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**HARINGEY COUNCIL**

**RISK MANAGEMENT**

**POLICY STATEMENT**

**and**

**STRATEGY**

<b>Policy History</b>					
<b>Version</b>	<b>Summary of Change</b>	<b>Contact</b>	<b>Implementation Date</b>	<b>Review Date</b>	<b>EqIA Date</b>
9.1	Updates to structures and responsibilities	Head of Audit & Risk Management	January 2018	Dec. 2018	Oct. 2014

<b>Links and Dependencies</b>
Anti-Fraud and Corruption Policy Programme Management guidelines Information Security Policies Code of Conduct

<b>Related Forms</b>
Risk Registers Priority/ Project Highlight reports Declaration of Interest/receipt of gift or hospitality forms

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## **RISK MANAGEMENT POLICY STATEMENT**

The Council recognises that there will be risks involved in delivering its priorities, but by managing those risks and making the most of opportunities, it can ensure the desired outcomes can be delivered and use its limited resources more effectively.

The Council's priorities relate to the borough and sometimes to the wider London area and their achievement can be influenced by a large variety of risks and opportunities. Effective risk management allows key risks and opportunities to be identified, understood and proactively managed. Good risk management leads to improved strategic, operational and financial management and improved customer services.

Haringey Council wants to:

- Integrate risk management into the culture of the Council;
- Manage risk in accordance with good practice;
- Anticipate and respond to changing social, political, environmental, legislative and technological requirements;
- Prevent injury, damage and losses and reduce the cost of risk; and
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.

The Council will achieve this by:

- Establishing clear roles, responsibilities and reporting lines within the Council for risk management – everyone should take ownership for risk management;
- Incorporating risk management considerations into all levels of service development and planning;
- Providing opportunities for shared learning on risk management across the Council and with partner organisations;
- Offering a framework for allocating resources to identified priority risk areas;
- Reinforcing the importance of effective risk management as part of the everyday work of employees by offering training; and
- Monitoring of arrangements, at all levels, on an on-going basis by management.

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**RISK MANAGEMENT STRATEGY**

## **1. INTRODUCTION**

- 1.1 No organisation, whether in the private, public or third sector can achieve its objectives without taking risk. The only question is; how much risk do they need or want to take – the ‘risk appetite’ the Council has. The Council wants to deliver on its priorities, while at the same time upholding the agreed values and ethos of the organisation, so it needs to understand, identify and manage risk effectively; and obtain assurances that the governance framework is operating as it expects.
- 1.2 There are also key statutory requirements for the Council to manage in relation to risk management including: The Accounts and Audit Regulations 2015; the Civil Contingencies Act 2004; and the Health and Safety at Work Act 1974 and its related legislation. Internally, the Council has developed various performance and programme management frameworks, including business continuity and emergency planning – which all require risk management to be considered.
- 1.3 This risk management strategy seeks to implement the policy statement by providing an overview of Haringey’s risk management framework; the governance and assurance processes; and aims 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. WHAT IS RISK MANAGEMENT?**

- 2.1 **Risk:** the effect of uncertainty (positive or negative) on objectives. For Haringey, risk can be defined as: *‘Anything that poses a threat to the achievement of our priorities, programmes or service delivery to the residents, businesses and communities of Haringey’.*
- 2.2 **Risk management:** the co-ordination of activities that direct and control the Council with regard to risks. It is commonly accepted that risk management involves both the management of potentially adverse effects as well as the realisation of potential opportunities.

## **3. WHY IS RISK MANAGEMENT IMPORTANT?**

- 3.1 The Council provides a wide variety of services and has a range of service delivery mechanisms, so there is great potential for risks to arise. Effective risk management enables the Council to:
- Maximise performance;
  - Minimise the need to divert funds from agreed priorities and services;
  - Encourage creativity;
  - Minimise losses; and
  - Ensure the Council’s reputation is preserved and enhanced.
- 3.2 The aim is to understand and manage risk, rather than eliminate it altogether. Successful risk management is about getting the balance right and being clear about the level of risk the Council wants to accept (the risk appetite). There will

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be a range of appetites for different risks which need to align to assess the risks successfully; and these appetites may well vary over time.

