

**Manchester City Council  
Report for Information**

**Report To:** Overview and Scrutiny Governance Sub Group – 9 December 2010

**Subject:** Risk Management Strategy Refresh 2010/11

**Report of:** City Treasurer

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**Summary**

This report updates the Committee on the latest refresh of the Risk Management Strategy. The 2010 refresh was completed by the corporate risk management team in November 2010 and endorsed by SMT Use of Resources Sub Group on 24 November 2010. This paper includes a copy of the Strategy, explains the process through which it was updated, summarises the main content and introduces the strategic priorities for the year.

**Recommendations**

Members are requested to comment on the report.

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**Wards Affected:** All

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**Background documents (available for public inspection):**

There are no background papers to this report

## **1 Introduction**

- 1.1 The Council's Risk Management Strategy (the Strategy) is refreshed each year. This process has been undertaken by the corporate risk management team and a draft version was endorsed by SMT Use of Resources Sub Group on 24 November 2010.
- 1.2 This paper outlines the approach taken to conducting the refresh, summarises the main content of the Strategy, and introduces the strategic priorities for risk management. It also makes reference to the approach being taken to directorate risk assessments and the links to both business plan risk assessment and the corporate risk register.
- 1.3 Resources and Governance Overview and Scrutiny Sub Group are requested to discuss and endorse the Strategy and the priorities and objectives for 2010/11 and beyond.

## **2 Risk Management Strategy Refresh**

- 2.1 The Strategy has been updated in each of the last five years. The refreshed strategy is attached as Appendix One.
- 2.2 The Strategy is very much a document of two halves; the main text focuses on the context for future risk management and describes how this can support strategic and operational decision making within the context of the economic downturn, Comprehensive Spending Review and the implications of a headline 28% grant reduction over four years.
- 2.3 The intention in writing the Strategy in this way is to ensure it is contemporary, relevant and focused at the issues of greatest concern to managers, officers and elected members. This should allow it to be of interest to a wide readership by being accessible and relevant. It will be made available on the new pages for Audit and Risk Management following the refresh and relaunch of the intranet.
- 2.4 An effective risk management programme is dependent on officer and member involvement at all levels. It is important that roles and responsibilities are clarified for all involved in using the risk management process as a core managerial competency.
- 2.5 The Strategy aims to be concise. Therefore, detailed descriptions of roles and responsibilities have been stripped out and included as an appendix reference guide. The main summary of roles and responsibilities are outlined in a single A3 matrix. This presentation was first introduced last year but has been refined in this refresh. As a model it has been well received. The matrix is in A3 format to encourage its extraction from the main text and its display for staff.

### 3 Strategic Priorities for Risk Management

- 3.1 The second half of the Strategy lays out the key deliverables for the coming year. This year sees a significant expansion in planned risk management activity at a service level, building on the sound strategic platform that has been developed in previous years. The main priorities are as follows:

To develop a consultancy, advice and challenge service for all directorates and divisions within the Council, providing named risk managers with responsibilities for leading the active engagement with services, ensuring that all services become increasingly risk aware and use risk management as a core managerial competency.
To lead the development of risk strategies and registers within the six directorates, ensuring that all are aware of and managing the strategic risks to the delivery of their objectives.
To develop the risk management components of the Audit and Risk Management intranet site to provide up to date information as to how services can be accessed, training materials and all relevant guidance and policies.
In conjunction with colleagues in the Capital Programmes Division, to ensure that functionality within the programme and project management system, PRISM, is developed in such a way as to allow the electronic capture and storage of all risk assessments, thus enhancing the ability to monitor, mitigate and escalate risks.
To establish and lead a specialist risk management group that includes managers and officers across the Council with specialist risk management responsibilities. This will lead to more opportunities for collaboration, efficiency and sharing of objectives.
To ensure quarterly refresh and update of the Corporate Risk Register that is endorsed by SMT Use of Resources Sub Group and presented to SMT
To ensure that 500+ officers and managers at Grade 7 and above receive training in the Council's approach to risk management (enhanced target)
With colleagues in the Insurance Section, develop a gateway process for managing the risk management and insurance pump priming fund to provide matched funding to relevant projects that bear down on risk and reduce the likelihood and impact of insurance claims.
Provide enhanced support to Council service teams working across organisational boundaries, building on previous work undertaken with Thematic Partnerships and ensuring a wider dissemination of the partnership approach to risk assessment.

- 3.2 These priorities directly reflect the objectives within the Audit and Risk Management Business Plan and are designed to ensure the further embedding of risk management as a core competency across all Council Services.

