Haringey Council

Agenda item: **[No.]**

Audit Committee **On 12 May 2008**

Report Title: **Risk Management – Progress Report and Corporate Management of Risk Strategy**	
Forward Plan reference number (if applicable): **N/A**	
Report of: **Head of Audit and Risk Management**	
Wards(s) affected: **All**	Report for: **Non-key Decision**

1. Purpose

1.1 To inform the Audit Committee of the current position on risk management implementation across the Council and provide a revised risk management strategy for consideration and approval.

1.2 To provide a revised register of corporate business risks for review and approval.

2. Recommendations

2.1 That members notes the current position on risk management implementations and approves the latest version of the corporate risk register.

2.2 That members approve the revised Management of Risk Strategy and the actions contained within it to ensure that all the risk management processes across the Council are fully embedded.

Report Authorised by: **Chief Financial Officer**

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3. Local Government (Access to Information) Act 1985

3.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

4. Introduction

4.1 The Council's previous Risk Management strategy was approved by CEMB, and the Audit Committee, in October 2005. This document is reviewed on an annual basis and, to date, no major changes were considered necessary. However, revised CPA requirements and guidance was issued in 2007/08 and it was considered appropriate to review the council's risk management arrangements in light of these. Consultation on a revised and updated strategy has been undertaken with all departments which undertake risk management activities and the draft version of the updated Management of Risk Strategy is now presented with this report for approval.

4.2 During 2007/08, Internal Audit has been working with business unit and departmental representatives to review, test and update the risk registers. The review and testing of risk registers formed part of the 2007/08 annual audit plan and will be an ongoing process in 2008/09 to ensure the key controls to manage identified risks are effective and operate as intended. This will also ensure compliance with the agreed strategy.

4.3 The Council has made progress in implementing risk management throughout its business processes since October 2005. However, the Audit Commission reported in their CPA 2007: Use of Resources Judgement that: *'...these arrangements need to continue and become embedded'*

4.4 Risk Management is an important element of the Use of Resources assessment. It is therefore essential that the Council continues to take appropriate action to ensure that the updated Risk Management Strategy is implemented effectively and that the Council can demonstrate compliance with the higher level CPA elements.

5. Analysis

5.1 The Council underwent a re-shaping exercise during the last quarter of 2006/07, with new directorates in place from April 2007. There were changes in the reporting arrangements for some business units as a result of the reshaping exercise. Internal audit worked with both business units and directorates to realign risk business unit and departmental risk registers within the new reporting arrangements during 2007/08.

5.2 Training was given and workshops held on risk management to managers and staff by Internal Audit during the year, as responsibilities for risk management changed and/or new staff were appointed. Training on risk management was also provided to Audit Committee members during 2007/08 by an external facilitator.

5.3 Table 1 below shows the current status in reviewing and updating the risk registers at corporate, departmental and business unit level. This is an ongoing process and business unit and departmental registers are updated in line with the business planning timetable to reflect current and ongoing priorities.

5.4 All Business Units' risk registers reflect the agreed business plans and departmental risk registers have been agreed by respective management teams. Managers are required to formally consider their key business unit risks as part of their Pre-Business Plan Review submissions (September) and again when they submit their final business plans (March). Table 1 below provides a summary of each risk register as at April 2008.

5.5 The testing of risk registers by Internal Audit continued during 2007/08, based on the revisions and updates made by business units. In addition, advice and support has been provided as part of the compilation of the risk registers for various key council-wide projects including the re-tender and implementation plan for the new banking arrangements and the supporting people programme.

5.6 In addition to risk registers, the council has been working towards embedding risk management processes across all its key functions and processes. Risk management is part of the business planning process, including the pre-business plan review stage and the final business plans, where business units are required to consider the key risks to the achievement of their objectives.

