

# Partnership Risk Management

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Identity & Passport Service

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Home Office  
**Identity &  
Passport Service**

# Agenda

Subject matter:

Management of risks with key partners to the delivery of business objectives.

- private sector service suppliers; and
- other government organisations

Topics :

- IPS background
- IPS risk management framework
- Key issues in managing partnership risks
- Emerging framework for managing partnership risks
  - Private sector outsourced service suppliers
  - Public sector shared services/joint ventures
- Business Continuity

# Identity & Passport Service

- Executive Agency of the Home Office
- Activities
  - Issuing Passports (and Identity Cards from 2009)
  - Operations of General Register Office (England & Wales)
  - Delivering National Identity Scheme
  - Growing Identity Checking services
- Risks managed in context of delivery of outcomes
  - Safeguarding identity
  - The trusted and preferred provider of identity services
- Risk Management merely part of competent management

# IPS Strategic Objectives

## **Objectives:**

- Public Protection
- Customer Service
- Value for Money

## **Values**

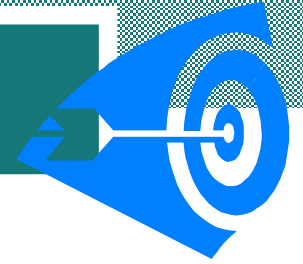
- Working together
- Customer Service
- Responding to change
- Valuing people
- Personal responsibility

# Risk Management Statement

## **“Doing the right thing the right way”**

- We operate in a high risk environment with stretching strategic objectives
- High rewards from achieving objectives requiring considered & informed risks
- Assess risk exposures in line with objectives, core activities and values
- Focus on risks to public protection where we are the guardians
- Balance considered & informed risk taking with effective & practical control measures to increase likelihood of success.
- High appetite for effective and practical control measures in place to increase the likelihood of our success
- For each risk assess the effectiveness of current controls and decide if additional action needed, taking into account:
  - Competing priorities
  - Practicality and cost effectiveness of additional action

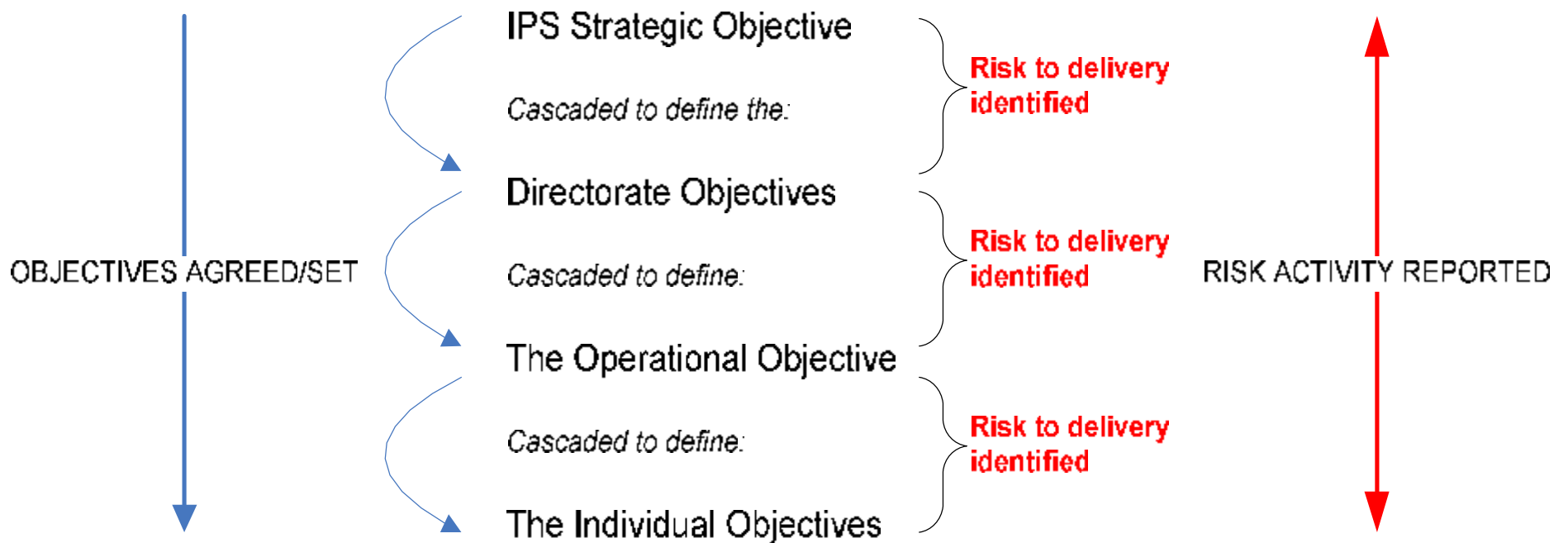
# Risk Management Practice



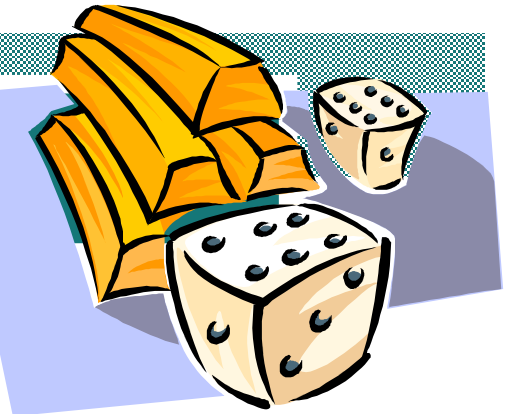
Objective: Management of Risk is at the heart of the way we work