### 4 Directorate Risk Registers

- 4.1 Whilst all priorities are aimed at building risk management maturity and are part of a year on year programme that builds capacity and understanding within services, one work stream is brand new to the risk programme. This is the new model of engagement across all directorates to undertake risk management healthchecks and generate directorate risk registers, leading to the development of annual directorate-level risk management workplans.
- 4.2 This priority has been developed in recognition of a current gap within the risk management governance framework. Whilst SMT scrutinise and maintain a Corporate Risk Register (CRR) and services undertake assessment of risks to the delivery of their business plan objectives, there is currently no articulation of the strategic risks to the delivery of overarching directorate priorities. Supporting the six main directorates in assessing their high level risks will:
- provide a bridge between the CRR and business plan risk assessment;
  - reflect directorate level risks in directorate business plans, target operating models and blueprints;
  - assist in escalation of risks from a service to a corporate level;
  - provide an overall articulation of strategic risks from a service perspective, which will inform the content of the CRR; and
  - help ensure that the support of the corporate risk management team can be focused, directed and deployed to meet directorate needs.
- 4.3 The six main service directorates are Directorate for Adults, Children's Services, Neighbourhood Services, Corporate Services, Chief Executives and Directorate of Transformation. Three risk managers take lead responsibility for two directorates each. The idea is that the risk managers establish close working relationships with their directorates and develop a level of understanding of their structures, priorities and risk that is commensurate with that of senior managers within the service.
- 4.4 The model for undertaking directorate healthchecks, risk assessments and developing annual work plans has already been designed and piloted within the Directorate for Adults and provides an approach that is innovative and potentially transferable to other service assessment processes. The toolkit and model will be rolled out across three directorates by April 2011, with completion of all six by July 2011.

## **5 Conclusion**

- 5.1 The Council has made significant progress in embedding risk management as a core managerial competency within all services. Embedding risk management is an ongoing process and is arguably, never complete, on the basis that, even in the most risk mature and risk active organisations, there is still room for improvement. The corporate risk management team is ambitious in terms of what it wants to support the Council in achieving, especially in light of the current economic volatility and the level of budgetary reduction being faced across the public sector, which affects both the Council and its partners.
- 5.2 The draft risk management strategy sets an ambitious but deliverable programme for risk management for the coming year, set within the context of

the economic downturn and Comprehensive Spending Review and aimed at providing the most effective support for services in delivering their objectives in a time of significant challenge, change and financial constraint. The corporate risk management team has allocated named risk managers to support the six directorates and will drive forward the specific priorities that will further embed risk management as a core managerial competency across all Council services.

- 5.3 The Governance Sub Group is requested to consider and endorse the refreshed risk management strategy and note the approach to the further development of risk management.

## **Manchester City Council Risk Management Strategy November 2010**

Manchester is an ambitious City; the scale of its ambition is reflected in the transformation that has taken place over the last decade. This ambition is not accidental; it is a result of the persistence and commitment of a vibrant and diverse population coupled with the imagination of major public and private sector organisations, led by the City Council, which sets the political vision and priorities and translates these into the work that drives change.

The outcomes of the City's ambition are evidenced by the many diverse transformation programmes in which the city and the Council are engaged. Many of these are laid out in the annual State of the City Report, published in July 2010 and available on the Manchester Partnership's internet page.

With ambition comes risk. It is rare for positive progress to be made without innovation. Exploiting the opportunities to do things differently and taking risks is one of many things that Mancunians do well.

Public services are facing severe challenges over the next four years and onwards. Following the Comprehensive Spending Review on 20 October 2010 the Government announced 28% cut in local government grant support; The Office for Budget Responsibility Star Chamber described the period we are entering as;

*“the longest, deepest, sustained period of cuts to public service spending since World War Two”.*

Over the last 18 months the Council has been anticipating and planning for a significant reduction in financial resources. The financial constraints within local government, the public sector and the wider economy mean it is clear that achievement of the City's ambition and the delivery of positive outcomes for Manchester people will be dependent on Council services doing more for less. This requires services to think and do things differently, using innovative approaches such as the 'M People' strategy. Services will have to become more entrepreneurial; work collaboratively with private and public sector partners; commission integrated services and solutions; embrace new ways of working; and grasp opportunities as they arise. All this means they will need to take risks to achieve more with less.