Table 1 – as at April 2008

	Department	**Level**	**Register Title**	**Risk Register status**
1	Corporate - CEMB	Corporate	Corporate Register	Updated March 08
2	CE – Policy Performance Partnerships & Communication	Dept	Policy Performance Partnerships & Communication	Updated & agreed by mgmt April 08
3	CE – PPPC	BU	Safer Communities	Updated & agreed by mgmt April 08
4	CE – PPPC	BU	Neighbourhood Management	Updated & agreed by mgmt April 08
5	CE – PPPC	BU	Communications	Updated & agreed by mgmt April 08
6	CE – PPPC	BU	Improvement and Performance	Updated & agreed by mgmt April 08
7	CE – Organisational Development	Dept	Organisational Development	Updated & agreed by mgmt January 08
8	CE – OD	BU	Human Resources	Updated & agreed by mgmt January 08
9	CE – OD	BU	Local Democracy and Member Support	Updated & agreed by mgmt January 08
10	CE – OD	BU	Organisational Development & Learning	Updated & agreed by mgmt January 08
11	Corporate Resources (CR)	Dept	Corporate Resources	Updated & agreed by mgmt March 08
12	CR	BU	Legal Services	Updated & agreed by mgmt March 08
13	CR	BU	IT Services	Updated & agreed by mgmt March 08
14	CR	BU	Customer Services	Updated & agreed by mgmt March 08
15	CR	BU	Benefits & Local Taxation	Updated & agreed by mgmt March 08
16	CR	BU	Corporate Finance	Updated & agreed by mgmt March 08
17	CR	BU	Audit & Risk Management	Updated & agreed by mgmt March 08
18	CR	BU	Corporate Procurement	Updated & agreed by

	Department	Level	Register Title	Risk Register status
				mgmt March 08
19	CR	BU	Corporate Property Services	Updated & agreed by mgmt July 07
20	Children and Young People's Service (CYPS)	Dept	Children and Young People's Service	Updated & agreed by mgmt April 08
21	CYPS	BU	Children & Families	Updated & agreed by mgmt April 08
22	CYPS	BU	School Standards and Inclusion	Updated & agreed by mgmt April 08
23	CYPS	BU	Business Support & Development	Updated & agreed by mgmt April 08
24	Adults Culture and Community Services (ACCS)	Dept	Adults Culture and Community Services	Updated & agreed by mgmt April 08
25	ACCS	BU	Commissioning & Strategy	Updated & agreed by mgmt April 08
26	ACCS	BU	Adult Services	Updated & agreed by mgmt April 08
27	ACCS	BU	Recreation Services	Updated & agreed by mgmt April 08
28	ACCS	BU	Adult learning, Libraries & Culture	Updated & agreed by mgmt April 08
29	Urban Environment (UE)	Dept	Urban Environment	Updated & agreed by mgmt April 08
30	UE	BU	Strategic & Community Housing	Updated & agreed by mgmt April 08
31	UE	BU	Street scene	Updated & agreed by mgmt April 08
32	UE	BU	Planning & Environment Control	Updated & agreed by mgmt April 08
33	UE	BU	Enforcement	Updated & agreed by mgmt April 08

6. Implications

6.1 Setting up the risk registers is only one element within the risk management framework. The revised Management of Risk Strategy sets out how all the various processes involving risk should be managed. This approach demonstrates how each of the formal business planning and management functions should consider risk on a uniform and planned basis across the authority. The implementation of the strategy should ensure that all key business risks are reviewed at regular and defined intervals and the council will be able to demonstrate a co-ordinated and effective approach across all key risk management functions.

6.2 Implementing this risk management strategy will demonstrate that managers 'own' their business risks and the process is embedded. It will also assist in achieving improved ratings within the CPA Use of Resources process.

6.3 However, it is important that the various formal documents are used properly, reviewed and kept up to date on a regular basis. Internal Audit will continue to provide support to managers to ensure that risk registers are kept up to date. To ensure a co-ordinated approach is taken by all directorates, a risk management steering group has been proposed, consisting of nominated second tier officers who will meet on a bi-annual basis, which will take overall responsibility for ensuring ongoing compliance with the Strategy. Support from the Project Management Office, Health and Safety team and the Emergency Planning Team will also be available to managers to ensure that project management risks and business continuity plans are managed and kept up to date.

6.4 The Audit Committee is the member body which has risk management responsibilities defined within its terms of reference. The Audit Committee should formally approve the risk management strategy and confirm that a risk management process is in place and that the process is being embedded. This is currently achieved through the provision of regular reports with regards to risk management. Reports will also include updates on the implementation of the risk management strategy.

6.5 Note that Internal Audit will be undertaking a separate review of risk management systems and processes during 2008/09.

APPENDICES

Appendix 1 – Risk Management Strategy
Appendix 2 – Corporate Risk Register March 2008

London Borough of Haringey

The Management of Risk – Corporate Strategy

Version 3.1

January 2008

Contents

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 Regulations 2003 require local authorities to review, at least once a year, the systems they have in place to control and manage the services they provide. The council must, from 2007/08, publish an annual governance statement, which represents the end results of its annual review, with its financial statements.

1.5 The Comprehensive Performance Assessment (CPA) was introduced in order to evaluate local authorities' performance over a number of areas. Risk management is included within the annual 'Use of Resources' assessment.

