

Report to Regulation, Audit and Accounts Committee

1 December 2023

Quarterly Review of Corporate Risk Management

Report by Director of Finance and Support Services

Summary

This Committee has responsibility for oversight of the Council's risk management arrangements.

The risk of governance systems not being used fully and to best effect has reduced in significance due to the effectiveness/completion of mitigating actions.

Internal Audit recently conducted a review of Risk Management to seek assurances on the embeddedness of the risk management strategy and associated processes. The County Council were found to be 'Reasonable.'

Recommendation

The Committee is asked to review the information detailed in the report and provide comment, as necessary.

Quarterly update

1 Introduction

1.1 The Committee has responsibility to monitor the effectiveness of risk management arrangements. That role, together with a description of the Council's approach to risk management, is set out in the Constitution at Part 4 Section 4. It covers the allocation of responsibilities, including the quarterly review of risk management activity.

2 Background and context

2.1 Since the previous consideration by the Regulation, Audit and Accounts Committee (RAAC) on 14 July 2023 there have been the following changes to risks in the Corporate Risk Register (CRR). The full CRR is included in Appendix A.

Risk No	Risk	Action	Reason	Current Score
CR7	Governance systems not used fully and to best effect.	Risk severity reduced and tolerated	Due to completion and development of mitigating actions.	4

2.2 The following table summarises risks on the CRR with the current severity graded above the tolerance threshold. Full details of the mitigations in place are set out in the accompanying CRR.

Risk No	Risk	Summary of Mitigations	Score - Prev Qtr	Score
CR11	Recruitment and retention	Development of strategic workforce plan, including a consideration of alternative arrangements to address hard to fill posts and salary benchmarking across neighbouring LA's.	25	25
CR39a	Cyber-security	Conduction of penetration tests, disaster recovery and social engineering exercises. IT service redesign to ensure capacity & capability.	25	25
CR22	Financial sustainability	Regular monitoring/reviews of financial position and reserves. Robust and regular financial planning sessions with ELT, Cabinet and Finance Teams. Lobbying for fairer funding for LA's.	20	20
CR58	Failure of social care provisions	Monitoring of care home financial sustainability, including reviews of capacity and fees paid to providers.	20	20

3 New Risks

3.1 No new risks have been added to the CRR during this reporting period.

4 Risk de-escalation or closure

4.1 There have been no risks either de-escalated or closed during this reporting period.

5 Risk Management Framework

5.1 The CRR continues to be reviewed quarterly by ELT, with any actions promptly addressed. In addition, risk is now considered as part of the quarterly ELT strategy sessions.

- 5.2 The directorate risk registers have been reviewed at least quarterly by each Director/Assistant Director and their management team, with support from the Corporate Risk Manager. The Corporate Risk Manager has continued to engage quarterly with Directorate leadership teams to discuss corporate and other directorate/service risks, and risk governance.
- 5.3 The quality of information contained in the corporate and directorate risk registers will continue to be reviewed and updated. The Corporate Risk Manager is continuing to challenge whether identified actions will sufficiently address the concerns, and within a suitable period.
- 5.4 Capital risks are managed through various project hubs and the Capital programme, all reporting to the Capital and Assets Board. The Board is chaired by the Director of Law and Assurance with other relevant ELT and senior officers in attendance and ensures that significant concerns to the successful delivery of the programme and/or capital projects are discussed, communicated to ELT, and reflected in the corporate risk register if required. The Corporate Risk Manager has continued to provide support to projects and programmes, and their risk registers.
- 5.5 Risk Management Lunch 'n' Learn sessions are being delivered as an online seminar every 2 months. The follow-on course (Risk Management in Practice) is being designed for face-to-face delivery using a combination of instruction via PowerPoint and syndicate/group work and will involve staff working through the County Council's risk management process using a generic scenario. Both formats of this course are available for staff in Districts and Boroughs, and other partnering organisations, at zero cost. To support staff in better managing their risks the Corporate Risk Manager has produced a variety of resources, which have been communicated to all staff and added to the County Council's Risk Management SharePoint site.
- 5.6 At this stage, there will be no additional resources required to facilitate the embedding/management of risk and future actions because current support within the organisation is sufficient. The Corporate Risk Manager is conducting risk workshops and risk training sessions in existing management meetings or during lunchtimes where possible to mitigate resource and scheduling conflicts. The 'Risk Management in Practice' course will take place during working hours, and participants will be responsible for ensuring their attendance doesn't significantly impact their role requirement.

6 Internal Audit Review

- 6.1 Internal Audit recently conducted a review of risk management to seek assurances on the embeddedness of the risk management strategy and associated processes. The County Council were found to be of a 'Reasonable' level of assurance. The table below summarises their observations, officer actions, and the current status.

Observation/Risk	Action	Action Target Date	Status
Council officers may not possess sufficient knowledge to ensure they can competently perform duties in relation to risk management, affecting the effectiveness of the Council's risk management process.	Introduction to Risk Management course will be removed from the Managers Induction Pathway and be included on the All-Staff Induction Pathway.	31 Mar 2024	This will take place as part of the next review of induction training. The Risk Management Lunch n Learn course will continue for staff refreshers.
Council officers may not possess sufficient knowledge to ensure they can competently perform duties in relation to risk management, affecting the effectiveness of the Council's risk management process.	In preparation for action above, a full review of the Introduction to Risk Management course will be conducted to ensure that it is suitable for all staff.	31 Dec 2023	Complete
Risks that require mitigating to an acceptable level are tolerated exposing the authority to higher levels of risk.	All risks to be reviewed to confirm they have been assigned the appropriate risk response strategy.	31 Aug 2023	Complete - but will be subject to regular review as part of quarterly discussions with services.
Risk actions specified as ongoing - Risks continue unabated and not reduced by the proposed mitigations in a reasonable period, exposing the authority to risks for longer than necessary.	Regular communication and review of these risks at the appropriate level ensure that actions remain effective and appropriate in addressing the risk. These "ongoing" actions will continue to be reviewed and assessed as frequently and robustly as those with specific completion targets.	31 Aug 2023	Complete - but will be subject to regular review as part of quarterly discussions with services.

7 Risk Activities

7.1 Significant activities the Corporate Risk Manager has been undertaking to support continuous improvement and alignment with best practice include:

- Quarterly attendance at ELT Strategy sessions
- Quarterly attendance at all directorate management team meetings to review existing corporate and service level risks, including horizon scanning discussions to identify additional concerns
- Provision of risk management support to Assistant Directors and Heads of Service
- Support to projects and programmes to provide assurance and support on robust governance, most notably Ash Dieback and Solar Photovoltaics (PV) and Battery Storage
- Inclusion of risks into the business planning process
- Increased collaboration with Internal Audit to ensure the risk management framework remains robust and aligned with best practice, and to support discussions and outcomes of ELT risk strategy sessions
- Design and delivery of an internal project management course (apprenticeship pathway) to ensure risk is considered during project delivery
- Support to the Southeast Risk Managers Group to share best practice of risk management across various local authorities

8 Recommendations

8.1 The committee is asked to consider the information in this report and provide comment, as necessary.

9 Risk implications and mitigations

9.1 The subject of the report is the corporate risk register. It would be contrary to the interests of the Council not to ensure that its risk management processes and registers were not aligned to Risk Management Strategy.

10 Policy alignment and compliance

10.1 Equality duty and human rights assessment. An Equality Impact Report is not required for this decision as it is a report dealing with internal and procedural matters only, although the Council's responsibilities in relation to the public sector equality duty will be one element of the approach to risk management.

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Appendices

Appendix A – Corporate Risk Register

Background papers

None