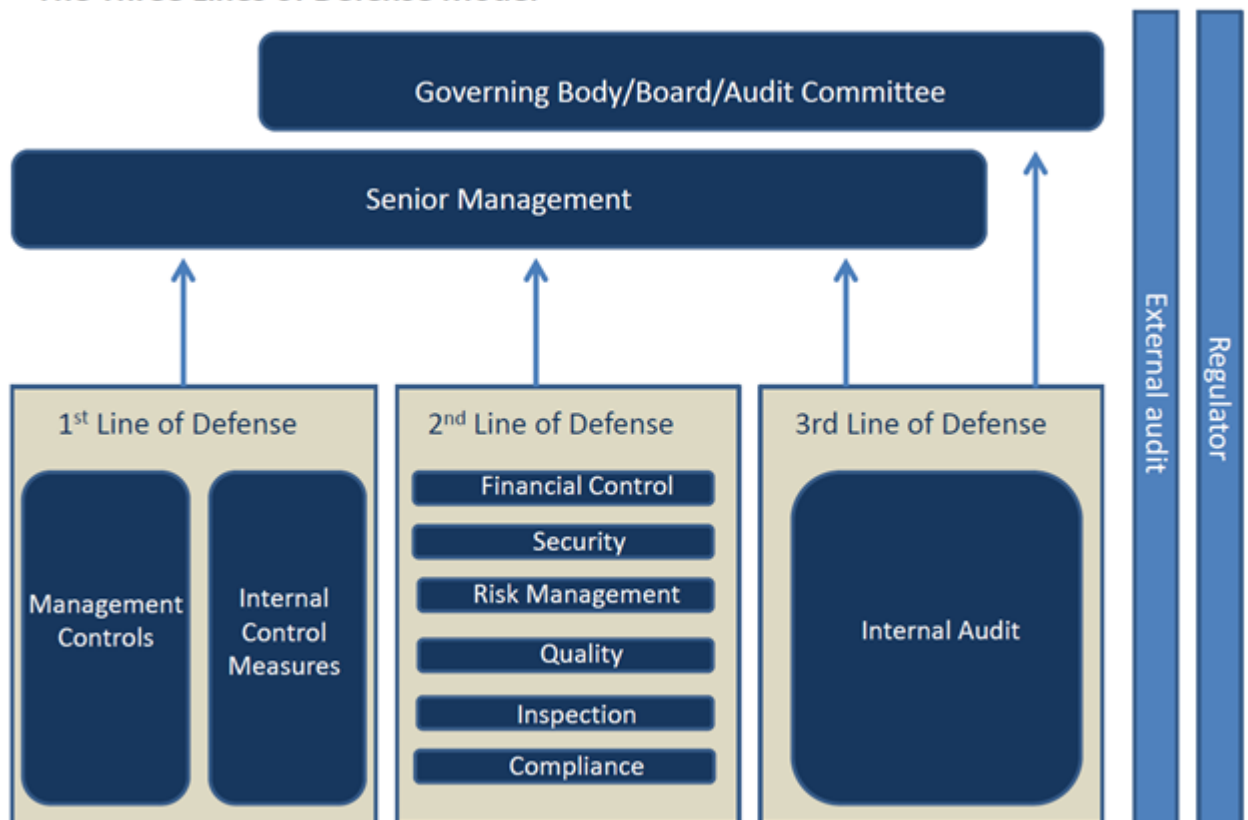
3.3 Risk management sits alongside routine governance and compliance functions to ensure priorities are delivered as expected.

