

London Borough of Hackney

**Corporate Risk Management Annual Report
2015-2016**

Contents

Introduction	2
Achievements in 2015 / 2016	2
Training and Raising Awareness	4
Future Reporting to Audit Committee	4
Conclusions	5

1. INTRODUCTION

- 1.1 This report summarises the latest position in respect of the management of risk across the Council, providing an update on progress made during 2015/16 and the future activities planned for 2016/17.
- 1.2 The Corporate Risk Advisor works across the directorates facilitating, assisting and supporting officers in the identification and management of risk. All risks identified continue to be managed appropriately according to scores, which are contained within the risk matrixes (reflecting the Council's appetites for risk) and any red risks are escalated and dealt with according to the approach detailed in the Council's Risk Strategy.

2. ACHIEVEMENTS IN 2015/16 AND ONGOING PROGRESS

- 2.1 The annual reporting of directorate risk registers to Audit Committee has ensured that risks are reviewed by directorates and considered by their Directorate Management Teams (DMT) on a regular basis, thus ensuring that the management of risk becomes embedded across the Council. A pyramid structure has developed in directorates whereby directorate risks are fed by divisional risks which themselves are comprised of service risks. The table below illustrates when each register went to Committee during 2015/16: -

Date	Submissions to Audit Committee (previously Audit Sub / Corporate Committee)
16 July 2015	Corporate Risk Management Annual Report
17 September 2015	CYPS Risk Register, Housing Risk Register
20 January 2016	Corporate Risk Register, Finance and Resources Register, Legal, HR and Regulatory Services Register
14 April 2016	Training session for members conducted by CIPFA
9 June 2016	Chief Executive's Risk Register, Neighbourhoods and Housing Risk Update.
21 September 2016	Corporate Risk Register, Corporate Risk Policy and Strategy Review, Corporate Risk Management Annual Report 2015/16

- 2.2 The way risks are captured and presented within the Council's online software (Covalent) has been overhauled and improved. A new approach to the way each risk is logged has been adopted ensuring a Council-wide consistency and a much clearer way of capturing the descriptions. New developments within the software, including an imminent move to a browser version, are providing further improvements enabling sharper and more effective reporting. Following on from requests from Committee in recent meetings, the way risks are presented within the registers has been modified slightly to make a clearer point about their direction of travel. Each risk is now accompanied by an arrow making it simple to assess the direction of travel since the last assessment, or identify a new risk. There are also future plans, contained within the updated Strategy, to introduce a 'Headline Scorecard' for each register which will also contain a target risk score as well as a present risk score.

- 2.3 The 'Risk Architecture' within the Council has developed significantly over the last year with the Risk Policy and Strategy being fully reviewed and updated in August 2016, and ratified by the Chief Executive. Also, within the last year, a refresh was undertaken of the Intranet pages. The Risk Management section was reviewed and edited and is consistently updated to reflect any change and improvements to the service. All these publications are constantly reviewed to reflect any changes and development ongoing within the Council.
- 2.4 Each directorate continues to have a nominated Risk Champion, working and regularly meeting, with the Corporate Risk Advisor to advance the management of risk in their directorates. The Risk Champions also help facilitate the recording of risks, and organise liaison meetings and help to collect submissions for any reports in order to meet deadlines.
- 2.5 The Corporate Risk Advisor has attended DMT and HMT meetings working in conjunction with Risk Champions or relevant Senior Managers. Consequently, there has been a direct input into the training and a subsequent assessment of various relevant risks (see Section 3).
- 2.6 The Corporate Risk Management Service has been conscious of the continuing importance of raising awareness of its role internally within the Council. There have been regular revamps of the staffroom pages on the intranet, marketing leaflets, as well as previous promotional pieces in Council literature detailing the importance of this service and how officers can work with the Corporate Risk Advisor to improve their management of risk.
- 2.7 The Council is constantly changing, with directorates restructuring, evolving and new services and partnerships being created. Recent years have seen the reintegration of The Learning Trust, and also the Council once again assuming responsibility for all Public Health Services in the Borough. To assist in the integration, close relationships were built, workshops hosted and revised risk registers developed. In April 2016, Hackney Homes was reintegrated into the Council, which required a change to their approach to risk management in order to comply with Council processes. Work has already occurred to establish relationships and ensure risk registers conform with the overall Council approach. There is also effective interaction and good existing relationships with other areas of the Council such as business analysis, project and programmes and business continuity where elements of work overlap and there is a benefit to be gained by exchanging information and sometimes seeking assistance. There was significant change in the senior management of ICT this year, and immediately meetings between Corporate Risk were held both at the Directorate Management Team meeting, and with the new Director separately to establish an effective plan for going forward.
- 2.8 There is a continuing need for the Corporate Risk Management Service to provide 'ad hoc' advice. Regular requests are received from officers/teams within directorates requiring assistance with a review of a register, workshops to raise awareness of the corporate requirements and approach, advice or assistance on the use of Covalent etc. This is welcomed, as it demonstrates that risk management is considered as part of staff duties and is well embedded across the Council. There will continue to be an ongoing demand for this supporting role and with the continuing changes to the corporate structures and staffing levels within the Council resulting from the ongoing austerity measures and financial climate this is expected to continue.