Effective risk management also helps services focus on what actions can be taken to deal with future events. Risk management can help the Council plan to deal with the scale and speed of changes in Government policy and the unprecedented financial challenges. Having assessed risk and planned for the known challenges also means that when the unanticipated or unexpected arise, as they no doubt will, there is greater management and Member capacity across the Council to respond quickly and effectively on behalf of the people of Manchester.

The Council's highly practical approach to risk management will be essential for services if they are to deliver the Council's priorities in this challenging financial and

policy environment. Effective risk management will enable services to assess and prioritise their objectives and work programmes and identify the strategies that allow the best outcomes with the optimum control of risk.

The extension in capacity within the corporate risk management team and the growing skills in risk management at a service level (evidenced by significant improvements in risk assessment in Business Planning this year) mean that services are well placed and will be well supported in their strategic and operational risk management decision making.

Manchester will continue to invest in its ambition and change programme with the ultimate aim of creating a world class city, with world class economic performance, where citizens reach their full potential in education, skills attainment and employment, where all neighbourhoods attract and retain diverse and content communities and where there is mutual respect and high levels of self esteem. Engagement of service teams in effective risk management will help to ensure maximum value for money and maximum impact from the reduced resources available to the Council and its partners.

Risk Management is a simple, common sense process; it is an intuitive skill used by everyone in their day to day lives and one of the main ways in which people keep themselves safe and make sensible and appropriate decisions.

Having established a firm platform for risk management and an expansion in corporate capacity, the Council is now rolling out the principles and practice of risk management across all corporate and operational services, using a common model. The overall objective is to develop risk management as a core competency that is used to support operational and strategic decision making and the delivery of work priorities, both within the Council and in partnerships.

The Council's Strategic Management Team has endorsed this approach, confirming that risk assessment must be integrated into mainstream management practice. This is reflected in Business Planning Guidance and the Manchester Standards.

2010/11 is an exciting year for risk management. Increased corporate capacity is being exploited to ensure that all main service divisions have an allocated, named risk management specialist to support them. All service directorates will further develop Directorate Risk Registers, providing a 'golden thread' between service risks and corporate risks. During 2011 risk assessments will begin to be captured electronically using the PRISM system, enabling better recording, review, scrutiny, management and escalation of risks. Officers at Grade 7 and above will continue to benefit from enhanced training opportunities to develop their skills and all services will have access to expert facilitation of risk workshops to support the delivery of their objectives and their strategic decision making. The tools and resources required by officers to participate in effective risk management will be made available electronically following the creation of the Audit and Risk Management Intranet site.

This strategy provides a concise summary of the expectations placed on all officers. It also lays out the priorities for the further development of risk management over the coming year and is supported by detailed appendices to guide managers developing

risk management programmes. Appendix 1 provides a formal statement of the Council's policy and intent. Appendix 2 contains a review of the delivery of last year's risk management priorities. Appendix 3 contains a detailed explanation of the roles and responsibilities of elected members, managers and officers in relation to the establishment of risk management as a core competency.

## **Components of a Risk Management Framework**

Risk management requires managers to:

- Identify potential risks to the delivery of services, objectives, and projects and in relation to strategic and operational decision making
- Review and summarise existing controls already in place
- Produce an objective assessment of the severity of the consequences and the likelihood of the risk emerging
- Categorise the level of risk. The Council's categories are extreme, high, medium or low
- Reach an objective decision as to whether levels of existing control are acceptable
- Produce action plans to further mitigate the risk where necessary,
- Allocate managerial responsibility for delivery of the action plan
- Provide ongoing scrutiny of progress with risk mitigation escalating risks in circumstances where mitigating action plans do not provide the anticipated levels of enhanced control and,
- Review risks on an ongoing basis to ensure they remain relevant.

## **Effective Risk Management: Expectations and Responsibilities**

To be effective in supporting the Council in delivering its objectives and priorities risk management needs to be visible and actively pursued at all levels within the Council. It is not an "add on" activity but is central to the way the Council plans and executes its work programmes to deliver change with maximum effect, whilst ensuring optimum value for money. This is equally true for a small service team as it is for a Divisional Management Team or the Strategic Management Team.

The approach taken within the Council has been to create a model for risk management that is applicable at any level of planning, decision making and service delivery. It is the responsibility of all officers and managers to ensure that they use the tools available and reap the benefits and use risk management as a core component of their everyday working life..

Responsibilities for delivering the risk management framework are summarised in A3 forms below.