## 4. A FRAMEWORK FOR MANAGING AND RECORDING RISKS

4.1 The Council’s framework for risk management focuses on the ‘three lines of defence’ model:

- 1) **First line:** self-assurance. Business operations which perform day to day risk management activity;
- 2) **Second line:** oversight functions. These senior business functions set policies, procedures and have functional oversight of the first line of defence;
- 3) **Third line:** independent challenge. These independent functions challenge the levels of assurance provided by business and oversight functions: internal audit; external audit; and other independent review/regulator functions.

### The Three Lines of Defense Model



4.2 This framework is designed to ensure that decisions are based on a robust approach, risk assessments are conducted in a consistent manner, and a common language is used and understood across the Council. While ‘risk appetite’ can vary across priorities, services, or projects, the Council has agreed

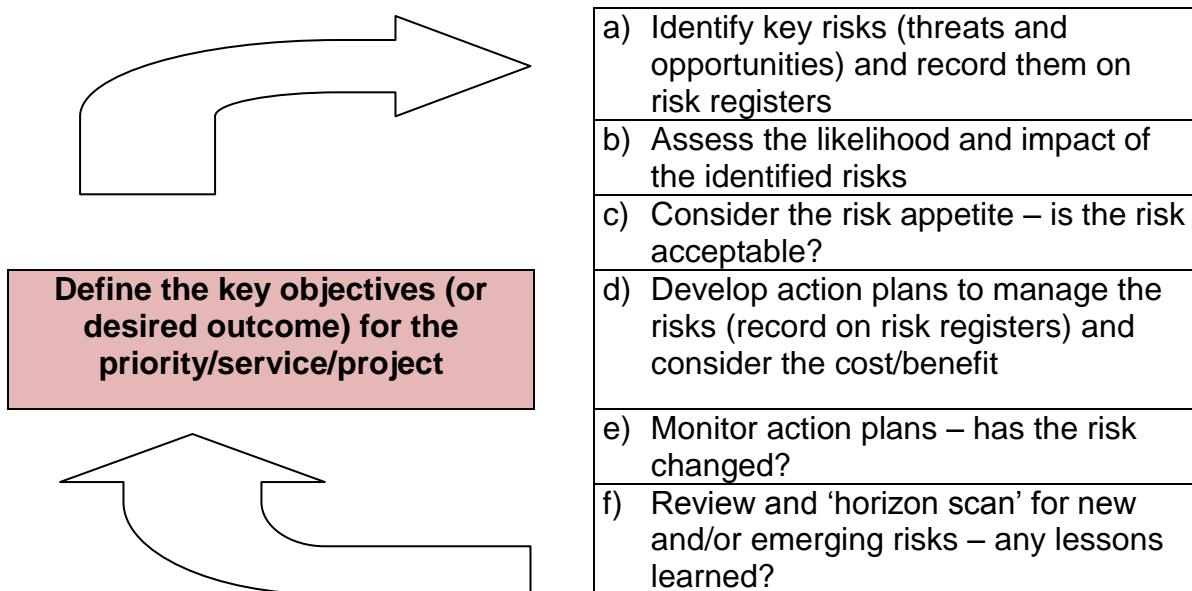
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the following statement to guide managers in taking decisions and assessing risk:

***The Council is not willing to accept risks that may result in adverse reputation impact; significant financial loss or exposure; serious regulatory non-compliance; or serious injury to staff, residents, service users, the environment, or businesses.***

4.3 Keeping adequate records on risk management should support effective decision making; and provide assurance to managers and independent reviews that key controls are in place and managed. The key elements in the risk management process to identify, assess and manage risks are outlined below:

**The Risk Management Process**



4.4 The Council uses Risk Registers to enable strategic, corporate and operational risk information to be documented, managed, monitored, reviewed and updated. Risk registers require the likelihood of the risk occurring; and the impact on the organisation it would have to be quantified.

4.5 The risk registers should be considered as a 'risk action plan' that record the status of priorities/services/projects; provide a record of key controls that are in place to manage the risks; and identify any further controls or actions that may be required. Each risk register should also detail which officer(s) are responsible for managing the risks.

