

FOR INFORMATION –ORIGINALLY CONSIDERED BY HSP ON 3 JULY 2008



Meeting: Haringey Strategic Partnership

Date: 3 July 2008

Report Title: Risk Management Strategy and Framework for the HSP

Report of: Anne Woods, Head of Audit and Risk Management

Purpose:

To propose a risk management strategy and framework to allow the HSP to identify and manage its key risks in a cost-effective and uniform manner.

To provide a draft risk register template for the PMG and Theme Boards for review and approval.

Summary:

The HSP is a key delivery agent in ensuring that the Local Area Agreement (LAA) is achieved across the Haringey boundaries. In order to ensure that the HSP can achieve the outcomes specified in the LAA, the risks which might prevent a successful conclusion need to be identified, managed and monitored.

In order to ensure that a uniform approach is adopted across the HSP Theme Boards, it is recommended that the HSP adopt a risk management strategy which will enable it to manage the identified risks appropriately.

This report and appendices set out the draft risk management strategy and proposed framework (Appendix A) which will be in operation across the PMG and HSP Theme Boards.

This report also provides a template for the risk registers to be implemented across the PMG and Theme Boards (Appendix B)

Recommendations:

That the HSP approves the Risk Management Strategy and the actions proposed to develop and embed the risk management process across the Haringey Strategic Partnership.

That the HSP approves the proposed format for the risk registers to be implemented across the PMG and the HSP Theme Boards (Appendix B).

That the HSP formally adopt the Risk Management Strategy (Appendix A).

Background

All organisations need to ensure that they have systems and processes in place to assist them in achieving their objectives and outcomes. The identification of risks which might prevent the organisation from achieving its objectives 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.

Risk management is seen as an increasingly important factor by various external assessment processes, including the Comprehensive Performance Assessment. Risk management is included within the annual 'Use of Resources' assessment and specific reference is made to partnership working. The CPA is being replaced in 2009 with the Comprehensive Area Assessment (CAA), which places partnership working at the heart of its assessment and evaluation processes. The Haringey Strategic Partnership therefore needs to demonstrate that it has an effective management and monitoring process at all levels.

The Audit Commission identified a number of improvement opportunities in their CPA 2007: Use of Resources Judgement. In relation to risk management and partnerships that: *'Ensure that arrangements to identify and manage risks relating to significant partnerships are operating and embedded'*.

As the CAA is introduced, the management of risks across partnerships will be subject to increasing scrutiny and the HSP needs to be able to demonstrate that it has effective arrangements in place. It is therefore essential that the HSP takes appropriate action to ensure that risk management is implemented effectively and that the HSP can demonstrate compliance with the higher level CPA and CAA Use of Resources elements.

Strategy and Framework

The proposed risk management strategy is attached to this report as Appendix A. The aim of the strategy is to explain what risk is, the level of risk that is considered to be acceptable and the risk management framework the HSP will use to identify, assess and manage risks.

The strategy sets out how risk management will be developed across the HSP in order to meet the challenges, legislation, and the CPA and other assessment processes facing the HSP. The framework includes amendments to the monitoring and reporting of risks, with the proposals describing a formal sign off process for Theme Boards and the Performance Management Group. The framework also specifies that risk registers should be implemented across the PMG and Theme Boards and a template for these is contained at Appendix B.

Training on developing and implementing risk management and risk registers will be provided to all Theme Boards and the PMG by Haringey Council's Internal Audit Service. The monitoring and updating of individual risk registers is an ongoing process and the PMG and Theme Boards will need to ensure that this is done on a regular basis to ensure that emerging risks are identified and managed appropriately.

All Theme Board risk registers reflect the agreed LAA targets, which form the basis of the key risks, but also include a number of areas which may impact on the Theme Boards' ability to deliver its outcomes. The PMG risk register contains those LAA targets which cannot be

allocated to individual Theme Boards. In addition, the PMG has overall responsibility for a number of key risk areas which are included in the PMG risk register.

Implications and next steps

Setting up the risk registers is only one element within the risk management framework. The Risk Management 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 HSP. The implementation of the strategy should ensure that all key business risks are reviewed at regular and defined intervals and the HSP will be able to demonstrate a co-ordinated and effective approach.

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

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 the HSP to ensure that risk registers are kept up to date. Support from the Performance and Policy Division will also be available to the HSP to ensure that performance management risks are managed.