- 2.9 The Council's insurer's, Zurich, provide a limited amount of risk consultancy each year as part of the contract at no additional cost. In April 2016, Zurich were enlisted to provide a Risk Management Health Check, essentially an assessment of the risk maturity of the Council. This involved numerous interviews with the Corporate Risk Advisor, as well as interviews with various Risk Champions and senior managers. Ultimately an overall baseline assessment was produced which offered an overview of numerous areas which had been analysed. To establish a baseline assessment of current risk maturity within the organisation, a performance model was used by Zurich which had five levels of assessment. These started at the lowest level (1) where risk could be seen to be engaging with the organisation, and progressed to the highest level (5) where risk management could be seen as driving the organisation. The Council were adjudged to be at Level 3, where "Risk management is working for the organisation". Subsequent to this health check, an action plan was produced, the contents of this are included as Appendix 2.

3. TRAINING AND RAISING AWARENESS

- 3.1 Training and awareness is essential to ensure that a corporate approach to the management of risk is followed throughout the Council, it is an ongoing process. Training has continued to be delivered throughout the year where required.
- 3.2 In addition to training to address the needs of Council officers, training was also delivered to the members of Corporate Committee in January 2015 explaining how risks are managed within the Council, and how they are reported to Committee. This was followed up in April 2016, with another session delivered by CIPFA, aimed at clarifying exactly what was expected of an Audit Committee, especially with regards to oversight of risk.
- 3.3 Training needs are continually monitored in particular taking account of the creation, merger or deletion of services or directorates. For example, when Hackney Homes reintegrated into the Council in April 2016 an initial training session was arranged, with follow ups pending, this was undertaken to ensure that staff working previously for Hackney Homes were clear about their responsibilities and the expectation of the Council in the approach to managing risk.
- 3.4 Training is designed to be specific to each directorate or team, although the main elements in respect of the Council's approach to managing its risk remain consistent throughout.
- 3.5 A marketing leaflet produced last year was updated in 2016 and distributed across all Council directorates, as well as being featured in the Hackney Manager e-briefing email and the weekly staff news. This guide summarises the Council's corporate approach and what is expected of all officers. Once again it was made clear that support is available for any services wishing to refresh their risk training. The ongoing presence of the Corporate Risk Management Service on the intranet, along with other promotional activities, ensures risk management continues to be embedded as an important element of corporate governance across the Council.
- 3.6 Usage of the Council's Risk Tracker, Covalent, is an important part of managing our risks. Covalent is also used across the Council to manage performance, internal audit reviews and recommendations, and complaints. It is important that relevant officers and

teams are fully trained and confident using Covalent to ensure risks are updated on the system. Regular user sessions (whether one on one, or workshops in IT training rooms) are held to ensure relevant officers are trained on the use of Covalent. As an additional point of interest, it has just been announced that Covalent Software Ltd has been acquired by Ideagen Plc, a UK AIM listed software business. This should not impact on how the software operates for the Council.

- 3.6 All training and relevant materials are monitored regularly to ensure that they remain up-to-date and that any training needs are quickly addressed.

4. FUTURE REPORTING TO AUDIT COMMITTEE & CABINET

- 4.1 The reporting of directorate risk registers to Audit Committee will continue at future meetings.
- 4.2 Directorates will report their risk registers to Audit Committee on an annual basis in future. In addition, the Corporate Risk Register will continue to be submitted to the Committee at least annually. During 2016, this register will have been reviewed twice. The proposed schedule is shown in the following table: -

Date	Submission to Audit Committee
September 2016	Corporate Risk Register, Corporate Risk Policy and Strategy Review, Corporate Risk Management Annual Report 2015/16
January 2017	Neighbourhoods and Housing Risk Register, Children, Adults and Community Health Risk Register
April 2017	Finance and Corporate Resources Directorate Register
June 2017	Chief Executive's Risk Register, Corporate Risk Register

5 CONCLUSIONS

- 5.1 The Council continues to make good progress in the development of its management of risk across directorates, services and functions. As described by Zurich, risk management is working for the Council. The Corporate Risk Management Service will continue to work with officers throughout the organisation to ensure management of risk remains at the heart of decision making enabling the Council to not only reduce exposure to risk but also to exploit opportunities..
- 5.2 By continuing to work with directorates the Corporate Risk Management Service will ensure that the management of risk is further developed and embedded throughout the authority via the provision of corporate support, targeted training and toolkits.