

A Risk Management Baseline

March 2020

Context

- Risk management consultants Gallagher Bassett have undertaken a baseline review of the Council's Strategic Risk Management arrangements at the end of 2019
- The review was based on the 'Risk Management assessment framework: a tool for departments' (HM Treasury, July 2009) and involved:
 - A series of interviews with key stakeholders; and
 - A desk-top review of key risk documents
- Overall finding - The council demonstrates a **fundamental commitment to embrace risk management** as an essential management practice and embed it within the organisational culture
- Recommendations are divided into **Operational** and **Strategic** Risks
- **Operational** risks we will drive forward internally
- For **Strategic** risk management we will be looking to secure a partner to support the implementation

Key Findings

1. Council is considered to be **'risk averse'** in its approach
2. Level of **risk management knowledge, experience and expertise varies** across the Council - need to develop a consistent understanding and approach
3. Risk management **successes and failures are not publicised** regularly
4. Lack of a view on risk management standards or how they should be applied to **partnerships**
5. Responsibility for managing risks **not embedded into HR&OD strategies and programmes**
6. Risk management is **not formally aligned to business planning practices**
7. The Risk Management Strategy and Framework should **seek to ensure a common understanding of terminology and process**
8. Consideration of risk management issues by all Members could be **enhanced**
9. In some parts of the Council, risk management is considered to be purely **negative** rather than an enabler
10. Internal risk reporting requirements are generally complied with but there is **scope to achieve greater levels of assurance through deep dives of key risks (A&G)**



Recommendations

Operational Risks

Ensure risk management is **embedded into HR strategies and programmes**

Consider improving the ability to **learn lessons and publicise risk management successes**

Consider strengthening the role of the **Audit and Governance Committee through deep dives on key risks**

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0-6 months

Strategic Risks

Ensure appropriate formal mechanisms in place for **managing risks within partnerships**

Consider formally expanding the focus of risk management to **include opportunity risk as well as threats**

Consider providing further clarity on the **Council's risk appetite**

Consider developing **risk management training programmes**

Ensure risk management is **consistently applied/strategically joined-up across business planning activities**

Ensure the **Risk Strategy and Framework is appropriate & reviewed regularly**

Consider developing **risk indicators** to enhance performance measurement and assurance

6 – 12+ months

Next Steps

- Engage a strategic partner to support delivery of a Risk Management culture across the Council – in next 3 months (work underway)
- Support the Audit & Governance committee to drive some operational risk improvements in the intervening period

Update Audit & Governance Committee in July

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