1.6 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, which all require risk management to be considered.

1.7 Haringey has responded to the challenges of the above requirements and has produced a number of policies and strategies specifically relating to risk management. These set out how the council would identify, evaluate and manage the key risks facing it.

1.8 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 strategy has been developed. This builds on the previous risk management strategy 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 move towards achieving the highest ratings in the relevant CPA assessments. It updates the previous risk management strategy 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; and
- ensuring that the council takes advantage of opportunities to improve its performance.

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 the 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 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 should not mean the Council takes poorly thought 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.

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 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. changes to legislation, climate and weather influences, or external power failure.

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 programmes of change 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/ 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.

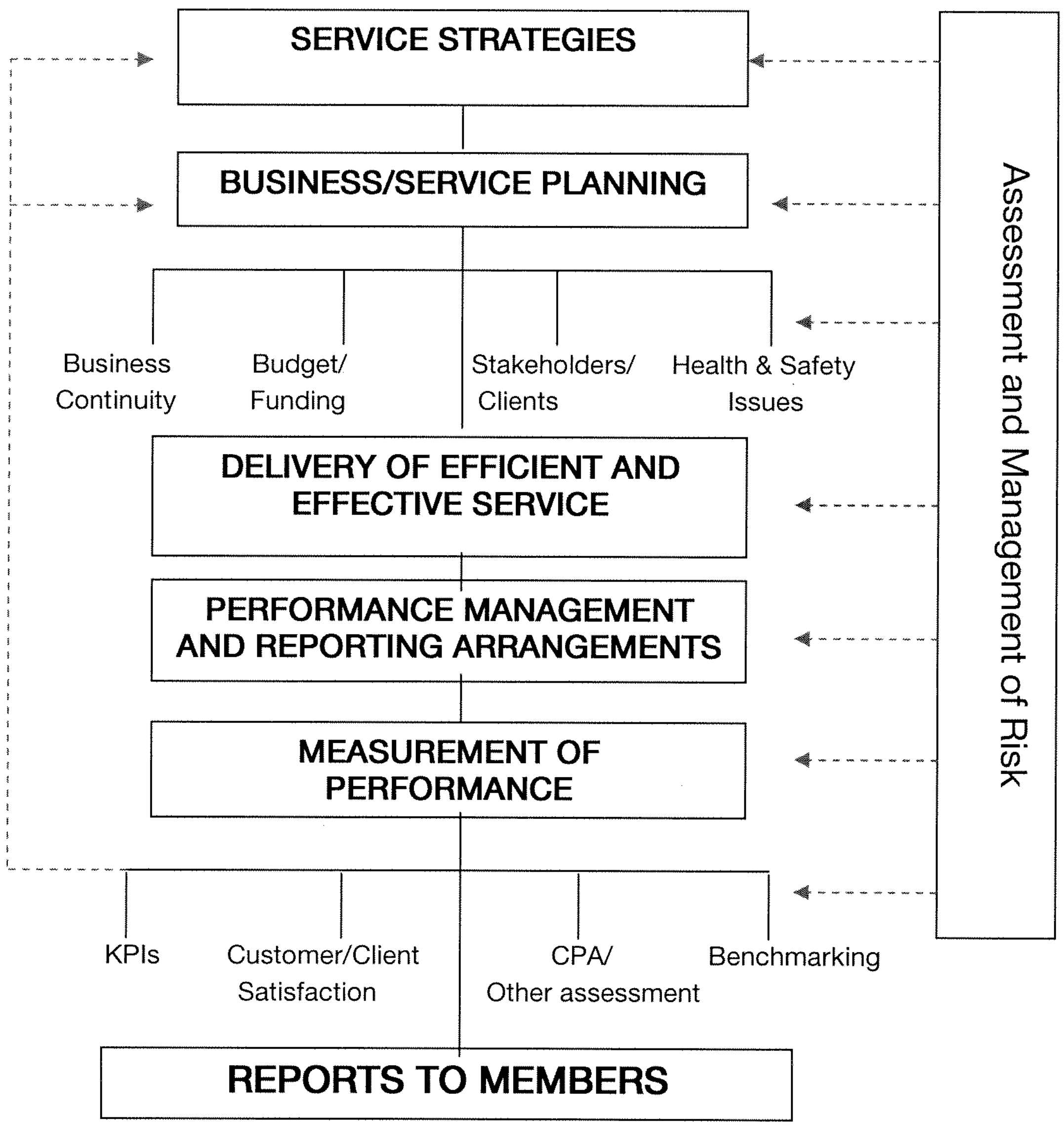
[1] *Source: 'Embedding Risk Management into the Culture of your Organisation', The Institute of Internal Auditors – UK and Ireland, October 2003.*

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 procedures comply with all relevant legislation and local procedures.