**5. GOVERNANCE AND ASSURANCE**

5.1 The Council's business planning system cascades from the Corporate Plan priorities, through to service area plans and programme plans and further down to team plans and project management plans; and ultimately into individual 'My

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Conversation' plans. Everyone in the Council is involved in risk management and should be aware of their responsibilities in identifying and managing risk appropriately. The key roles and responsibilities in relation to risk management are set out in Appendix 1 to this strategy.

5.2 The Council has governance structures that support risk management at the strategic, corporate and operational levels, as follows:

- **Strategic:** Full Council, Cabinet, and Corporate Committee set and review the strategic direction, priorities and performance.
- **Corporate and Operational:** Senior Leadership Team, Statutory Officers Group, Corporate Leadership and Management Groups, Programme Management structures provide clear lines of reporting, accountability and responsibility.

5.3 All levels of management need to be aware of the current state of progress against achieving their priorities. In assessing whether key governance processes are in place, and providing assurance on these managers should have:

- a) clarity about what their strategic priorities are and what is being measured to demonstrate success/outcomes;
- b) assurance that the right controls are in place to help them achieve their priorities; and these are implemented/adhered to;
- c) performance information about current levels of achievement; and assurance regarding the reliability of the performance information;
- d) assurance that risk appetite is applied consistently in relation to strategic and operational priorities;
- e) knowledge of the risk management decisions taken and why; and
- f) assurance that the actions agreed are being implemented and will be monitored.

5.4 Assurance that each element of the governance framework is operating effectively can be obtained via independent review and challenge undertaken by e.g. internal audit, external audit, OFSTED, CQC; and also via self-assessment processes in support of the Council's statutory Annual Governance Statement.

## 6. INTEGRATION WITH OTHER CORPORATE PROCESSES

6.1 **Business Planning.** The Council's Corporate Plan is linked to its priorities; each has an identified director/assistant director as a 'priority lead' with responsibility for ensuring delivery of the priority. The Council's budgets are aligned to the priorities, which may also be linked to one of the corporate programmes. Each priority should have a risk register to identify and manage its risks which highlights any interdependencies on other priorities, programmes and corporate processes. The corporate risk register is owned by the Statutory Officers Group and is informed by identification of emerging strategic, priority and programme risks.



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**6.2 Programme and Project Management.** The need to identify and manage risk is central to the Council's Programme and Project Management Methodology, taking account of any risks linked to priorities, which should be managed by respective Programme Managers and Priority Leads. Specific guidance on the effective management of key risks is provided for Programme/project Managers, Sponsors and Boards and the framework requires risks affecting each project to be reviewed and reported to the relevant project board. Reports to the Senior Leadership Team and members are also provided on a regular basis as part of the reporting cycle.

**6.3 Corporate Governance.** The Accounts and Audit Regulations 2015 require the Council to publish an 'Annual Governance Statement' (AGS) with its statement of accounts. The AGS is a key corporate document that details the corporate governance arrangements that were in place during the year and highlighting any significant gaps or areas where improvement is required. Risk Management is an integral part of good governance and a key component of the AGS in terms of how it serves to support transparent decision-making and accountability to stakeholders. Reports are provided to the Statutory Officers Group and Corporate Committee on an annual basis.

**6.4 Performance Management.** Risk management is also linked with performance management as one element of business and service planning. Corporate guidance on performance management ensures that key performance measures are in place and monitored. Reports on service performance and outcomes are provided on a quarterly basis to Cabinet.

**6.5 Business Continuity Planning (BCP).** 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. In addition, all service areas are required to produce and review a Business Continuity Plan in accordance with corporate standards. Regular exercises test the operation of corporate and local BCPs.

**6.6 Health Safety and Wellbeing.** 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 risk assessment processes, e.g. display screen assessments and safe working practices, are completed on a regular basis. Reports to the Statutory Officers' Group and members detailing compliance with the Council's policies are provided on a regular basis.

