a high residual score because the cost of reducing the risk may be higher than the potential cost, if the risk actually happens.

2.5 The risk registers therefore contain the following:

- key risks and which officer is responsible for managing those risks;
- controls in place to manage the risks, and who is responsible for implementing and managing those controls;
- risk scores; and
- any further actions required, and who is responsible, together with a timescale for completion.

3. Assurances on the effectiveness of key controls

3.1 The Council wants to ensure that the controls which managers say are in place to manage the key risks are both in place and working effectively. The annual programme of internal audit work includes resources to test the key controls specified within the risk registers, based on the level of risk involved.

4. Monitoring of risks

4.1 Setting up the risk registers is only one part of the risk management process. In order to achieve real benefits from implementing risk management, it is important that the risk registers are reviewed and kept up to date in accordance with the corporate risk management strategy. Managers should review all risks with a risk score of 32 or above on a quarterly basis. All other risks should be reviewed on a six monthly basis.

4.2 The Directors' Group will review and update the corporate risk register on a quarterly basis. The update may take the form of new risks, changes to or additional controls, and changes to risk scores. Key triggers for significant changes to risk registers will be new or changing regulations, implementation of new departmental or corporate projects, high staff turnover, changes in the external environment, and Internal Audit reviews.

4.3 The Corporate Committee will, on an annual basis, review the corporate risks identified and confirm their acceptance of both the risks which have been identified, and the actions in place to manage them.

4.4 Using the framework, a consistent methodology for measuring and scoring risks is applied throughout the Council. What managers need to do to deal appropriately with risks at various levels, is detailed at Appendix A1.

APPENDIX A

The completion of risk registers

APPENDIX A1 – Impact and Likelihood Scales

To be used as a guide in assessing risk ratings:

| Descriptor | Impact Guide | Likelihood Guide |
|------------|--|---|
| 1 | No impact | <1% likely to occur in next 12 months |
| 2 | Financial loss up to £5,000 or no impact outside single objective or no adverse publicity | 1%-5% likely to occur in next 12 months |
| 3 | Financial loss up to £10,000 or no impact outside single objective or no adverse publicity | 5%-10% likely to occur in next 12 months |
| 4 | Financial loss up to £50,000 or minor regulatory consequence or some impact on other objectives | 10%-20% likely to occur in next 12 months |
| 5 | Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism | 20%-30% likely to occur in next 12 months |
| 6 | Financial loss up to £300,000 or impact on many other processes or local adverse publicity or regulatory sanctions (such as intervention, public interest reports) | 30%-40% likely to occur in next 12 months |
| 7 | Financial loss up to £500,000 or impact on strategic level objectives or national adverse publicity or strong regulatory sanctions | 40%-60% likely to occur in next 12 months |
| 8 | Financial loss up to £1 million or impact at strategic level or national adverse publicity or Central Government take over administration | 60%-80% likely to occur in next 12 months |
| 9 | Financial loss above £1 million or major impact at strategic level or closure/transfer of business | >80% likely to occur in next 12 months |

The completion of risk registers

Measuring what is an acceptable risk

| | | | | | | | | | | |
|--------|---|------------|----|----|----|----|----|----|----|----|
| Impact | 9 | 9 | 18 | 27 | 36 | 45 | 54 | 63 | 72 | 81 |
| | 8 | 8 | 16 | 24 | 32 | 40 | 48 | 56 | 64 | 72 |
| | 7 | 7 | 14 | 21 | 28 | 35 | 42 | 49 | 56 | 63 |
| | 6 | 6 | 12 | 18 | 24 | 30 | 36 | 42 | 48 | 54 |
| | 5 | 5 | 10 | 15 | 20 | 25 | 30 | 35 | 40 | 45 |
| | 4 | 4 | 8 | 12 | 16 | 20 | 24 | 28 | 32 | 36 |
| | 3 | 3 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 |
| | 2 | 2 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 |
| | 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | Likelihood | | | | | | | | |