6.4 The Chief Executive's Management Board (CEMB) is responsible for approving the Council's risk management strategy and for ensuring that this is reviewed and updated on a regular basis. CEMB 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 Audit 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 Resources.

6.6 The Council also 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 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	**Response**
Business/Service 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	Key Performance Indicators (KPI's) 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	Draft Business Plans	BU Head	Performance Management Team
April and September	Review and update of risk register	BU Head/ DMT/ CEMB	Head of Audit & Risk Management
April and September	Review and update of Business Continuity Plan	BU Head/ DMT/ CEMB	Emergency Planning and Business Continuity Manager
September	Pre-Business Plan Review	BU Head	Performance Management Team
April - March	Collate and monitor Key Performance Indicators	BU Head	Performance Management Team
April - March	Submission of Project Management Highlight reports	Project Lead	Project Management Office
April	Undertake risk assessments	BU Head/ DMT	Health & Safety Manager

7.5 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**
Risk Registers	A
Project & Programme Management	B
Business Continuity Plans	C
Risk Assessments	D
Performance Management	E

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, at least quarterly, by business units, departments and CEMB. The timing for review should coincide with and form part of the annual planning process. As a minimum, risks should be formally considered twice a year in line with submission of the Pre-business Plan Reviews (PBPR's) in September and the annual business plans in April. Key risks are escalated from business unit registers to departmental registers 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 on a quarterly basis, 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 CEMB 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 submission of each project highlight report (normally monthly) and reported to the relevant project and programme board. Reports to CEMB 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 CEMB and members detailing compliance with the council's policies are provided on a regular basis.

8.6 Performance management information, including statutory and local performance indicators, is provided on a regular basis to CEMB and members. The council uses a 'balanced scorecard' 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. This risk management strategy and framework will provide assurance to CEMB 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, Departmental Managers and members of CEMB to identify and manage those risks which are 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/Department/Council. In line with the CIPFA/SOLACE guidance, Haringey's risk management framework is linked to business objectives. These business objectives are identified by departments and business units as part of the annual business 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 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 focus on the risks affecting each individual service, although some of the risks may have an impact on whether the department or the Council meets its objectives.

2. Assessment of risks

2.1 When all the relevant 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 and likelihood of individual risks may change over time, therefore it is important to review the assessments which have been made on a regular basis.

3. Risk before and after controls

3.1 Each risk is assessed for impact and likelihood before considering what controls are in place to manage it. The resulting score is called the 'Inherent Risk Score'. Managers will them identify what controls are already in place to manage each of the risks and then assess how effective they think the identified controls are (also known as risk management or mitigation strategies). After this has been done, the risk score is generally reduced and the resultant figure is the 'Residual Risk Score'.

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

3.3 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.

3.4 The completed risk registers therefore contain the following:

- service delivery objectives;
- key risks and which officer is responsible for managing those risks;
- inherent risk scores;
- controls in place to manage the risks, and who is responsible for those controls;
- residual risk scores; and
- any further actions required, and who is responsible.

4. Assurances on the effectiveness of key controls

4.1 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.

5. Monitoring of risks

5.1 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 on a regular basis.

5.2 The Chief Executive's Management Board (CEMB) will review and update the corporate risk register on a regular 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.

5.3 The Audit 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.

5.4 Using the framework, a consistent methodology for measuring and scoring risks is applied throughout the Council. What is an acceptable level of risk for the Council, and what managers need to do to deal appropriately with risks at various levels, is detailed at Appendix A1.

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

APPENDIX A

The completion of risk registers

Measuring what is an acceptable risk

	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
Impact	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	Acceptable level of risk. No further action is required to reduce risks, but managers should ensure that the relevant controls are operating effectively. However, departmental managers should review the controls for low risk areas carefully, to ensure there are not too many controls in place.
14 - 30	£5k - £300k	Implementation of additional controls is required. The costs and benefits of additional controls should be considered. The relevant departmental management team may then agree that no further action should be taken. This decision must be recorded on the risk register.
32 or more	£50k – £1m	Implementation of additional controls is required. If the Business Unit, or Department does not want to introduce any more controls, they must seek approval from CEMB. Any agreement from CEMB must 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 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), CEMB 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:

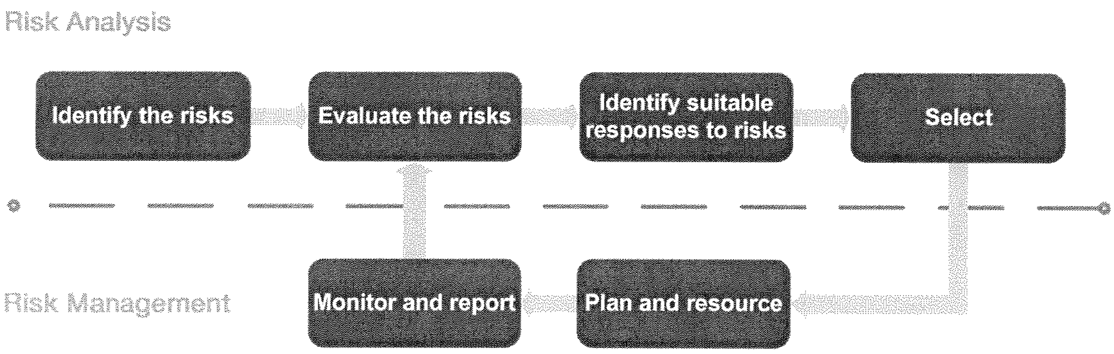
- set project management processes;
- roles and responsibilities;
- guidance on governance; and
- the monitoring structure, sign-off procedures, and quality assurance provided by the Programme Management Office.

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 ensure 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 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;
- Circulating the log to the Programme Boards, CEMB 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.

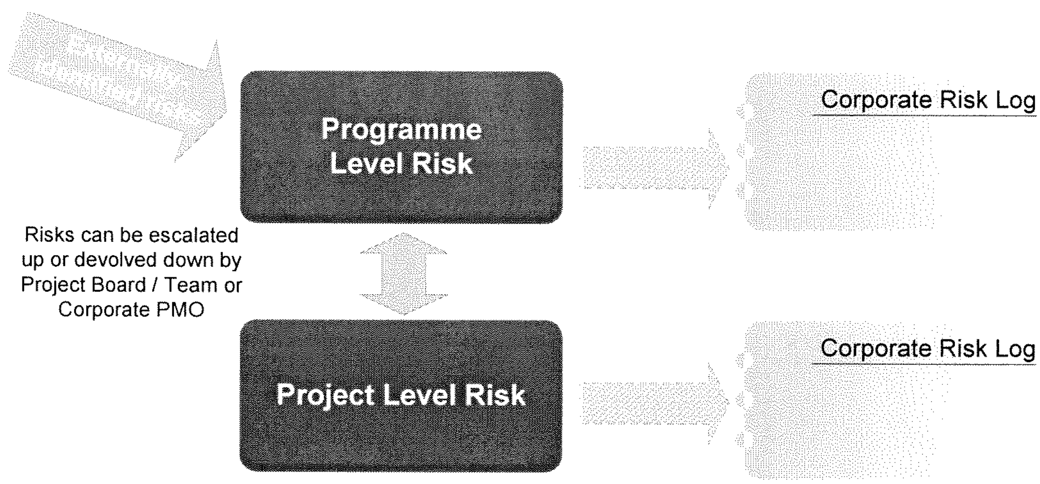
Project managers should review the project risk log every time they submit a Project Highlight Report. A full risk review of the project should be undertaken at the end of every project stage.

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 on a monthly basis.
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:



APPENDIX C

Business Continuity Plans

1. Overview

1.1 Business Continuity Plans allow Business Unit Heads, Departmental Managers and members of CEMB 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 CEMB 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 risk 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 Disaster Recovery 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 on a quarterly basis, 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 September 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 Plan 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 B1: 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)**	**High Priority (Recover within 24 hours)**	**Medium Priority (Recover within 3 days)**	**Low Priority (1 week +)**
	List individual services	*or aspects of services*	*in these boxes according*	*to their priority.*
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				
↓	↓	↓	↓	Likely to be project work, consultation, strategy development etc.
			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.	
		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.		
	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.			
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.				

London Borough of Haringey – Corporate Risk Register 2007/08

This document sets out the key risks common to Directorates across the Council. The risks are based upon the objectives of individual directorates and Business Units. If the risks in this register have been escalated via Business Unit and/or Departmental Risk Registers, references have been included to identify these.

