



**The Audit Committee
17th December 2008**

**Report from the Director of Finance and
Corporate Resources**

For Information

Wards Affected:
ALL

Report Title: Revised Risk Management Strategy and Guidance

Forward Plan Ref:

1.0 Summary

- 1.1 This report provides an up-date on the management of risk in Brent and seeks endorsement for an up-dated risk management strategy and guidance. A separate report setting out high level risks to the council will be provided following completion of the 2009/10 service planning process.

2.0 Recommendations

The Audit Committee are asked to:

- 2.1 Endorse the revised risk strategy set out in Appendix 1.
- 2.2 Endorse the revised risk guidance set out in Appendix 2.
- 2.3 Note that high level risks will be reported following the addition of risks identified as part of the 2009/10 service planning process.

3.0 Detail

Background

- 3.1 Risk management is recognised as one of the key components of good corporate governance in both the private and public sector. Good quality risk management helps local authorities achieve challenging corporate objectives – using new technologies and often in partnership with other public sector bodies and the private sector - in the context of constraints on financial resources. In order to succeed in achieving their objectives, local authorities have to manage risk actively and aggressively. The importance of risk in delivering successful

local services is reflected in the prominence it is given within the Comprehensive Performance Assessment framework and its replacement, Comprehensive Area Assessment.

- 3.2 The council has strengthened its approach to risk management over recent years. There is clear accountability at a corporate level for the major risks that the council faces through corporate hot-spots. These risks are reported on a regular basis to members of the Executive and monitored through Corporate Management Team and the High Level Monitoring Group chaired by the Chief Executive. Individual Strategic Groups, such as the Strategic Finance Group have responsibility for identifying and monitoring risks in their areas of responsibility. At service area, risks are set out in annual service plans and monitored by Service Management Teams. Detailed management of risks, including ensuring controls are working, happens at service unit or team level. In addition, individual project teams are responsible for managing risks as part of project management arrangements.
- 3.3 This approach has evolved over a period of time and requires periodic updating of the strategy, the risk management guidance, and operation of the risk management system. It has also led to risk becoming more embedded within the organisation's processes. Actions to achieve this include the following:
- a. The risk register has had a complete refresh of risks linking risk to service area and corporate management hierarchies. Team, unit and project level risks flow up to service area management teams and then (at the appropriate risk level) to Corporate Steering Groups and the Corporate Management Team and ultimately to the council's Executive. Links to allow the attachment of risk to specific corporate objectives and strategy have also been added to the register. These changes provide a clear hierarchy of risk and how that risk may impact our abilities to achieve corporate objectives and corporate strategy goals.
 - b. The revised risk guidance document provides clear guidance on assessing risk as part of service development planning. The risk register contains links to service objectives allowing managers to track risk impact against achievement of service objectives. These changes embed risk into service planning and goal setting.
 - c. The revised guidance also addresses project risk. Risk ownership rests with the project manager and will be reported on the risk register and on the Brent Projects Database.
 - d. Corporate hotspots are now included on the register and are updated. Corporate hotspots continue to be monitored by the Executive and Corporate Management Team. The assessment of partnership risk is addressed in the revised risk management guidance which has a link to the Treasury Department document offering detailed guidance on the management of risk with delivery partners.
 - e. A range of automated reports are available to managers to aid in the evaluation of risk as part of regular service plan progress reviews.

f. The revised risk management strategy makes specific corporate steering groups responsible for oversight of specific cross-council risks. This includes responsibility of the Strategic Performance Group and Local Strategic Partnership for oversight of partnership risk.

3.4 It is proposed to provide a summary report of high level risks that the council is managing following completion of the 2009/10 service planning process.

4.0 Financial Implications

4.1 There are no direct financial implications arising from this report.

5.0 Legal Implications

5.1 There are no direct legal implications arising from this report

6.0 Diversity Implications

6.1 There are no direct diversity implications arising from this report.

7.0 Staffing/Accommodation Implications (if appropriate)

7.1 There are no direct staffing implications arising from this report

8.0 Background Papers

8.1 None

9.0 Contact Officers

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