Red

Amber

Green

| Risk Score | Value | Action required |
|------------|---------------------|--|
| 12 or less | Up to £50k | No further action is required to reduce risks, but managers should ensure that the specified controls are operating effectively. Managers should review the controls for low risk areas to ensure there are not too many controls in place, or the controls outweigh the cost of any potential system failure. |
| 14 – 30 | £5k - £300k | Implementation of further action and additional controls may be required. The costs and benefits of additional controls should be considered. The relevant departmental management team may agree that no further action should be taken. This decision must be recorded on the risk register within the relevant 'controls' section. |
| 32 or more | £50k – £1m and over | Implementation of additional controls is required for any new risk with a risk score of 32 or higher. If the Business Unit or Department does not want to introduce any more controls, the Directors' Group must consider and agree their approach. The approval should be recorded on the risk register. If the impact of the risk is considered significant (impact score of 5 or 6) and/or the likelihood of the risk happening is thought to be high (likelihood score of 8 or 9), the relevant departmental management team must review them and agree the approach to manage them. If the impact of the risk is considered substantial, major or catastrophic (impact score of 7, 8 or 9), the Directors' Group must review them and agree the approach to manage them. |

Project and Programme Management

Projects are one-off activities which bring about change. Projects tend to be risky for two reasons, because:

1. the organisation has limited, if any, experience of undertaking the work before; and
2. the impact of change cannot always be predicted from the outset.

To minimise risk to work done in a project environment project managers follow Haringey's Project Management Framework (PMF). The PMF outlines:

- set project management processes;
- roles and responsibilities;
- guidance on governance; and
- the monitoring structure, sign-off procedures, and quality assurance provided by the Programme Management Office.

It also contains standard templates for all key documents and guidance on how they should be completed.

The Council also has a Corporate Programme Management Office (PMO) to oversee compliance with the PMF and to manage risk at a programme level.

The Risk Management Cycle

All risks within the project environment, whether programme or project level, are handled according to the standard risk management cycle. See diagram below:

Risk Analysis



Risk Management at Programme vs. Project level

Programme-level risks are those risks which affect the intended benefits of a programme. There are two main types of programme level risks:

- a) those risks which affect all or a number of projects within the programme; and
- b) those risks which so substantially affect the benefits of a key project that they put the programme benefits at risk.

These risks are held by the Corporate PMO in the Programme Risk and Issue Log. The Corporate PMO manages the log by:

- Horizon scanning for risk;
- Holding and updating the log, whether risks are raised inside or outside the PMO;

Appendix B

- Circulating the log to the Programme Boards and through the Chairs of the Boards to the Directors' Group and other key stakeholders to ensure that there is an awareness of risks; and
- Monitoring whether risk owners are undertaking management action as assigned.

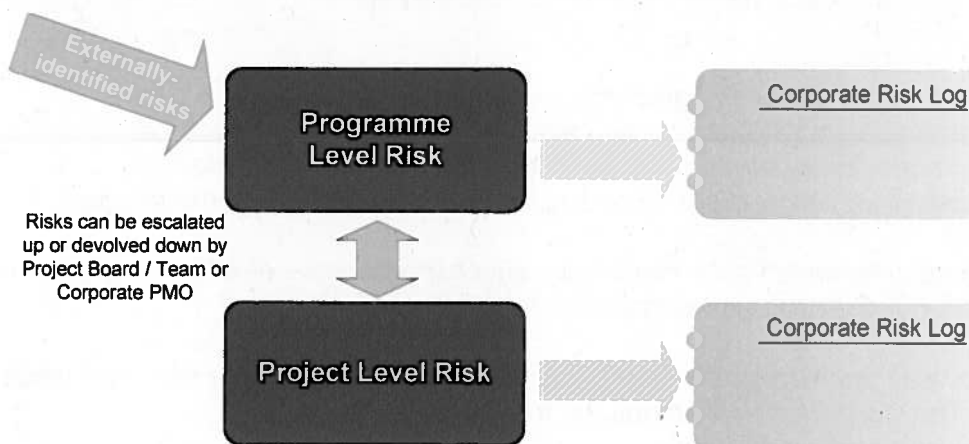
Project-level risks are those risks which affect the intended outputs or benefits of the project. Project managers are responsible for managing and logging project level risks. Project managers may delegate the management of risk to appropriate risk 'owners', but they retain accountability for the management of risk. Project managers are expected to keep unwanted outcomes to an acceptable minimum.

Project managers should review the project risk log every time they submit a Project Highlight Report. A full risk review of the project should be undertaken at the end of every project stage.