**6.7 Partnership/Commissioning.** The Council also has a responsibility, which is statutory in some cases, to ensure that the management of risk strategy covers bodies working in partnership with the Council. Managers and commissioning officers should determine what form and frequency of information is required

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from partners and commissioned organisations, but both the risk appetite and risk management arrangements for all parties need to be understood and agreed in advance. Corporate guidance is provided to ensure that statutory requirements and corporate standards are fulfilled.

**6.8 Fraud and corruption.** The Council's anti-fraud and corruption policy requires all managers to take responsibility for setting up appropriate controls to enable the prevention and detection of business risks, including fraud. Assurance on compliance is provided via internal and external audit testing and reports provided to the Statutory Officers Group and Corporate Committee on a quarterly basis.

**6.9 Information sharing and security.** The Council is required to comply with statutory responsibilities to ensure that information is shared appropriately to guarantee its availability, confidentiality and integrity. Third parties and the Council should have safeguards and information sharing protocols in place to comply with data protection requirements. All staff are responsible for ensuring the safety and security of information and electronic systems and are supported by guidelines in the various Council/Shared Digital IT Security policies.

## 7. REPORTING AND MONITORING

7.1 Risk management is a continual process requiring regular review to ensure appropriate actions are taken at the right time by the right people. The Council's various risk management processes each have their required reporting and monitoring framework which are incorporated into the Council's overall assurance framework. This will ensure that these activities are co-ordinated effectively to enable appropriate risk management processes across all elements of the framework.

7.2 The Council lead officers for each of the risk management activities will ensure that appropriate training and guidance are available to members and officers, relevant to their needs and responsibilities.

7.3 Risks/opportunities are escalated and reported in various ways via review of e.g. service area risk registers, programme and project documentation, key decisions taken by Cabinet.

7.4 The corporate risk management policy and strategy is published on the Council intranet. The document is kept under review and reported to the Corporate Committee on a regular basis for formal review and approval.

7.5 An assessment of the Council's risk management policy and processes forms part of the Annual Governance Statement.

**Roles and Responsibilities in Risk Management**

**Appendix 1**

Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Cabinet/ Cabinet Members	<ul style="list-style-type: none"> <li>To be aware of the Council’s strategic risks and those relating to their respective portfolios.</li> <li>To ensure that corporate risks are effectively managed in accordance with Council policy.</li> <li>To ensure that risk management implications are considered when making decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Key decisions in accordance with the Council Constitution</li> <li>Corporate Plan</li> <li>Policy reports for all service areas</li> <li>Performance management reports</li> <li>Programme and Project Management reports</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Quarterly</li> <li>Monthly</li> </ul>
Corporate Committee	<ul style="list-style-type: none"> <li>To ensure that there is an effective risk management strategy in place.</li> <li>To receive and consider the corporate risk register and approve the Council’s risk management policy and strategy.</li> <li>To provide independent assurance on the adequacy of the risk management framework and internal control environment, including the Annual Governance Statement.</li> <li>To be satisfied that appropriate action is being taken in respect of managing the Council’s risk and internal control environment.</li> </ul>	<ul style="list-style-type: none"> <li>Review and approval of Risk Management Policy and Strategy</li> <li>Review of the corporate risk register</li> <li>Review of Annual Governance Statement</li> <li>Review of internal and external audit reports</li> <li>Review of the Annual Audit Letter and Head of Audit report</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Annually</li> <li>Annually</li> <li>Quarterly</li> <li>Annually</li> </ul>
Strategic Leadership Team	<ul style="list-style-type: none"> <li>To oversee the corporate approach to managing risk.</li> <li>To ensure that members are advised of the risk management implications of decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Key decision reports for Cabinet</li> <li>Corporate Plan</li> <li>Performance reports</li> <li>Programme and Project Management reports</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Monthly</li> <li>Monthly</li> </ul>