Key to the Risk Register: - Ref: Details the reference number for the risk – based on the following:
CEMB – Chief Executive's Management Board
UE – Urban Environment:
Streetscene; Planning Policy & Development; Enforcement; Strategic & Community Housing; Economic Regeneration
ACCS – Adults Culture and Community Services:
Adult learning libraries & culture; Adult Services; Commissioning & strategy; Recreation Services
CYPS – Children and Young People's Service:
Children & families; School standards & inclusion; Business Support & Development
CR – Corporate Resources:
Corporate Finance; Audit & Risk Management; IT Services; Benefits & Local Taxation; Customer Services; Corporate Procurement; Legal Services; Property Services
POD – People and Organisational Development:
Human Resources; Local Democracy & Member services; Organisational Development & learning
PPPC – Policy Performance Partnerships and Communications:
Safer Communities; Neighbourhood Management; Performance & Policy; Communications

Risk Identified: Details the risk identified by management.
Inherent Risk: Is assessed by Impact (I) and Likelihood (L). The Inherent risk is the impact of the risk occurring, and how likely it is to occur, without any mitigating actions in place to address the risk. The Impact and Likelihood of the risks are scored from 1 to 9 according to the schedule in Appendix 1 of this report.
Controls: The actions and processes which are currently in place to manage the risk identified.
Residual Risk: Is assessed on the same rankings as Inherent Risk. The Residual Risk is the impact and likelihood of the risk occurring with the current controls in place.
Further Action: Where there is outstanding residual risk, further actions have been identified by management to reduce the exposure to the risk.

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB1	Inadequate financial management/ overspends/ lack of Value For Money. Risk Owner: All Directors and ACE's	7	7 49	• Budget Holders and Directors monitor their budgets on an ongoing basis with support from Heads of Finance. • Formal monthly budget monitoring process with Finance and Performance report submitted to Cabinet. • Four year financial strategy in place with regular reports to Members re Capital and Revenue budgets. • Management of projects within a formal project management framework. • Sufficient levels of reserves to be able to manage any budget risks. • Comparison against the CPA KLOE requirements undertaken on regular basis • No budget overspends on a corporate basis reported	7	3 **21**	
CEMB2	Lack of safety and well-being for clients and staff. Risk Owner: All Directors and ACE's	7	9 63	• Policies and procedures for protecting vulnerable adults and children from abuse in place. • Local procedures in place across departments	6	5 **30**	

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
				• Risk Management strategy in place with links to health and safety requirements • Health & Safety audits undertaken • Risk assessments undertaken • Compulsory DSE training for staff who use computer equipment.			
CEMB3	Staffing issues impact on the ability to deliver high quality services: • High staff turnover • Inability to recruit and/or retain right staff • management team turnover; and • lack of continuity and/or succession planning • inability to provide appropriate support to corporate services. Risk Owner: All Directors and ACE's	7	7 49	• Posts filled using agreed Council procedures. • Regular one to ones in place for all staff. • Internal communications ensure that team briefing cascades to all staff. • Management development programme in place for all managers/supervisors. • Agreed performance appraisal process in place and monitored • Corporate HR Policies & procedures in place • Exit interviews undertaken • People Plan and annual staff development programme.	6	5 **30**	

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB4	Failure of key projects, e.g. Building Schools for the Future, Decent Homes Standards impact on the council's overall objectives. Risk Owner: All Directors and ACE's	7	7 49	• Delivery and monitoring of Local Area Agreements and similar cross cutting strategic partnership programmes. • Achieving Excellence programme in place and monitored by CEMB and Members on a regular basis • Specific Project Boards e.g. BSF in place and reports to CEMB and Members on a regular basis • Project Management arrangements in place which are monitored and reported on	5	4 **20**	
CEMB5	Lack of, or inappropriate, management of the council's capital programme leading to a risk of non-delivery of the programme or budget overspends. Risk Owner: All Directors and ACE's	9	9 81	• Formal monthly budget monitoring process in place, with Finance and Performance report submitted to Cabinet. • Stream Board monitoring (for individual projects. • Capital Strategy in place and monitored on regular basis	6	5 **30**	• Exploring and pursuing efficiency savings. Action by: All Directors and ACE's • Review of 2007/08 capital underspend Action by: Chief Financial Officer

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB6	Inability to deliver services due to increased demand. Risk Owner: All Directors and ACE's	9	7 63	• The Community Care Strategy's core objective is to reduce commissioning of residential care and reinvest revenue into improved services in the community. • Demand led forecast in order to effectively profile budgets to meet demand. • Contingency plans in place in order to deal with cases of service demand above forecast levels.	8	6 **48**	• Actively pursue measures to achieve greater cost effectiveness / value for money. Action by: All Directors and ACE's
CEMB7	Failure to meet statutory and legal requirements and targets, e.g. B.V.P.I. and E.U. regulations. Risk Owner: All Directors and ACE's	7	9 63	• Council Constitution including scheme of delegation and finance/ contract procedure rules in place and reviewed regularly • Performance management framework in place • Regular reports on compliance with BVPI's and other performance measures • Procedure notes in place for key financial and other systems.	5	6 **30**	
CEMB8	Failure of corporate I.T. systems, e.g. SAP. Risk Owner:	7	7 49	• Business process in place, including system disaster recovery and business continuity arrangements. • Disaster recovery and	7	4 **28**	