***The purpose of an A3 version is to allow services to display the roles and responsibilities in areas accessible to all staff.***

<p><b>This table provides a simple articulation of the main roles and responsibilities for different groups and individuals in implementing the Council’s approach to risk management.</b></p> <p><b>If you wish to find out what you or your group are responsible for, find the group on the horizontal column and scroll down the column.</b></p> <p><b>Boxes marked “L” indicate where you have a lead responsibility</b> <b>Boxes marked “S” indicate where you support delivery.</b></p>	Elected Members	Chief Executive and Strategic Management Team	SMT Use of Resources and Governance Sub Group	Corporate Risk Management Team	Strategic Director and Directorate Senior Management Team	Heads of Service and Service Management Team	Service Managers and Team Leaders	Partnerships	Public Service Board	Partnership Management Group	Thematic Partnerships	Project Management	Senior Responsible Officers	Project Managers	All employees
Attend mandatory risk management training at Grade 7 and above	L	L	L	S	L	L	L		S	L	L		L	L	
Set strategic risk management priorities and ensure annual refresh and update of risk management strategy and policy		L	S	S					L	S	S				
Identify risks for inclusion on Corporate Risk Register (CRR) on both an annual and ongoing basis		L	S	S	S	S									
Provide quarterly scrutiny and update of the CRR/Strategic Partnership Risk Register		L	S	S					L	L	S				
Receive assurance and provide challenge regarding effective management of strategic risks		L	S	S	S				L	S	S				
Provide quarterly reports on management of the CRR			L	S											
Escalate to next management tier when risks are increasing in severity			L	L	L	L	L			L	L			L	L
Recommend further mitigating actions for strategic risks when required			L	S	L	L									
Act as champions for risk management in operational services			L	S	L	L	L								
Ensure risk assessment of all Business Plan objectives				S	L	L									
Generate and ensure active management of Directorate Risk Registers. Escalate risks for consideration by SMT Use of Resources Sub Group as and when required.			S	S	L	S									
Ensure quarterly review of Directorate Risk Register			S	S	L	S									
Ensure all service risks are migrated into the PRISM software to ensure maximum flexibility in risk scrutiny, mitigation and escalation.			S	L		S									
Ensure monthly review and update of service risk register						L									
Allocate lead managers as risk owners to ensure the effective mitigation of risks.		S		S	L	L									
Ensure all risks are reviewed within performance management meetings						L									
Alert strategic directors when service risks are escalating in severity			S			L									
Provide monthly scrutiny of risks within Business Plans and report on progress to Service Mgt Team							L								
Provide reports to Corporate Performance Team that include progress with risk mitigation							L								
Alert Heads of Service & Service Mgt team to emerging risks to the delivery of service objectives						S	L								
Undertake Departmental risk assessments and develop mitigating action plans				S			L								
Identify risks to be captured within Strategic Partnership Risk Register on both a formal, annual and ongoing basis				S					L	S	S				
Ensure partnership objectives are fully risk assessed and risks communicated to PSB											L				
Review and update risk registers at all Thematic Partnership meetings				S							L				
Ensure that projects only progress through the gateway process when there is evidence of comprehensive risk assessment				S									L	S	
Ensure project implementation is supported by comprehensive risk assessment				S										L	
Ensure review of risk registers at all Project Management meetings				S									L	L	
Inform SRO when levels of risk are escalating				S										L	

Track progress with risk management through scrutiny of Business Plans	L			S											
Provide formal scrutiny of risk management arrangements and progress through Audit Committee	L			S											
Take personal responsibility for identifying and reporting risks relevant to own role	L	L	L	L	L	L	L		L	L	L		L	L	L

**Next Steps: Priorities in Developing Risk Management:**

The priority for risk management last year was to support the embedding of risk management as a core managerial competency across all corporate and operational services. Sustained progress was made in this as the risk management team took maximum advantage of the increase in the corporate risk management resource to ensure a far more visible presence and engagement in all the main service divisions. Training and facilitation activity was also increased.

The success in enhancing engagement with services is evidenced by active engagement in risk sessions and the improved quality of risk assessment emerging within draft Business Plans. It is acknowledged that embedding risk management across the Council is an iterative process; in fact, it will never be described as complete because, even in the most risk mature and risk active organisations, there is always room to improve. Embedding risk management will remain the key priority for the service this year and in years to come.

