



AUDIT & GOVERNANCE COMMITTEE
6 December 2012

RISK MANAGEMENT HALF YEAR REPORT

SUMMARY AND PURPOSE:

This half-year risk management report has been produced to enable the committee to consider the risk management activity from April 2012 to date. It also presents the latest Leadership risk register.

RECOMMENDATIONS:

Members are asked to:

- a) consider the contents of this report and confirm they are satisfied with the risk management arrangements; and
- b) Review the Leadership risk register (Annex B).

BACKGROUND:

1. The terms of reference of the Audit and Governance Committee include the requirement to monitor the effective development and operation of the council's risk management arrangements.
2. This report summarises the risk management activity from April 2012 to date and outlines future activity and development.

CONTEXT:

3. The Corporate Finance Team structure has been reviewed in order to align with improved processes and new ways of working resulting from the Financial Management PVR. The Risk and Governance Manager is now part of the newly formed Transformation and Development team and reports to the Transformation and Development Manager. This team is responsible for ensuring the functions of the Finance Team and financial management across the organisation are continually developed and efficient.

ACTIVITY:

4. Annex A shows the separate risk activity that has taken place over the period April – October 2012.

Risk registers

5. The Leadership risk register continues to be reviewed by the Risk and Resilience Steering Group and Corporate Board on a monthly basis and then presented to Cabinet as part of the quarterly business report.
6. A one page summary of all the strategic director risk registers has been developed to give an overview of the risk appetite of the organisation and provide context when reviewing the leadership risk register by the Risk and Resilience Steering Group and Corporate Board. It will also help to provide consistency across the directorates in relation to risk areas and residual risk levels.
7. Six of the seven strategic director risk registers continue to be regularly updated by the directorate risk leads and coordinated by the Risk and Governance Manager to ensure they reflect the Leadership risk register and vice versa. The Strategic Director for Environment and Infrastructure risk register has yet to be finalised following their restructure.

Risk groups

Council Risk and Resilience Forum (CRRF)

8. A review of the CRRF arrangements has led to some changes in the way information is cascaded and the involvement of service representatives. There will be two annual meetings of the CRRF (previously bi-monthly) and four workshops per year to provide updates on changes in the risk landscape, projects that are delivering resilience benefits and briefings on emerging and current risks.
9. A renewed set of clear expectations has been communicated to all the risk reps to aid understanding of the role and ensure consistency across the services.

Risk Network

10. A Risk Network event was held by the Risk and Governance Manager on 27 November for all officers involved in risk activity. Risk reps took part in an interactive 'risk challenge' to raise awareness of risk management and help reps understand their role and responsibilities.

ASSURANCE:

Internal audit

11. An audit of Health and Safety has been completed that covered the overall Health and Safety monitoring and reporting arrangements and a review of risk assessments. The overall audit opinion was some improvement needed and it was noted that improvements had been made since the last audit. An update on the management action plan is provided within the Completed Audit Reports item on the agenda.

LEADERSHIP RISK REGISTER:

12. The Leadership risk register (Annex B) is owned by the Chief Executive and shows the council's key strategic risks. The register is reviewed by the Risk and Resilience Steering Group (chaired by the Assistant Chief Executive) and then by the Corporate Board as part of their performance, finance and risk monitoring.

13. To assist the committee in gaining assurance on the monitoring and review of risks on the Leadership risk register, the register also identifies when specific areas have been included on Select Committee agendas.

<u>IMPLICATIONS:</u>

Financial

Ineffective risk management arrangements may lead to increased costs or inefficiencies due to poor controls or lack of timely action.

Equalities

There are no direct equalities implications of this report.

Risk management

Embedded risk management arrangements will lead to improved governance and effective decision-making.

REPORT AUTHOR: Cath Edwards, Risk and Governance Manager

CONTACT DETAILS: 020 8541 9193 or cath.edwards@surreycc.gov.uk

Sources/background papers: Risk Management annual report

Strategic risk meetings:

- 3 Risk and Resilience Steering Group meetings
- Meetings with Assistant Chief Executive
- Meetings with directorate risk leads

Operational risk meetings:

- 3 Council Risk and Resilience Forum meetings
- 2 Health & Safety operations team meeting
- 2 Central Joint Safety Committee meetings

Risk reporting:

- Leadership risk register reported to Corporate Board, Cabinet and Audit and Governance Committee

Support and integration:

- Meetings with colleagues from Policy & Performance and Change Team
- Virtual risk team meetings
- Risk network event
- Business continuity exercises
- Supported health and safety service training courses

External meetings and training:

- CIPFA Benchmarking Club review meeting