![worcestershire county council logo]

AUDIT AND GOVERNANCE COMMITTEE
23 SEPTEMBER 2022

RISK MANAGEMENT UPDATE

Recommendations

1. The Chief Financial Officer recommends that the Risk Management update be agreed.

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 Progress

5.   We are currently reviewing the risk reporting to continue to enable both operational and strategic direction to the risk management process. The first 4 strategic areas currently being collated are:

- Harm – risk to a user or employee

- Service – risk to service delivery

- Finance – risk to financial stability and future sustainability; and

- the Nolan Principles / Corporate Governance – risk to the way we govern and take decisions throughout the organisation.

6.   A framework is being trialed to ensure the relevant risks are clearly identified and appropriate mitigation strategies are in place. The detailed section of this report sets out more information on these risk areas.

Corporate Risk Management Group (CRMG)

7.   An established CRMG have set the wider risk framework and have the responsibility of reviewing and challenging strategic risks monthly, supported by the specialist leads from all areas of the council.

8.   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 risk management system.

Risk management

9.   The new risk management system is now in place and has been adopted not only at directorate level but across 14 service areas and 34 operational risk registers 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 wider risk profile.

10. The system allows for the review of Emerging or Future risks, as well as tracking golden threads, for example where risks around second jobs were identified in the People Directorate, corporate mitigations have been introduced to include declaring interests as part of the staff appraisal process.

11. As part of the process the following strategic risks analysis has been collated from the operational risk registers:
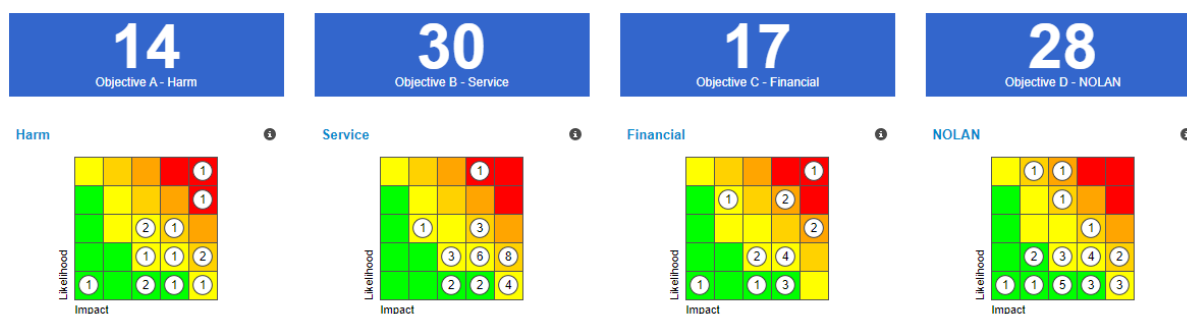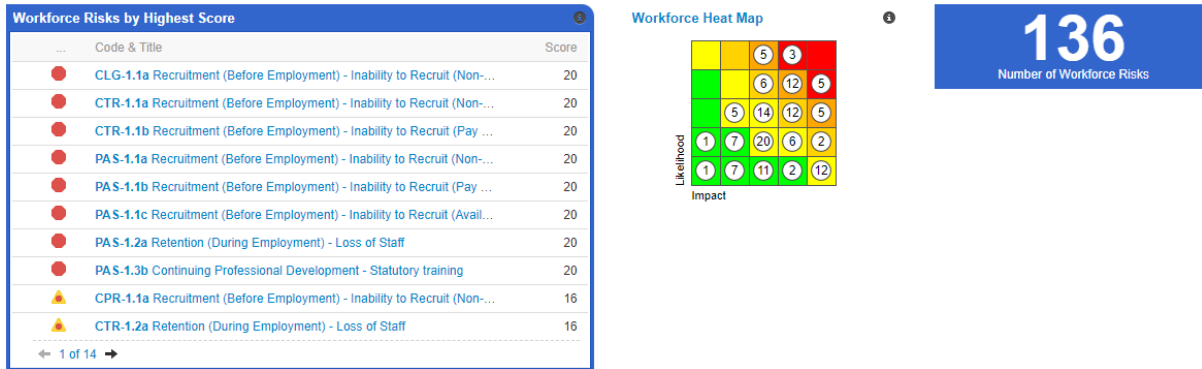

12. This identifies that Adults and Childrens are continuing to identify potentially high risks related to the possible 'Harm' of a vulnerable person in our care or employee, these risks are continually being mitigated, daily through various actions and policies, as well as regular case reviews and continuous learning and improvement. It is worth noting that these risks will not be eliminated entirely. In 'Service', Adult Social Care manage daily the position related to hospital discharges which is impacting on their ability to deliver services. This is a key focus of the Integrated Care Service (ICS). In the latest Financial Report to Cabinet in September 2022 identifies growing pressures related to the cost of care in both Adults and Children that will need to be managed and not unique to Worcestershire.

13. This analysis can also be seen from a directorate perspective as set out below:

Strategic Risks

14. An emerging operational risk relates to Workforce, where a number of service areas are reporting a higher risk than previously shown around recruitment and retention. This is particularly true in professional areas. HR and SLT are aware and reviewing this risk.

Workforce Risks by Highest Score	
... Code & Title	Score
● CLG-1.1a Recruitment (Before Employment) - Inability to Recruit (Non-...	20
● CTR-1.1a Recruitment (Before Employment) - Inability to Recruit (Non-...	20
● CTR-1.1b Recruitment (Before Employment) - Inability to Recruit (Pay ...	20
● PAS-1.1a Recruitment (Before Employment) - Inability to Recruit (Non-...	20
● PAS-1.1b Recruitment (Before Employment) - Inability to Recruit (Pay ...	20
● PAS-1.1c Recruitment (Before Employment) - Inability to Recruit (Avail...	20
● PAS-1.2a Retention (During Employment) - Loss of Staff	20
● PAS-1.3b Continuing Professional Development - Statutory training	20
🔺 CPR-1.1a Recruitment (Before Employment) - Inability to Recruit (Non-...	16
🔺 CTR-1.2a Retention (During Employment) - Loss of Staff	16
← 1 of 14 →	

Workforce Heat Map

136 Number of Workforce Risks

15. The Risk Management team will continue to monitor all high and emerging risks to escalate any relevant matters through Directorate Leadership Teams and to Strategic Leadership Team to ensure a transparent overview of risk throughout the council.

16. The Risk Management team and CRMG, 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

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Background Papers

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