

AUDIT AND GOVERNANCE COMMITTEE

3 DECEMBER 2021

RISK MANAGEMENT REPORT

Recommendations

- 1. The Chief Internal Auditor recommends that the Risk Management report be noted.**

Background

2. Risk management is an essential part of delivering good governance and supports the Council's strategic ambitions. Effective and efficient risk governance and oversight provide assurance that the Council's business activities are enhanced by opportunities, and not adversely impacted by threats that could have been foreseen.
3. We have been working with the Corporate Risk Management Group (CRMG) to embed the revised risk management approach, which categorizes risks across 10 key areas. CRMG leads have worked with operational staff to score all risks across these themes enabling more consistent monitoring. This approach is supported by the implementation of the Pentana risk management software.

Risk Management

4. The first phase of the Pentana risk management software is now fully operational and tested. The second phase is currently underway which allows for directorate risk registers to be created from clearly evidenced service risk registers. This will enable the registers to be factually based with clear lines of responsibility.
5. The software allows real time updates, enabling a more proactive approach to risk management than has previously been available. A copy of each register is automatically sent to the relevant team monthly with the expectation that higher scored risks are monitored more frequently.
6. The new risk process has been integrated into the Internal Audit process with the ability to view area or service risks before creating an individual terms of reference. If Auditors are identifying risks during an audit, they can feed back to ensure the system is current and relevant.

Corporate Risk Management Group (CRMG)

7. CRMG currently meets fortnightly to maintain focus on the development and testing of the new system, however this will move to a monthly focus group in the

new year. The purpose of the focused session is to ensure attention and consideration is given to new and emerging risks and relevant information disseminated to the wider risk group. The Risk and Assurance Manager will continue to evaluate risks in the system between meetings, with dashboards developed to enable changes and engagement to be monitored, and relevant CRMG leads to be challenged as appropriate.

8. The CRMG leads are engaging their service areas to complete and monitor their registers, which is supported by 1-2-1 and workshop sessions.

Risk Position Update

9. At the 18 November 2021, the new risk management system includes 794 risks. These are currently divided over 10 service level risk registers which combine to make Directorate Registers and feed directly into the 10 risk objectives. We anticipate both the number of risks and registers to increase as we engage with a greater proportion of the operational areas.

10. All risks associated with the Covid-19 pandemic have now returned to a business-as-usual and incorporated into service risk registers.

Key Themes

11. Three key themes are currently emerging within the risk registers:

- i. Environmental – an increase in risks associated with severe weather, specifically flooding and our ability to deliver services, which we would expect to see at this time of year. We expect this to be managed through standard response procedures and escalated where necessary.
- ii. Recruitment – high risks have been raised within Adult Social Care and Commissioning however we anticipate these risks will reduce with the successful HROD recruitment campaign.
- iii. Supplies – there is an expectation that a number of supplies will be impacted as the effects of Covid continue, including fuel, food and winter supplies. Mitigation of these risks is on a case-by-case basis.

12. In addition to these themes and supported by current mandatory training we will be putting a greater focus on fraud risk management in 2022.

Contact Points

Specific Contact Points for this report

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Supporting Information

Appendix 1 – Risk profile

Background Papers

In the opinion of the proper officer (in this case the Chief Internal Auditor) there are no background papers relating to the subject matter of this report.