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Statutory Officers Group	<ul style="list-style-type: none"> <li>To ensure that a co-ordinated and consistent approach to the identification and management of risk is adopted, in accordance with the Council's strategy.</li> <li>To identify the Council's key strategic risks and ensure that these risks are appropriately managed; and to have in place appropriate review and monitoring arrangements.</li> <li>To support and monitor the implementation and ongoing processes for embedding risk management throughout the Council.</li> <li>To receive and review periodic updates to ensure that strategic and operational risks are being managed appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>Review of Risk Management Policy and Strategy</li> <li>Review of the corporate risk register</li> <li>Review of Annual Governance Statement</li> <li>Review of internal audit and counter-fraud reports</li> <li>Risk reports from all statutory officers</li> <li>Health and safety reports</li> <li>Business continuity and emergency planning reports</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>Bi-annually</li> <li>Quarterly</li> <li>Monthly</li> <li>Quarterly</li> <li>Bi-annually</li> </ul>
Directors; Assistant Directors; Priority Leads; Programme Managers; Heads of Service	<ul style="list-style-type: none"> <li>To ensure that a co-ordinated and consistent approach to the identification and management of risk is adopted for their area in accordance with the Risk Management Policy.</li> <li>To ensure that identified risks are appropriately managed and to have in place effective review and monitoring arrangements.</li> <li>To maintain appropriate corporate documentation (risk registers, project management documents, business continuity, health and safety etc) and ensure that these are reviewed and monitored/ tested within agreed timescales.</li> <li>To provide evidence and reports to support</li> </ul>	<ul style="list-style-type: none"> <li>Key decision reports for Cabinet</li> <li>Corporate Plan</li> <li>Performance reports</li> <li>Programme and Project Management reports</li> <li>Service area risk registers</li> <li>Business continuity and emergency planning reports</li> <li>Review of internal audit and counter-fraud reports</li> <li>Programme and Project Management reports</li> <li>Annual Governance Statement</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Monthly</li> <li>Monthly</li> <li>Quarterly</li> <li>Bi-annually</li> <li>As required</li> <li>Annually</li> </ul>

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
	preparation of the Council's Annual Governance Statement.		
Audit & Risk Management	<ul style="list-style-type: none"> <li>• To develop a risk-based internal audit programme and audit the key risk and internal control processes across the Council.</li> <li>• To provide assurance to managers and members on the effectiveness of risk management and controls.</li> <li>• To provide advice and guidance to managers on operational risks and ensure appropriate risk financing arrangements are in place.</li> <li>• To provide advice and guidance on operational systems and processes to mitigate risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of Risk Management Policy and Strategy</li> <li>• Review of the corporate risk register</li> <li>• Review of Annual Governance Statement</li> <li>• Report on internal audit and counter-fraud activity</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> <li>• Quarterly</li> <li>• Bi-annually</li> <li>• Quarterly</li> </ul>
Organisational Resilience	<ul style="list-style-type: none"> <li>• To develop and implement a corporate Health, Safety and Wellbeing and BCP policy in accordance with statutory requirements</li> <li>• To provide advice and guidance to managers on health, safety and wellbeing and BCP matters and ensure compliance with corporate policy.</li> <li>• Identification and assessment of health, safety and wellbeing and BCP risks in accordance with corporate policy and timetables.</li> <li>• To ensure appropriate action plans are in place to treat identified risks.</li> <li>• To maintain appropriate corporate documentation and ensure that these are reviewed, monitored and reported within agreed timescales.</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety reports</li> <li>• Business continuity and emergency planning reports</li> </ul>	<ul style="list-style-type: none"> <li>• As necessary</li> <li>• Quarterly</li> </ul>

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Individual/ Group	Role/Responsibility	Information required/ reviewed	Frequency
Employees	<ul style="list-style-type: none"> <li>• To understand their responsibility to take reasonable care in carrying out their work to ensure risks to them, colleagues and the Council are minimised where possible.</li> <li>• To co-operate in matters relating to the mitigation of risk and advise managers of any risks they become aware of.</li> </ul>	<ul style="list-style-type: none"> <li>• Report accidents/incidents and risks according to their service area</li> </ul>	<ul style="list-style-type: none"> <li>• As necessary</li> </ul>