

## **AUDIT AND GOVERNANCE COMMITTEE**

### **22 JULY 2022**

## **RISK MANAGEMENT UPDATE**

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### **Recommendations**

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

### **Background**

2. Risk Management is a key part of effective governance for the Council. Understanding the risks we face and managing them effectively has a number of significant benefits, including informed decision making, planning, and enabling us to make the most of opportunities to achieve our strategic ambitions.
3. We have committed to actively engaging with the workforce and wider stakeholders to identify, assess, manage, mitigate, and review risk to support the effective, efficient and cost-effective operation of the council.
4. The adoption of the new risk management system has expanded significantly across the organisation, which continues our ambition for a strong risk management culture to be fully embedded within the Council.

### **Strategic Risk Management Group (SRMG)**

5. A SRMG has recently been established to provide strategic direction to the risk management process. 5 key areas are currently being considered to support challenge and discussion of the risks that directly feed into the strategic ambitions of the Council. A framework is being developed to ensure the relevant risks are clearly identified and appropriate mitigation strategies are in place.

### **Corporate Risk Management Group (CRMG)**

6. An established CRMG have set the overall risk framework and have the responsibility of reviewing and challenging corporate risks monthly, supported by the specialist leads. Corporate risks are those that may have a significant bearing on our ability to deliver the corporate plan.
7. The group assist with the implementation and management of risk across all aspects of the Council's activities. They support decision-making by embedding risk within directorates and coordinating the escalation of risks on to the corporate risk register.

## Risk management

8. The new risk management system is now in place and has been adopted not only at directorate level but across 30 service areas giving a more accurate picture of risk. This new approach has increased the number of risks which are being operationally managed, giving improved information and a better understanding of the Council's risk profile.

9. We can also view our Emerging and Future risks, which include environmental factors such as flooding and supplier risks, particularly for the Transport team.

10. As part of the process, we identify risks which have an impact on the ambitions of our corporate plan. The most significant are as follows:

Risk	Detail	Risk score
Delays in service provision	Adult Social Care – unprecedented demands leading to delays in the provision of service	25
Inflationary impact	Commercial and Property Team – inflation in construction costs	20

11. CRMG is monitoring the existing high risks to escalate any relevant matters to directorate leadership teams. At this stage no escalation outside of the directorates has occurred and any escalation will be aligned with the proposed strategic framework.

12. The Risk Management team and CRMG, alongside the new Strategic Risk Management Group, will be working collaboratively to ensure a consistent and informed risk process is fully embedded in the Council and will actively engage the Audit and Governance Committee in that process.

## Contact Points

### Specific Contact Points for this report

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## 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.