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
	All Directors and ACE's			business continuity plans tested • Service review meetings with IT providers			
CEMB9	Failure to maximise partnership working opportunities which may impact on the council's reputation with external organisations and different business sectors. Risk Owner: All Directors and ACE's	9	7 63	• Establishment and development of key relationships with external organisations and business sectors. • Ongoing work to ensure the effectiveness of the HSP and its network of thematic boards. • Ongoing work with statutory and voluntary/ community sector partners, e.g. the Police, LDA, Employment Service, Small Business Service and Health agencies.	6	5 **30**	
CEMB 10 (UE SS15a)	Deterioration of highways infrastructure and street furniture impacting on the environment and posing a health and safety risk. a) Failure to ensure that carriageway and footway are kept to a reasonable standard. Contributing factors to this risk may include: • Insufficient investment • Not meeting the required	9	7 63	• Work programmes to be discussed with the contractor to ensure adequate resources are available to implement scheme • Progress meetings are held with the NRSWA team to ensure there is a coordinated approach to works occurring in close proximity. • Problems are highlighted at Coordination meeting.	9	6 **54**	• Highways Asset Management Plan to be reported to Cabinet in March 2008 and updated annually. Action by: Head of Highways

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
	index level from 'scanner' surveys. • Exposure to insurance claims. • Staffing issues • Failure to implement work on site • Contractor resources • Coordination with NRSWA team Risk Owner: Head of Highways			• Project highlight reports during budget monitoring • Mechanisms in place to ensure that reactive maintenance is dealt with. • Frequent progress meetings are held with contractors to ensure any envisaged delays are discussed and resolved. • Capital funding provided by the council which is targeted at the roads requiring intervention and in full lengths. • The Borough spending plan provides resources to fund the maintenance and infrastructure programme within the borough. • Inspection regime in place to identify faults on the highways and ensure that contractors work is completed in accordance with contract standards. • Asset Management Plan has been drafted which identifies a ten year investment strategy to ensure the adequate condition of the network.			

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB 11 (UE SS21b)	Contractual Issues on Abandoned Vehicles (Expired Redcorn Contract) impact on the ability to deliver key service objectives Risk Owner: Head of Parking	9	9 81	• Legal Services taking action to address contractual issues. • Service have instructed to Legal Services to prepare case for court action to resolve outstanding issues • Additional advice requested from external counsel on outstanding issues	9	8 **72**	• Risk to be reviewed once direction or instruction received from Counsel. Action by: Head of Parking
CEMB 12 (UE PPD1)	Delivery of Key sites programme: Inability to process a significant number of Major Applications within statutory timescales my result in legal challenges. Risk Owner: Head of Planning Policy & Development Service	9	9 81	• Additional resources in place for the development of a Major Sites team. • Recruitment of experienced staff currently underway.	9	7 **63**	Additional resources may need to be identified to ensure all applications are efficiently processed. Action by: Head of Planning Policy & Development Service
CEMB 13 (ACCS C&S3.1)	Reduction in Supporting People allocation will reduce services that are delivered to vulnerable people through the programme and may impact/increase demands for services funded by core budgets Risk Owner: Supporting People Programme Manager	9	9 81	• Contingency plans in place to manage the impact on the level of services which can be commissioned • Long term funding and Savings Strategy already developed and agreed by the Supporting People Partnership Board • The Commissioning & Strategic division is in place and will manage any impact.	6	5 **30**	• Consultation on proposals/options on further service decommissioning completed November 07 for implementation in April 08. • Further consultation underway with providers on finding additional efficiencies over and above those

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
	(Service objective 1)			Control Owner: Head of Commissioning			already agreed. Action by: Head of Commissioning
CEMB 14 (ACCS RS4.3)	Deterioration of assets: - increased risk of injuries; - risk of increased costs if assets are not appropriately maintained; - increased insurance costs; and - memorial safety in cemeteries (Service objective 2) Risk Owner: Assistant Director Recreation Services	7	6 42	• Parks Asset Improvement Programme in place • Service investment/ capital programme for the year • Development of Parks policy, service specification and management/ development plans • Open Space Strategy/Open Space Renewal programme • Surveys/ Annual user surveys • Customer feedback/ corporate complaints • Planned preventive maintenance regime • Annual benchmarking exercise (benchmark baselines)/target setting • QMS/ ISO 9002 Control Owner: Assistant Director Recreation Services	6	5 **30**	• Bid for additional funding (internal or external) • Development of parks policy strategy, service specification and management/ development plans • Planned investment in new facilities and renewals/PPM Action by: Assistant Director Recreation Services

