

London Borough of Hackney

**Corporate Risk Management Annual Report
2016/17**

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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 2016/17 and the future activities planned for 2017/18.
- 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 2016/17 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 2016/17: -

Date	Submissions to Audit Committee (previously Audit Sub / Corporate Committee)
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
18 January 2017	Training session (delivered by Corporate Risk Advisor), Neighbourhoods and Housing Risk Register
20 April 2017	Finance and Corporate Resources Risk Register, Children, Adults and Community Health Risk Register
19 June 2017	Chief Executive's Risk Register, Corporate Risk Register

- 2.2 Risks are captured and presented within the Council's online software (Covalent). Usage of this across the organisation ensures a Council-wide consistency and a much clearer way of capturing the descriptions. New developments within the software, including a recently launched browser version, are providing further improvements enabling sharper and more effective reporting. Risk training on Covalent is provided by the Corporate Risk Advisor. Following on from requests from Committee in recent meetings, the way risks are presented within the registers has been modified slightly to clarify 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. Each risk is also accompanied by a clear indicator as to whether it is concerned with internal or external events, and whether it is a current or future risk (if current, this is an acknowledgement that it is already impacting but with the potential to get worse). Registers are also now

accompanied with a 'Headline Scorecard' which contains a summary of the risks contained within it, 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 September 2016, and ratified by the Chief Executive, and finally by Audit Committee. Also, within the last year, a refresh was undertaken of the Intranet pages. The Risk Management section was reviewed and edited and is regularly updated to reflect any change and improvements to the service. All these publications are constantly reviewed to reflect any changes and developments 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.
- 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 to 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 has been significant change in the senior management of ICT over the last 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 (and subsequent register) 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 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. In addition to training to address the specific needs of Council officers / teams, training has also been delivered to members of the Audit Committee. In April 2016, CIPFA delivered a session clarifying exactly what was expected of an Audit Committee, especially with regards to oversight of risk. This was followed up in January 2017 by the Corporate Risk Advisor delivering another training session for the Audit Committee, on the approach to risk and plans for the future. This also enabled some useful discussion of relevant issues.

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

- 2.10 In the 2016/17 VFM (Value for Money) audit carried out by KPMG (the Council's External Auditors), Risk Management was selected as an area for extra attention. The analysis carried out included detailed scrutiny of the risk processes and documentation as well as direct questioning about the approach to work with the Corporate Risk Advisor. The findings were reported back to Audit Committee at the meeting on 25 July 2017 (as part of the Annual Governance Report) and the audit response went into detail about the various findings from the research which was undertaken. It was concluded that there were no matters arising from this work and that everything complied satisfactorily with good working practice. This work, specifically focused on risk, should serve to provide some further assurance as to the effective embedding of risk management within the Council.

3. FUTURE REPORTING TO AUDIT COMMITTEE

- 3.1 The reporting of directorate risk registers to Audit Committee will continue at future meetings.
- 3.2 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 and now 2017, this register has been reviewed twice. The proposed schedule is shown in the following table: -

Date	Submission to Audit Committee
September 2017	Corporate Risks update, Annual Report
January 2018	Corporate Risk Register, Neighbourhoods and Housing Risk Register
April 2018	Children, Adults and Community Health Risk Register, Finance and Corporate Resources Risk Register
June 2018 (tbc)	Chief Executive's Risk Register, Corporate Risk Register.

4. CONCLUSIONS

- 4.1 The Council continues to make good progress in the development of its management of risk across directorates, services and functions. As assessed by Zurich in a 2016 Healthcheck, 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..
- 4.2 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.