RISK MANAGEMENT STRATEGY

1. Introduction

1.1 Definitions

Risk

Risk is the potential for events (e.g. change in legislation, reduction in funding, staff recruitment problems) that constitute either an opportunity for benefit (positive risk) or a threat to success (negative risk) in delivering our corporate strategy goals and/or services.

Risk Evaluation

Risk evaluation is the assessment of the probability or likelihood of an event happening and the impact if it does. The focus of good risk management is the identification and treatment of these risks.

Risk Management

Risk management is the process by which risks are identified, evaluated and controlled. Good risk management increases the likelihood of success and reduces uncertainty in achieving our corporate goals

1.2 Risk management is a key element of good corporate governance, together with community focus; structures and processes, standards of conduct and service delivery arrangements. The variety of services, the size of the business, cross sector working with partners, and the need to achieve continuous improvement in the quality of service and quality of life in Brent mean that risk is a key part of all the council's activities.
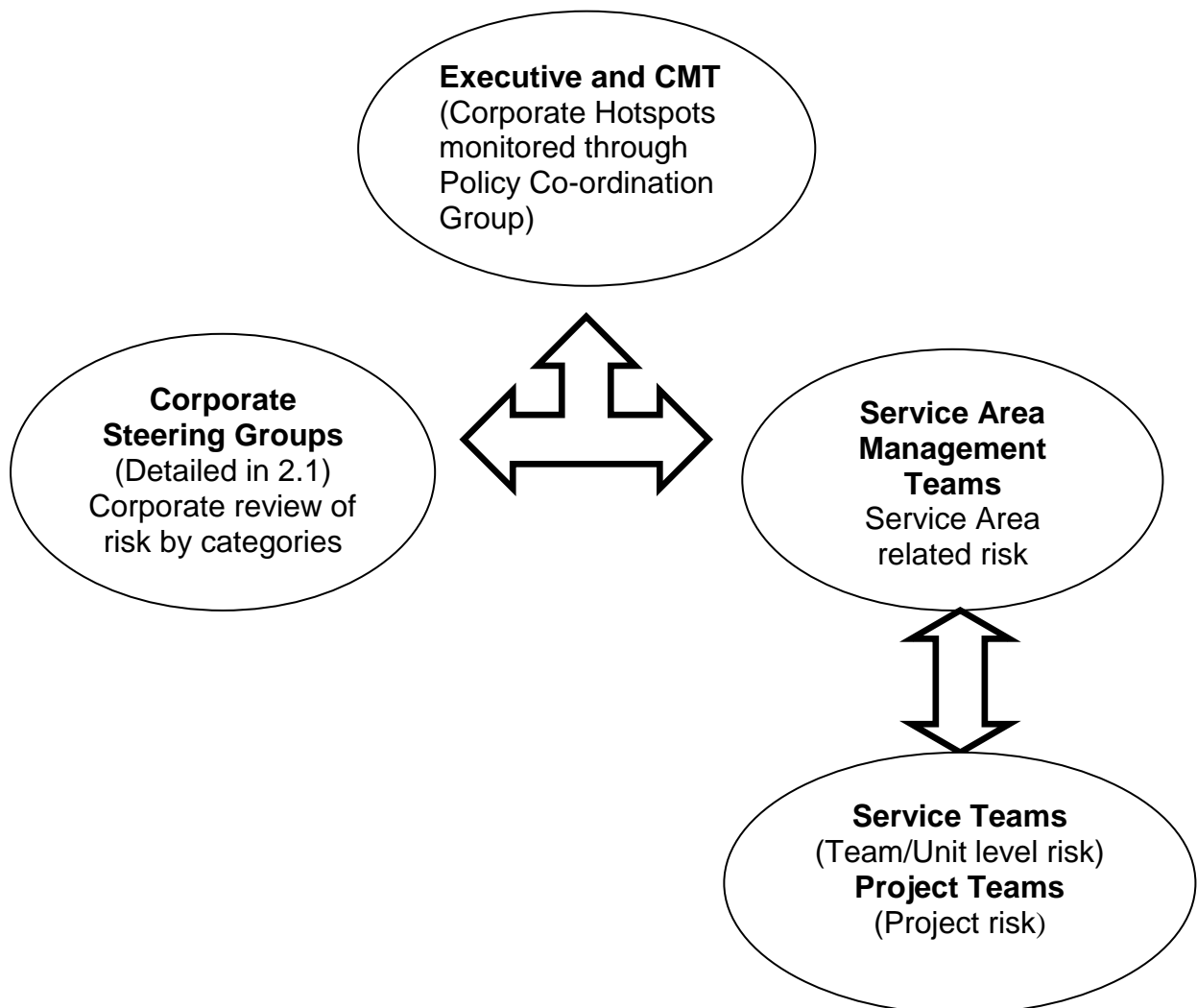
1.3 Risk management provides a framework within which the council can be forward looking and innovative and yet minimise potential damage or loss to the council, its staff and/or residents. Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working and adverse staff morale. Not all risks are insurable and for some the premiums may not be cost-effective. Even where insurance is available, money may not be an adequate recompense. The emphasis should always be on eliminating or reducing risk, before costly steps to transfer risk to another party are considered.