Link with Corporate Risk Management Processes

The steps in project and programme risk management are as follows:

1. Risks which are identified at project level are logged by the project manager in the project risk log, and if this places the directorate's objectives at risk, it should also be logged on the Corporate Risk Register for the Business Unit.
2. Corporate PMO receive a copy of each project's risk log as part of the monthly Project Highlight Report.
3. Corporate PMO assess whether the risks are deemed significant at programme level. If they are, the risk is logged in the Programme Risk Log. The Programme Risk Log is circulated to all project managers, sponsors, and the senior management team.
4. Programme-level risks may also be picked up by Corporate PMO and other stakeholders through horizon-scanning. If they are also significant at the project level they may be devolved down to the project manager for monitoring within the project environment too. This process is shown in the diagram below:



Business Continuity Plans

1. Overview

- 1.1 Business Continuity Plans allow Business Unit Heads, Departmental Managers and members of the Directors' Group to manage threats or incidents that have the potential to disrupt the delivery of services or the conduct of Council business.
- 1.2 By focusing on the impact of disruptive events, BCM identifies the critical services and function the organisation depends on, and what is required for the organisation to continue to meet its obligations to its many stakeholders. This allows the organisation to:
- Take steps to protect its people, premises, IT, supply chain, reputation etc
 - Plan to respond effectively to disruptive events and challenges
- 1.3 Business Continuity Management is a cyclical process, and is designed to manage and control risks which can be described as "low probability, high impact" events. It involves four stages:
- Understanding the organisation
 - Determining the Business Continuity Strategy
 - Developing and implementing the BCM Plans
 - Exercising maintaining and reviewing
- 1.4 It requires both leadership and ownership from senior management, and understanding and support throughout the organisation. For this reason, Business Continuity Management is a mainstream activity that is required of all Business Units.

2 Roles and responsibilities

- 2.1 The Emergency Planning and Business Continuity Team are responsible for :
- maintaining the corporate Business Continuity Plan, and advising the Directors' Group of key Business Continuity risks, and mitigation strategies.
 - providing advice and training to Business Units to support their Business Continuity planning.
 - Providing a programme of exercising to validate corporate and Business Unit plans.
- 2.2 Heads of Business Units are responsible for:
- Considering the risk of business continuity disruption in their Risk Register
 - Ensuring Business Continuity Plans are in place and reviewed twice a year.
 - Providing data to the Emergency Planning and Business Continuity Team to inform the corporate Business Continuity strategy.
- 2.3 Each Directorate should appoint a Tier 2 lead on Business Continuity who will:
- Lead on and champion Business Continuity within the Directorate
 - Represent the Directorate on the corporate Business Continuity Management team in the event of an incident requiring a corporate response.

3 Understanding the organisation

3.1 There are two aspects to this stage of Business Continuity Planning:

- Identification and assessment of Business Continuity risks
- Analysis of the criticality of services and functions, and the resources required to support them.

3.2 Business continuity risks are identified by the Emergency Planning and Business Continuity Team, based on the Community Risk Register compiled in conjunction with the Emergency Services. Other Business Continuity Risks are identified by the IT Services.

3.3 Guidance on the likelihood of these risks occurring is provided centrally to Business Units, who must then consider the impact of these risks on their own operations and services. Business Units are expected to enter into their Risk Register any individual BC risks that are of particular significance to them, or a generic BC risk if no individual risk is significant.

3.4 Analysis of the criticality of services and functions of a Business Unit is undertaken on the basis of the length of time the service could cease to function for, before a "Level 5" impact was felt on the Council Risk Management Framework Impact scale (see Appendix B1). Since this prioritisation of services will determine the order in which the Council recovers its services in the event of an incident, these priorities should be agreed with the responsible Cabinet Member.

3.5 Each service is also required to identify and report to the Emergency Planning and Business Continuity Team annually on the resources they would require to maintain their service, considering:

- People
- Premises / workspace
- Resources
- Suppliers
- IT
- Vehicles

4 Determining the Business Continuity Strategy

4.1 The Councils Business Continuity Strategy operates at two levels: local strategies developed by Business Units and services managers, and the corporate strategy for dealing with larger events.

4.2 Each Business Unit is required to identify local actions they can take to maintain services in an incident. These can include remote working, temporary suspension of non-key functions, supplier management strategies etc. Business Units should also consider what actions they can take to improve the resilience of their operations – for example by changing operational processes, identifying alternative suppliers of goods and services, identifying changes to the configuration of premises or infrastructure.

4.3 Corporate Business Continuity strategy focuses primarily on larger disruption of access to premises, and major workforce disruption. This strategy is

developed based on an analysis of the data provided by the Business Units (see 2.5).

- 4.4 This plan is linked to the IT Business Continuity Plan, and provides the priority order for recovery of IT Services in aftermath of an incident affecting IT Services.