Our ambitions for this year are set out below; they are achievable because of work undertaken by officers and Members in previous years to build a sound strategic platform for risk management and a structure that allows enhanced participation for all services. Strategic priorities for 2010/11 and into 2011/12 are:

Strategic Priority	Performance Target
To develop a consultancy, advice and challenge service for all Directorates and Services within the Council, providing named risk managers with responsibilities for leading the active engagement with services, ensuring that all services become increasingly risk aware and use risk management as a core managerial competency.	All Directorates and Services able to demonstrate the active review and management of Business Plan Risk Registers and Directorate Registers when constructed (Quarterly and ongoing in line with Business Plan time lines)  The main six service directorates all undertake a risk management maturity health check (three by April 2011, six by July 2011)
To lead the development of risk strategies and registers within the six directorates, ensuring that all divisions are aware of and managing the strategic risks to the delivery of their objectives.	Pilot Registers established within two Directorates by January 2011. Three Registers constructed and undergoing monitoring by April 2011, six registers in place by July 2011.
To develop the risk management components of the Internal Audit and Risk Management intranet site to provide up to date, accurate information as to how services can be accessed, training materials and all relevant guidance and policies.	Risk components of new Intranet are launched and live. (December 2010).  Evaluation of uptake and impact completed (April 2011).
In conjunction with colleagues in the Capital Programmes Division, to ensure that functionality within PRISM is developed in	Ongoing liaison with Capital Programmes ensures that the system functionality is fully compliant with identified needs (February

Strategic Priority	Performance Target
such a way as to allow the electronic capture and storage of all risk assessments, thus enhancing the ability to monitor, mitigate and escalate risks.	2011).  PRISM fully populated with Directorate and Service risks (April 2011)
To establish and lead a specialist risk management group that includes managers and officers across the Council with specialist risk management responsibilities. This will lead to more opportunities for collaboration, efficiency and sharing of objectives.	Group already established and meeting.  Group meets bi-monthly (ongoing).  Evaluation of progress and outcomes (May 2011)
To ensure quarterly refresh and update of the Corporate Risk Register that is endorsed by SMT Use of Resources Sub Group and presented to SMT.	Evidence of quarterly review by SMT resulting in changes to the risks on the register and capacity to control/capacity to improve assessments (quarterly ongoing).  Regular and ongoing review of risk management arrangements including CRR undertaken by SMT Use of Resources Sub Group (quarterly as a minimum standard)
To ensure that 500+ officers and managers at Grade 7 and above receive training in the Council's approach to risk management (enhanced target)	Training numbers reported quarterly to SMT Use of Resources Sub Group. Annual target exceeded by April 2011.
With colleagues in the Insurance Section, develop a gateway process for managing the risk management and insurance pump priming fund to provide matched funding to relevant projects that bear down on risk and reduce the likelihood and impact of insurance claims.	Gateway process designed and endorsed by City Treasurer (December 2010).  First pump priming schemes agreed and delivered (April 2011).
Provide enhanced support to Council service teams working across organisational boundaries, building on previous work undertaken with Thematic Partnerships and ensuring a wider dissemination of the partnership approach to risk assessment.	All services engaging in partnership activity have an allocated risk manager to assist, advise and challenge in relation to the progression of risk assessment and mitigation in partnership working (February 2011).  All Thematic Partnership risk assessments updated on a quarterly basis and risk manager to provide assurance as to the effectiveness of risk management activity (April 2011 and ongoing, quarterly).

## Appendix 1

### Risk Management Policy Statement

Manchester City Council recognises the importance of anticipating and seeking to manage circumstances which could cause death or injury, disrupt services to the public, treat individuals, businesses and organisations unfairly or circumstances which could lead to significant financial loss to the Council or reflect badly on the City, the Council, its partners and employees.

Effective risk management is an integral part of robust performance management within the Council, as effectively managing identified risks and mitigating their potential negative impact helps to ensure the effective delivery of key work streams, developed to deliver the Council's priorities and objectives. Effective risk management is a key tool in ensuring maximum value for money and effective deployment of available resources.

In order to manage its risks the Council has adopted a unified approach to risk management to be used across all services.

The Council acknowledges that risks occur in the day to day delivery of services, in seeking to press forward with individual projects and initiatives and in relation to any important decisions facing the Council and its key partners. The Council should do what is reasonable to prevent or minimise the impact of these risks.

It is acknowledged that service delivery within a complex environment is a volatile process and not all risks that emerge can be predicted. The rationale behind the risk management process is that the predictable risks are identified and managed, allowing the greatest level of control possible to be put in place. In this sense the risk management process allows managers to free up capacity to deal with the unanticipated risks as they emerge.

