Risk Champion Update Report – September 2019

Overview

For the purpose of this role, I will focus on a different area to report back on at each meeting, as follows:

1. Risk management strategy and processes - Overview
2. Risk management by area: Environmental Services, Community Services
3. Risk management by area: Leisure, Planning, Business Transformation /IT
4. Risk Management by area: Legal & Democratic services, Finance, Corporate

Risk Strategy and Management Processes – Headline Summary

- A recent review by Internal Audit and Zurich Insurance have identified that current risk management is not of a consistent nature and and needs improvement. However, it has been reported that some of the gaps and weaknesses have already been identified and remedial plans are currently being developed to address these. So this is encouraging but we cannot be complacent

- Risk management seems to have suffered through lack of resource. Plans are in place to address this with a new Insurance and Risk Manager appointed and a Risk Steering Group and departmental Risk Champions recently established but this needs monitoring

- Compliance with the management of risk is an area of concern. Some basic processes for managing and reviewing risk are in place but not being adhered to, consistently, across the organisation. Risk management activities seem to take low priority for example, risk champions meetings are frequently cancelled to focus on other issues. Risk management needs to be made a higher priority across the organisation.

- Current top 5 strategic risks need reviewing and updating: some are very broad and external landscape has changed and this needs reflecting

- Once the new strategy and processes are developed, training will be required to ensure these are properly embedded as well as tighter review and audit processes as these are lacking at the moment

Key Observations / Findings

Risk Management Processes

- With the exception of business continuity/ emergency planning management where accountabilities are clear and the process seems to work well, all other aspects of risk management require improvement. The review by Zurich as well as the internal audit both highlight this and make a number of recommendations for improvement which are timetabled to be addressed in the autumn. This should be monitored to ensure these actions happen

- Overall responsibility for risk management sits with the Director of Finance and Resources and has lacked the focus it requires due to capacity. A new post, Insurance and Risk Manager, has recently been created (starts November) and should enable improvement but this needs monitoring to ensure sufficient resource is allocated
- In theory, Heads of Service manage their own risk register and action plan but the quality and frequency of review seems to be patchy and there is no clear audit trail or checks that this happens. The reports have identified that there are services who manage their risks well within the Council however this is not consistent across the Council
- A risk management steering group was established approx. 4 months ago, made up of 'Risk Champions' from each department. This is a positive step forward, but needs further work to embed it. So far, some of the meetings have been cancelled and participants need more training on risk management processes.

Identifying and categorising risk
- The current key strategic risks are broad and require updating. More focus is needed on external horizon scanning and ensuring this is reflected into our risk planning (eg implications of Brexit, Universal Credit, cyber threats etc)
- More work needed with Heads of Service / Senior Managers to ensure they review and plan for risk more thoroughly and more regularly. A stronger audit trail is needed as well as more regular checks that risk management processes are happening consistently throughout the organisation

Training and supporting staff
- More training is needed across all parts of the organisation to ensure understanding. This includes senior managers and elected members especially Cabinet, Portfolio Holders and relevant committee members.
- Wider staff briefing / training is needed too. There have been big improvements in workplace Health and Safety over the last 18 months which has been really positive and something to build on. Using a similar approach, there is an opportunity to encourage all staff, including operational and admin teams, to report risks (currently H&S reporting tends to be more physical risks such as trip hazards, but this could be expanded to wider corporate risks)

Emergency Planning, Business Continuity response plan & communication strategy
- There seem to be clear contingency plans, including key responsibilities, in place for dealing with a emergency or incident
- Several examples were provided of previous major incidents and in each occasion the process had worked well. It was also really positive to learn that after each incident a formal review was carried out to identify any learnings to factor in for future incidents

Leadership
- Historically, there has been a risk strategy but this is out of date and doesn't seem to be in use. There doesn't seem to be much strategic focus from Directors, Heads of Service or Elected Officers around risk management or strategy. For example, discussions and decisions around issues such as the organisational appetite for risk don't seem to have happened. More focus and leadership from the senior team is needed

- The senior team also need to support their teams creating a stronger risk culture within the organisation, making this a higher focus/ priority and ensuring compliance, during their departmental team meetings. This would help change the current culture where risk management is at the bottom of everyone's priorities

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