5 Developing the Business Continuity Plans

- 5.1 The Business Continuity Response is again split into corporate and local actions. The Corporate Business Continuity Plan sets out the incident management framework for the Council as a whole, roles and responsibilities, notification and escalation processes.

- 5.2 Business Unit or service Business Continuity Plans are produced according to a corporate template, and include local notification and incident management arrangements and checklists, along with the recovery requirements and actions plans for restoration of services.

- 5.3 Every Business Unit must have a Business Continuity Plan or plans covering every aspect of their service.

- 5.4 Business Units are also required to verify the Business Continuity arrangements of their key suppliers and partners.

6 Exercising, maintaining and reviewing

- 6.1 The Corporate Business Continuity Plan is reviewed and exercised annually. The Emergency Planning and Business Continuity Planning team maintain the plan, incorporating lessons from incidents and exercises.

- 6.2 Business Unit plans are required to be reviewed twice a year (in October and April). These reviews should take account of lessons from incidents and exercises, and organisational and operational changes that have occurred since the last review.

- 6.3 In addition, the Emergency Planning and Business Continuity Team will audit a number of Business Unit plans each year on a risk basis.

- 6.4 Business Units plans will be exercised at least every three years, based on a corporate programme developed by the Emergency Planning and Business Continuity Team.

APPENDIX C1: Service Prioritisation Guide

What are your priorities for Business Continuity, in the event of an incident, and the target recovery time?

| Emergency Response (Immediate) | Critical Services (Recover within 4 hours) <i>List individual services</i> | High Priority (Recover within 24 hours) <i>or aspects of services</i> | Medium Priority (Recover within 3 days) <i>in these boxes according</i> | Low Priority (1 week +) <i>to their priority.</i> |
|---|---|--|--|---|
| <p>At what point would service disruption have a "Level 5" Impact: i.e. Financial loss up to £100,000 or impact on other objectives or local adverse publicity or strong regulatory criticism</p> | | | | |
| <p>↓</p> | | <p>↓</p> | | |
| <p>In general, the only services that fall into this category are those where the welfare of the public is immediately affected. For example, Home Care Services – if this was suspended, clients who were not visited may well be at a serious health risk.</p> | | <p>Likely to be project work, consultation, strategy development etc.</p> | | |
| <p>The Council will prioritise services needed to respond to the immediate needs of the public in an emergency. If no emergency response is required – for example if the incident is purely internal to the Council – then these services will not be prioritised.</p> | | <p>Likely to be services with a public-facing element, but not immediately time-critical. For example, street cleansing can be delayed for a few days, without serious consequences.</p> | | |
| <p>Services which are very visible to the public may well fall into this category. Services like IT, on which many other services depend, may also fall into this category.</p> | | <p>Services which are very visible to the public may well fall into this category.</p> | | |

Performance Management Framework

An overview

Haringey has an outcome based performance framework. A sharper focus on achieving key council outcomes and priorities is at the heart of this approach which is crucial in ensuring the Council is on track to achieve the outcomes and priorities set out in the Corporate Plan 2013-15.

These are:

| Corporate Plan outcomes | Priorities |
|--|---|
| Outstanding for all: <i>Enabling all Haringey children to thrive</i> | 1. Work with schools, early years and post 16 providers, to deliver high quality education for all Haringey children and young people 2. Enable every child and young person to thrive and achieve their potential |
| Safety and wellbeing for all: <i>A place where everyone feels safe and has a good quality of life</i> | 3. Make Haringey one of the safest boroughs in London 4. Safeguard adults and children from abuse and neglect wherever possible, and deal with it appropriately and effectively if it does occur 5. Provide a cleaner, greener environment and safer streets 6. Reduce health inequalities and improve wellbeing for all |
| Opportunities for all: <i>A successful place for everyone</i> | 7. Drive economic growth in which everyone can participate 8. Deliver regeneration at priority locations across the Borough 9. Ensure that everyone has a decent place to live |
| A better Council: <i>Delivering responsive, high quality services and encouraging residents who are able to help themselves to do so</i> | 10. Ensure the whole Council works in a customer focussed way 11. Get the basics right for everyone 12. Strive for excellent value for money |

Targets for improvement are set out in the Corporate Plan and directorate business plans. The Council's Directors' Group and Cabinet review performance against these targets quarterly alongside activity to address underperformance.

Departmental Management Teams review performance including local and operational data on a monthly basis to ensure timely intervention where necessary.

At the end of each year we complete a self evaluation across the Council assessing our progress towards achieving the agreed outcomes. We publish this on the Council's website.