With the responsibilities laid out above in mind, the Council will:

- Identify and effectively manage risks which could jeopardise the achievement of the Council's objectives and the delivery of services.
- Develop arrangements to manage risks jointly with delivery partners.
- Provide managers with the necessary training and support to identify, assess and manage risks effectively.
- Provide an integrated methodology that enables officers to use the same approach regardless of the type of risk assessment they are undertaking.
- Keep its risk management arrangements under ongoing review to ensure the Council is doing all that can reasonably be expected.

## Appendix 2

### Delivering Risk Management Priorities: 2009/10

Priority	Performance Target	Commentary
Appoint 3 new Corporate Risk Managers to provide named officer support to Heads of Service and to support SMT and SMT Sub Group in discharging their responsibilities.	Appointments made by December 2009.	<p>Delivered. Interviews for new risk managers were held in December 2009 resulting in 2 appointments, the panel were unable to appoint to the 3<sup>rd</sup> post. 2 new risk managers commenced in post in February 2010.</p> <p>A 3<sup>rd</sup> appointment was made using the m people process in September 2010. Post holder commenced 1 November 2010.</p>
Redesign methodology for capturing and presenting risks on Corporate Risk Register and re-evaluate approaches to scrutiny and update.	Review and redesign complete December 2009	<p>Complete. New methodology designed providing an enhanced focus on capacity to improve/capacity to control.</p> <p>Approach scrutinised and endorsed by SMT Use of Resources Sub Group. Full refresh of CRR undertaken in September 2010 and reported onwards to SMT.</p> <p>Quarterly reporting programme in place for CRR scrutiny by SMT.</p>
Ensure full integration of risk and insurance team into the new Internal Audit and Risk Management Business Unit.	Integration by August 2009.	<p>Complete. Both teams fully integrated into new management structures over second half of 2009. Health and Safety Team also joined the Business Unit in June 2010.</p> <p>New management team now well established and meeting weekly.</p> <p>Both risk and insurance teams participate in team specific and service meeting programmes.</p> <p>Appraisals in 2010 suggest high levels of satisfaction with new Business Unit.</p>
Ensure detailed work programmes for risk management are captured within the Internal Audit and	All Business Plan performance indicators are successfully	Complete. Full set of objectives contained in Business Plan 2009/12 and updated as part of annual refresh in October 2010.

Priority	Performance Target	Commentary
Risk Management Business Plan 2009/2012	achieved within business planning cycle timescales.	
Further expand the Integrated Risk Management training provided for officers at Grade 7 and above.	A minimum of 400 managers trained by May 2010. 30% to be managers at Grade 9 and above.	<p>Met. Target exceeded for year with approximately 550 managers trained. Overall approach to training reviewed as a result of evaluation.</p> <p>Primary focus of training programme is now on delivery of facilitated workshops that provide the knowledge and skills required and result in the generation of a service specific risk assessment.</p> <p>Training target enhanced for the coming year and current performance indicates it will be exceeded again this year.</p>
Explore potential for developing additional approaches to training delivery and produce a fully costed implementation plan.	Fully costed implementation plan developed by March 2010.	<p>Not implemented.</p> <p>Change in approach to the objective with the whole Internal Audit and Risk Management Team engaged in the redesign of the service intranet site. Intranet site will capture all training resources.</p> <p>Responsibility for the administration of generic risk management training sessions transferred to shared service centre.</p>
Provide customised training for Executive Members and Strategic Directors.	Executive Members and Strategic Directors receive joint training sessions by December 2009.	<p>Partial completion.</p> <p>Training provided for Strategic Directors. Executive Members have requested not to receive training, although members of Executive have actively engaged in risk workshops for partnerships.</p> <p>Training for RAGOS members and scrutiny chairs planned for 24 February 2011.</p>
Ensure regular review of training programmes and amendment as and when required.	6 monthly review established. Service compliance in undertaking risk assessment assessed by sampling	<p>Partially complete.</p> <p>Training subject to regular evaluation using training questionnaires. The decision to shift training focus to workshops was an outcome of training evaluation.</p>

Priority	Performance Target	Commentary
	methodology in October 2009.	Formal six monthly reviews as a rolling programme still to be implemented. To be implemented following arrival of 3 <sup>rd</sup> new risk manager to provide required capacity (1 <sup>st</sup> review to be completed December 2010, focussing on identification of service areas currently under represented in training, allowing targeting of training to areas of greatest need).
<i>In September 2010 Audit Committee and Grant Thornton confirmed that all previous External Audit recommendations in relation to risk management had been met in full.</i>		

## APPENDIX 3

### Key Responsibilities within the Council's Risk Management System

Effective Risk Management is an essential component of corporate governance and assists in providing assurance that strategic and operational objectives are delivered within an approach that provides maximum efficiency and value for money. Robust organisation wide risk management is dependent on the risk assessment process being used at a series of levels throughout the Council. Key responsibilities are outlined below.

