



Executive Summary

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"We are delighted at the progress made in delivering a very strong performance in strategic risk management over the past year, driven by Naresh's passion and commitment. He has breathed new life into the limited framework that existed, adapting it as a 'live process' action plan that is no longer seen as an 'add on'

Councillor David Scott
Portfolio Holder for Finance
and Performance

Nigel Watson
Acting Director of Corporate Finance &
Audit

In early 2007 risk management was not a key driver in the London Borough of Ealing's decision-making processes. Consultants were utilised on an interim basis but failed to deliver the necessary improvements. The Council took the decision to appoint a full time Risk Coordination Manager for the first time.

Naresh Chenani was appointed into the role in late 2007 after becoming the first graduate to complete the Council's accredited management development programme where he was awarded the CIPFA accountancy qualification. Naresh was given the responsibility of putting in place a dynamic action plan to push risk management up the corporate agenda and make it the heart of the decision making process.

Naresh has made significant improvements to the risk management framework over the last year and his achievements have included,

- Raising the profile of risk management to ensure it is on the agenda of the executive board, Audit Committee and the Portfolio Holder for Finance and Performance;
- Refreshing the Council's Corporate Risk Management Forum to add value and drive the risk management process;
- Rolling out IT risk software to record and maintain the Council's risk registers;
- Embedding risk management into the financial and business planning processes;
- Developing a Council wide risk training programme in partnership with the Corporate Learning and Development team including the launch of e-learning.

The pace of improvement in Ealing's risk management framework is now gaining external recognition. Recently the Council has been selected as one of best practice case studies to form part of the CIPFA risk management toolkit. The Council has been short listed for two European risk management awards and Naresh for Risk Management Young Achiever of the Year. This is a testament to Naresh's drive and desire to achieve real improvements in what is the first management position of his career.

Please write your main submission here. The submission should be no more than 1500 words. Please use Arial font, size 11, at 1.5 line spacing. Use additional spacing between paragraphs.

As outlined in the summary, Naresh has been systematic and pragmatic in making changes to improve the Council's risk management framework.

Naresh's main responsibilities have included,

- (a) Providing advice and direction to members, senior management and staff in driving forward risk management, establishing a culture of continuous improvement within the Council's overall governance framework and

- (b) Coordinating and implementing the risk management strategy through, integration with business and financial planning, performance management and internal audit.

An Internal Audit review of the risk management process identified weaknesses, this helped Naresh to set about making a range of changes to reinvigorate the risk management framework at Ealing.

1. Enhancing reporting in decision making process

- **The Decision Making Toolkit** was refreshed to include a risk management implication section within Cabinet reports. Risk management now informs the key decision making process with high quality risk information.

- **Executive Board** To raise the profile of risk management and obtain strategic leadership Naresh was instrumental in ensuring that the Strategic Risk Register became a key item on the Executive Board agenda. The Board now considers a formal quarterly risk management report which is presented by Naresh through attendance at Board meetings.

- **Audit Committee** In order to get members to 'own and challenge' the risk management process, Naresh has introduced a newly devised reporting template for the Audit Committee. This consists of formal quarterly reporting against the risk management delivery plan and a report outlining the top Strategic risks facing the Council.

- **Directorate Management Teams** Buy in from Heads of Service and managers was crucial. Naresh conducted awareness sessions for every management team ensuring that risk management became a standing item on management team meeting agendas.

2. Integration of risk management into business processes

- **Strategic Direction** Working in partnership with the performance and finance teams Naresh ensured that the risk management process was aligned to the financial, business and performance management processes for the first time. This included having an emerging risks and issues section with the budget planning documents and a financial risk appraisal asking services to quantify their risk exposure. This sensitivity analysis helped ensure that the budget assumptions were robust. For performance management all key performance indicators are reported using a simple traffic light system.

20 risk challenge sessions have been held with Service Heads and Directors to refresh the Council's Corporate and Service risk registers in line with business plan objectives. The annual budget report now incorporates a robust appraisal of financial risk which informs the budget setting process with Full Council.

- **Risk Software** Naresh has rolled out JCAD Risk Software to help embed a risk management culture at Ealing. The software is available on the Council's intranet and now holds all the Council's risk registers. Previously risk information was scattered and not easy to obtain, the new system also facilitates real time reporting.
- **The Corporate Risk Management Forum** has been rejuvenated to drive forward the risk management agenda. The revised membership of this forum includes risk champions from each directorate, and officers from Insurance, Health & Safety, Internal Audit, and Civil Contingency. This encourages a more strategic approach and improved output, which feed into the risk management delivery plan.