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB 15 (CR2)	Alexandra Park & Palace (APP) requires additional and/or ongoing resources which may be subject to challenge and subsequently impact on the council's key objectives. Risk Owner: Director of Corporate Resources, Chief Financial Officer	9	7 63	• Director of Corporate Resources on APP Board • Officer seconded to APP to assist with operational management and improve financial procedures • Legal advice obtained with regard to ongoing involvement by the council • Financial and other support subject to formal approval processes Control Owner: Director of Corporate Resources, Chief Financial Officer	9	5 **45**	• Continue to monitor and obtain relevant advice re: involvement and actions • Ensure all future decisions are subject to appropriate approval processes Action by: Director of Corporate Resources, Chief Financial Officer

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB 16 (CR AR4)	The Council has no insurance cover in place on 1 April 2008. The insurance cover in place is not appropriate to meet the council's requirements. EU procurement regulations are not complied with for insurance purchased. Legal challenge to LAML is successful and contracts in place are rendered void Failure of external insurance contractor or LAML: • to perform to adequate standards; • to fulfil contract terms and conditions; • company/LAML goes into administration Risk owner: Head of Audit & Risk Management	9	9 81	• Member/ Cabinet/ Council approval obtained for LAML and any contingency arrangements • Specialist insurance broker contracted to provide external independent advice • Procurement Cttee approval obtained for other insurance contracts 26/2/08 • Early acceptance of LAML terms to ensure that arrangements in place prior to judicial review • Chief Finance Officer is LAML Director; Contract monitoring procedures in place to ensure ongoing delivery in accordance with terms and conditions. Control owner: Head of Audit & Risk Management	9	5 **45**	• Review and/or enact contingency arrangements if judicial review rules against LAML • Obtain appropriate approval for any actions required Action by: Head of Audit & Risk Management

London Borough of Haringey – Corporate Risk Register 2007/08

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB 17 (CR PS 5/ PS8)	Project delivery: Strategic projects fail to progress to development stage which may impact on the council's ability to meet its corporate objectives. Risk Owner: Head of Corporate Property Services	9	7 63	• Corporate programme management system with clear responsibility for sites. • Regeneration lead on cross service liaison meetings, where appropriate. • Review of resources and project deliverables undertaken • Specific staff and specialist consultants assigned to all major projects Control owner: Head of Corporate Property Services	7	5 **35**	
	Council's Accommodation Strategy is not completed on time which may impact on the council's ability to meet its corporate objectives. Risk Owner: Head of Corporate Property Services	5	7 35	• Ensuring that resources are made available and tight controls are in place to track progress. • Next phase of the plan in process Control owner: Corporate Landlord Manager	5	7 **35**	• The plan to vacate HTH and the Civic Centre is delayed, Contingency plan to be developed Action by: Head of Corporate Property Services

Ref	Risk	Inherent Risk		Controls	Residual Risk		Further Action/ Responsibility
		Impact	Likelihood		Impact	Likelihood	
CEMB 18 (PPPC - SC)	Failure to prepare appropriately for a flu pandemic, increasing the risks to residents and staff Risk Owner: ACE – PPPC	9	3 27	• Corporate contingency plan which complies with statutory requirements (Civil contingencies Act) is in place and approved by CEMB • Critical services to be maintained during any pandemic have been identified • Services with priority requirements have contingency arrangements in place Control Owner: Head of Safer Communities	9	3 **27**	• ACCS to review Dept of Health guidelines to ensure compliance • Contingency arrangements for managing potentially large numbers of deaths to be reviewed Action by: Director of ACCS
CEMB 19 (POD HR1)	Failure to deliver the equal pay project or the implementation plan. Risk Owner: Head of Human Resources	9	4 36	• Project governance including Member group, senior mgmt project group, project plan, reporting through CEMB • Implementation and delivery plan in place Control Owner: Head of Human Resources	9	3 **27**	• Monitor project risks and refine engagement plan as required. • Contingency plan for legal claims Action by: Head of Human Resources

London Borough of Haringey – Corporate Risk Register 2007/08

Appendix 1 - 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