#### *Elected Members:*

The Lead Executive Member for Risk Management will champion the risk management programme and provide liaison between the Executive, Audit Committee, Resource and Governance Overview and Scrutiny Committee, Strategic Management Team and the SMT Governance Sub Group.

It is the responsibility of Executive Members to track progress with risk assessment and risk management through scrutiny of progress within the Business Planning process and through Strategic Support and Challenge sessions.

Formal scrutiny of progress of risk management is provided by Audit Committee as per its Terms of Reference. It is the responsibility of the Committee members to receive and critically appraise progress reporting.

Elected members have a key role in providing overview and scrutiny of the effectiveness of the Council's approach to risk management and have a responsibility to assure themselves that risk assessments supporting the delivery of the Council's objectives are effective and robust. Risk Management arrangements will receive regular scrutiny through the Resource and Governance Overview and Scrutiny Committee.

It is the responsibility of elected members engaged in the scrutiny of either the strategic approach to risk management or the delivery of mitigating actions against identified risks to receive the Integrated Risk Management training provided to support them in discharging their responsibilities.

#### *Chief Executive and Strategic Management Team:*

The Chief Executive, supported by SMT, will ensure that:

- The Council develops and delivers effective strategies and work programmes to deliver risk management.
- Potential risks to the delivery of the Corporate Objectives, laid out within the Corporate Plan are identified on an ongoing basis and captured within the Corporate Risk Register
- They receive quarterly reports from the SMT Use of Resources and Governance Sub Group (SMT Sub Group) on current risk status and progress with mitigating action plans.

- They scrutinise and challenge assurance, provided by the SMT Sub Group that risks identified remain controlled, that they remain the key strategic risks to the organisation and, where additional strategic risks emerge, these are added to the Corporate Risk Register and are assessed, monitored and mitigated.

Strategic Directors will also make decisions with their Heads of Service as to which risks emerging from Directorate Risk Assessments and service Business Planning may warrant inclusion on the Corporate Risk Register.

*SMT Use of Resources and Governance Sub Group:*

It is the responsibility of the SMT Sub Group to assist SMT in discharging their responsibility for managing the Corporate Risk Register. The Sub Group will provide a quarterly report to SMT on the current status of the risks contained within the Corporate Risk Register, this report will

- Provide assurance to SMT that the corporate risks are being actively managed
- Assess the current capacity to control risks along with the capacity to improve risk mitigation and management
- Alert SMT when the level of control of risks is viewed to be inadequate
- When necessary, recommend further mitigating actions required in order to increase the degree of control
- Recommend the removal of risks from the register when they no longer threaten the delivery of the Corporate Objectives
- Identify newly emerging risks that may warrant inclusion on the Corporate Risk Register.

The Sub Group will determine what information needs to be escalated to SMT, formally, on a quarterly basis. This process will include scrutiny of Directorate Risk Registers.

Scrutiny of risks across the Council may, on occasions, identify risks that are of significant strategic importance that are emerging despite attempts to mitigate them. In these circumstances, SMT Sub Group will escalate the risk immediately to SMT as a matter of urgency.

Sub Group members will act as risk champions within their directorates, holding managers to account for the delivery of mitigating actions, acting as a point of contact for Directorate and Service Management Teams and leading on the process of quarterly updates of risks relevant to their service, captured on the Corporate Risk Register.

*Corporate Risk Management Team*

The Corporate Risk Management Team is responsible for supporting and facilitating risk management activity across the Council.

It is the responsibility of the Team to drive forward the delivery of the priorities within the Risk Management Strategy and to ensure a timely, practical and dynamic approach to the promotion of risk management within the Council.

The Corporate Team will provide direct named officer support, consultancy, facilitation and challenge to all services across the Council engaged in risk management activity, including supporting services in risk assessment of Business Plan priorities.

The Team will support SMT and the SMT Sub Group in discharging their responsibilities and support the Public Service Board and Thematic Partnerships in ensuring they embed risk management into the working of partnerships.

The Team will work with Directorates and services to ensure that their risk assessments are migrated into the PRISM system so they are captured electronically and easily available for mitigation, scrutiny and escalation purposes.