3. Winning hearts and minds

Risk Champions Naresh has introduced risk champions at officer and member level. The Executive Director for Corporate Resources and the Portfolio Holder for Finance &

Performance champion risk management at a senior level. These are supplemented by departmental risk champions who update their groups on risk management and help drive forward improvements.

Risk management has also been championed by the Chief Executive Darra Singh who was a guest speaker at the ALARM South East conference 2008.

4. Partnership Enabled Training

Working in partnership a training strategy was devised to cater for all learning styles and consisted of,

- Instructor led training session
- Facilitated workshops
- 1 to 1 training
- Awareness briefings
- E-Learning

There were three key elements to delivering such an ambitious programme of training.

(a) Tailored Training Courses

Naresh recognised that the training needs of managers and staff varies from service to service. To tackle this he was involved in developing and running a range of courses which has included training for members and officers.

(b) Innovation

The Council rolled out a new Learning Management System to allow users to book training courses online. A range of risk management courses was made available to staff.

Naresh also launched the first ever e-learning package at the Council. The e-learning was designed with Inspire E-Learning and provides users with training on how to use the risk software. The e-learning, a first of its kind has been officially endorsed by JC Applications Development the company who sell the JCAD risk software. Given that many Councils use JCAD, Ealing has been assisting other London Boroughs and County Councils who are assessing the feasibility of implementing this e-learning within their own organisations.

(c) Partnership working

Integral to the training strategy has been partnership working. In conjunction with the People and Organisational development team risk management courses have been published on the Council's intranet, through a monthly training email, on the learn management system and incorporated into the learning and development brochure. This has ensured that there has been a large demand for training.

Training courses have also been jointly delivered with a range of partners. Fraud and risk training was designed and delivered with the fraud awareness training officer. Training courses were also jointly delivered with Gallagher Bassett and Maltway training the Council's insurance and finance specialists respectively. This approach was favoured because it gave an overview of the Council's framework and policies. It has also allowed our partners to share best practice gained from working with a range of clients across many sectors.

Feedback has been very positive

'I strongly recommend the risk management course. Directors and Senior Management have seen a clear cultural shift in the organisation and this has resulted in risk awareness being more embedded'.

David Ewart Director of Regeneration and Housing Finance

'Service Directors have provided really positive feedback about the risk clinics. The line-by-line review of risk registers has been very beneficial in thinking about the key strategic risks. The training was relevant, concise, well presented and interesting.'

Anna Flashman Executive Business Support Manager

Outcomes and Achievements

- An indicative analysis of the Letters of Representation which asks senior management to give assurance over governance arrangements has been positive. There has been an increase in the number of officers answering yes for all three questions related to risk management. This demonstrates an improvement in the Council's risk maturity which has moved from 'risk defined' i.e. point 2 on the Institute of Internal Auditors (IIA) 5 point risk maturity matrix to 'risk managed' i.e. point 4 on the matrix. The table below outlines the

improvement in officer responses,

| Senior Management Responses | 07/08 | | | 08/09 Indicative Responses | | |
|---|-------|--------|-----|----------------------------|--------|-----|
| | Yes | Partly | No | Yes | Partly | No |
| Q1 - identification and evaluation of current & emerging risks to achieving statutory obligations and service objectives | 73% | 24% | 3% | 85% | 13% | 2 |
| Q2 - risk registers regularly reviewed and updated throughout the year (r.e. assigned risk owners and controls implemented) | 69% | 25% | 6% | 78% | 13% | 9% |
| Q3 - action plans developed to address significant unmitigated risks | 51% | 34% | 15% | 57% | 31% | 12% |

- The percentage of risk registers revised and submitted has increased to 100% which includes the strategic risk register, four executive directorate registers and seventeen service risk registers compared to 36% (eight service registers) before the software was introduced. This represents an important shift in improvement and has helped tackle governance issues.
- The Audit plan for 2009/10 was developed using a more risk based approach. Audits were identified by a review of both strategic and operational risk registers.
- The Audit Commission has also noted the Council's risk management improvement over the past 2 years, with the Use of Resources rating increasing from a stagnant 2 to a 3 with ambitions to achieve a 4 in the 2008/9 assessment.



Main Submission

Supporting ALARM and Risk Management

Naresh has been an ALARM member since 2007. In this past year he was part of the Benchmarking Special Interest Group which helped formulate the ALARM National Performance Model for Risk Management in the Public Sector.

Naresh has also been invited to speak at the CIPFA Better Governance Forum outlining Ealing Council's approach to risk management and highlighting areas of future development and is a full CIPFA member.