- Integral to competent business management
- We manage risks to meet our objectives
- Better understanding of risks helps deliver outcomes
  - Focus on right risks, right amounts, right responses
- Informed risk taking in decision making
  - Give best outcomes greatest chance; worst the least
- Risk exposures clearly defined, accepted & within approved tolerance
- Risk management processes are tools to help meet targets

# Identifying Risks & Objectives



# Assurance channels



# Key Issues – Partnership Risk Management

- Reputation risks difficult to fully transfer
- Need to ensure we pay the right price for transferred risks
- Need to be assured that contractual obligations can be met
- Need to be confident that transferred risks are effectively managed
- Potential for over reliance on partner actions (e.g. testing)
- Potentially competing priorities/agendas
  - Other Government Departments and similar
  - Shareholders
- Integrated risk management & business continuity activity with partners
- Engagement of all key internal functions:
  - Commercial; Operations; IT service and supplier management

# Partner Risk Management - Integration Principles



- Collaborative “Risk Sharing” approach
- Contractual basis private sector supplier risk & business continuity
  - SLAs
- Shared services/joint venture approach with OGDs
  - Memoranda of Understanding
- Appropriate balance proactivity vs. reliance on partner activity
  - Assurance without excessive interference
- Agreement on control for transferred risks
  - Effective assurance mechanisms
- Procurement decisions to make use where practicable of:
  - Quantified risk assessments in decisions on risk allocations & costs
  - Assessment of risk management capabilities

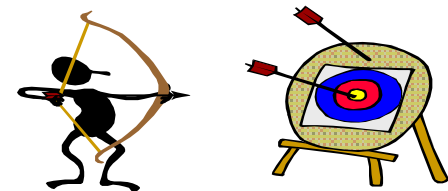
# Supplier Assurance Framework

- Supplier Letters of Assurance
- Confirm can meet contractual obligations
- Assurance IPS not exposed to unidentified/uncontrolled risks
- Maintain clarity in risk allocation between IPS and suppliers
  - Confidence this remains appropriate;
- Effectiveness of supplier risk management & internal control mechanisms
- Assurances received soundly based & meet external scrutiny
  - e.g. NAO
- Build on existing contractual frameworks & contract management structures
- Joint Risk Registers & Control Risk Self Assessment (CRSA) workshops
- Agreed and shared action plans in place to address exceptions

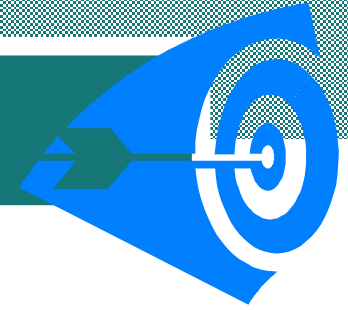
# CRSA Workshop Approach

Letter of Assurance produced through workshops that are:

- Facilitated by Corporate Risk Team
- Conducted annually with suppliers and IPS contract management teams
- Linked to shared Risk Registers and contracts
- Interactive and focussed
  - Addressing high level rather than detailed issues
  - Opportunity to share ideas, knowledge and experience
- Documented in a certificate and action plan that is completed at the workshop
  - Action plan can be monitored at (e.g.) contract management meetings
- Already used in IPS business units



# CRSA Workshop Agenda



- Review relevant objectives
- Identify & review severity of main risks to these objectives
- Identify and assess current controls for these risks and whether they are adequate & operating effectively
- Identify additional actions that would improve management of risk and the control environment
- Review assurance work planned or performed to ensure relevant policies & key controls operating as intended
- Discuss any outstanding internal or external audit etc. findings

# Sources of Evidence

Support suppliers assurances by building on what in place in contracts, etc.

- Performance reports
- Joint risk register
- Records of contract management boards, bilateral meetings, etc.
- Open book accounting reviews (where a contractual requirement)
- Copy asset registers
- Change control records
- Attend/access to records of system tests
- Copies of Business Continuity (BC) plans, test & incident records
- Insurance information
- Copies of certification of compliance with external standards (e.g. BS/ISO)
- Copies of documents relating to other reviews undertaken on internal controls,
- Copies of any SAS (Statement on Auditing Standards) 70 reports commissioned

# Business Continuity

- Whole supply chain approach
- Collaborative approach
- Objectives:
  - Maintain SLAs in event of disruption
  - No data/information loss/corruption/duplication
  - Security controls not weakened
- BS25999 alignment (compliance?)
- Joint incident management processes
- Joint exercises
- Participation in IPS health checks

Thank you

Any questions?