The team will facilitate the development of Directorate Risk Registers and risk management performance healthchecks to drive excellence and further embed risk management .

The Team will lead on the delivery of effective training responses, evaluating their effectiveness on a regular basis.

#### *Strategic Director and Directorate Senior Management Team*

It is the responsibility of the Strategic Director and Directorate Senior Management Team to actively lead the risk management programme within their service area.

They will also ensure that a Directorate Risk Register is developed and actively managed, including formal review on a quarterly basis.

They will take responsibility for ensuring an annual risk management ‘health check’ is undertaken and set annual targets and objectives that support the continual improvement of risk management across their services.

They will act as a route for escalation of risks identified within their service that are deemed to have strategic importance for the Council as a whole and require consideration by SMT.

#### *Heads of Service and Service Management Teams:*

Heads of Service and Service Management Teams are responsible for ensuring that:

- Effective risk assessment and risk management underpins the development and delivery of all service objectives
- Risks to delivery are captured within a service/Business Plan risk register
- Lead managers are allocated as Risk Owners for the delivery of mitigating action plans

- They contribute to the construction of a Directorate Risk Register ensuring that potential risks to their area of service are reflected in the Directorates view of key strategic and operational risks.
- They provide input to the annual risk management ‘health check’ and setting of annual targets and objectives that support the continual improvement of risk management within their services.
- Risks are reviewed on a monthly basis at Service Management Team meetings and the register is updated
- All risks are reviewed at quarterly performance reporting meetings and that the minutes of both Service Management Team and quarterly performance meetings record the discussions and decision making for audit purposes.
- All lead managers report monthly on progress with the risk mitigation action plans and escalate immediately when risks have emerged to a point where they affect the ability of the service to deliver its objectives.
- Additional risks are added to the register and are risk assessed and treated as and when they emerge.
- Their services actively embrace the risk management process and officers at Grade 7 and above undertake the risk management training provided within the Council.

*Service Managers and Team Leaders:*

Service Managers and Team Leaders are responsible for ensuring that:

- All officers at Grade 7 and above attend the risk management training provided within the Council.
- Risk assessments of work programmes are undertaken at a departmental level and the risk management process is used to support decision making.
- Their Head of Service and Service Management Team are informed of any risks that are deemed to be beyond the scope of the department to manage.
- In circumstances where the level of control is viewed to be inadequate, an action plan is produced to assert further control. This will be communicated to the Head of Service and Service Management Team who will consider whether the risk needs to be included on the Service Management Team risk register.

*Risk Management in Partnerships:*

It is the responsibility of the Public Service Board (PSB) to construct and manage a Strategic Risk Register and to determine the content of a Partnership Risk Management Strategy and Policy, updated annually.

The Partnership Management Group is responsible for supporting PSB by ensuring that the strategic risk register is fully reviewed on a quarterly basis as a minimum standard. They are also responsible for ensuring that PSB are alerted when captured risks are escalating in severity and of the emergence of newly identified risks that may be candidates for inclusion on the Partnership risk register.

It is the responsibility for lead officers within Thematic Partnerships to ensure that objectives and priorities are risk assessed and, when appropriate high level risks are

escalated to PSB for consideration and, where necessary, the establishment of additional mitigating controls.

Partnership activity engages the Council and Partners in periods of significant change. In light of the volatility associated with change, it is the responsibility of all officers in Thematic Partnerships to ensure that risk assessments are reviewed on a monthly basis as a minimum standard.

### *Project Management*

Project Management within the Council is underpinned by the “Manchester Method”. The same approach to project management is taken for major work programmes, for example, service improvement projects or capital programmes, and smaller, service specific projects.

It is the responsibility of all Project Managers to ensure project implementation is supported by comprehensive risk assessment and mitigation.

It is the responsibility of the Senior Responsible Officer (SRO) to ensure that projects are only progressed to the implementation phase when a full risk assessment is in place. It is also their responsibility to receive assurance that ongoing scrutiny of risk is built into the project management process.

It is the responsibility of the SRO to ensure that all Project Managers undertake Integrated Risk Management training provided within the Council.

Project managers will manage a project risk register and scrutiny of the register will be undertaken within all project management meetings.

It is the responsibility of the Project Manager to inform the SRO of all circumstances where the level of control is deemed inadequate and of circumstances in which the mitigating action plan is failing to deliver the anticipated level of control.

### *All Employees*

It is the personal responsibility of all employees to identify, report and escalate risks relevant to their job role.