1.4 Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than

merely defensive, responses. Measures to manage adverse risks are likely to help with managing positive risk. The list of council wide risk is maintained on the corporate risk register.

2. Risk Responsibilities/Ownership

2.1 Risk management is part of our everyday business planning and as such, all staff contribute to the council's management of risk. The hierarchy of risk reporting and management is as detailed below.

Executive and CMT
(Corporate Hotspots monitored through Policy Co-ordination Group)

Corporate Steering Groups
(Detailed in 2.1) Corporate review of risk by categories

Service Area Management Teams
Service Area related risk

Service Teams
(Team/Unit level risk)
Project Teams
(Project risk)

2.2 Members

- The Deputy Leader and Lead Member for Corporate Resources has overall responsibility for ensuring that working risk management processes are in place.

- The Executive/Council consider risks as part of their decision making role on corporate policies, including the annual budget setting processes, major policy decisions, and major projects;

- The Policy Co-ordination Group, combining the Executive and Corporate Management Team, review corporate risks through regular Corporate Hotspots monitoring reports.

2.3 Corporate Steering Groups.

Corporate ownership of each category of risk has been assigned to the relevant corporate group who will have overall responsibility for review and strategic management of their assigned category of risk. The corporate groups will need to ensure that risks that fall within the category they are responsible for have been identified and are being managed at the right level within the organisation. Where appropriate, they should also identify risks that need to be on the Corporate Hotspots list.

Risk category	Corporate Group Ownership
Budget, fraud and corruption	Strategic Finance Group
Health and Safety	Strategic HR Group
Human Resources	Strategic HR Group
Information and Communications Technology	IT Steering Group
Information Governance	Information Governance Group
Partnership	Strategic Performance Group/Local Strategic Partnership
Performance and CAA	Strategic Performance Group
Procurement	Strategic Procurement Group
Property	Asset Management Board
Sustainability	Carbon Management Steering Group

2.4 Service Area Management Teams

Service area senior management teams take an overview of risks in their area as part of the service development planning process, and ensure relevant risks within their service area are identified, monitored and managed. Service area management teams will determine whether a risk in their service area needs to be identified as a Corporate Hotspot.

2.5 Service Units/Teams

Risks are identified and managed at service unit/team/project level. Where appropriate, they are escalated to service area management team level and/or reported to the relevant Corporate Steering Group. .

2.6 Project teams

Project leaders have responsibility for identifying, managing and reporting project related risk.

3. Risk Management Development and Monitoring

3.1 Procurement and Risk Management Unit within Finance and Corporate Resources (F&CR) has overall responsibility for developing the strategy, co-ordinating risk management and training staff and members across the authority.

3.2 Audit and Investigations within F&CR takes a lead in reviewing audit and risk management processes as part of the production of the Annual Governance Statement for the Audit Committee. Audit and Investigations is also responsible for reviewing high risk areas as part of its annual audit plan;

3.3 Audit Committee monitors the effectiveness of development and operation of risk management and is responsible for reporting to Full Council if the risk management process is not working.

3.4 The **Audit Commission,** who are the council's external auditors, review risk management and make a judgement on its adequacy as part of their assessment of Use of Resources

4 The risk management process

4.1 Complete guidance on the process for managing risk at Brent can be found in the corporate risk guidance document at (link).