

# Embedding a new Risk Management approach and culture

- Risk management consultants Gallagher Bassett carried out a Baseline Review of the Council's Strategic Risk Management arrangements at the end of 2019 and a number of recommendations were made.
- We have procured a Strategic Risk partner to support the implementation of the recommendations with the aim of:

**Raising the profile, impact and effectiveness of the council's approach to risk management and ensuring clear policies are in place, are adequately resourced and have full engagement across the Council.**

- 5 risk consultancy bids were submitted. Initial evaluation undertaken was based on quality and reduced number of bids to 2. Director of Corporate Finance, Chief Internal Auditor and Senior Finance Business Partner (Risk) spoke to the final two companies about their bids.
- Contract awarded to Ernst & Young (EY).

# EY approach

EY will develop and embed an effective and valued approach to managing risks (including threats and opportunities) across Surrey County Council. Each phase of the approach will focus on developing a component of a cohesive risk strategy and framework.

The approach has been designed such that from the outset:

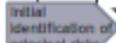
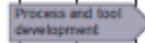
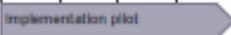
- Stakeholders from across SCC are engaged in the development of the risk management approach;
- Best practice and risk management standards (ISO31000, Orange Book) are applied; and
- Risk management is grounded in the objectives of SCC, and aligned with its wider structures, processes and activities.

EY will undertake 6 phases of work over a four-month period and then continue to support SCC for a further eight months to track progress and ensure the expected benefits are realised.

# High-level plan / timeline

 Milestones  
 Proposed workshops:  
 1 - Current state validation and agree future state vision / principles  
 2 - Validate risk structures, oversight governance and key roles and responsibilities  
 3 - Identification and assessment of principal risks  
 4 - Define risk appetite

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Weeks:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 and beyond	Deliverable	Requirement met	
Set up		 																Project plan		
Current state review		 																Current state assessment report	Interview typically include members of the steering committee (see page 11) but also the Chair of the Audit and Governance Committee (David Harmer) and key partners (e.g., Chief Fire Officer Steve Owen-Hughes and Angela Stevenson at SASH NHS Trust)	
Strategy and governance			  															Risk strategy document Documented risk roles and responsibilities (as required) Updated Terms of Reference for groups	<ul style="list-style-type: none"> <li>Establish an appropriate Risk Strategy including:               <ol style="list-style-type: none"> <li>Review of roles and responsibilities</li> <li>the consideration of opportunity risk</li> </ol> </li> <li>Establish appropriate risk governance arrangements, including the role of the Audit and Governance Committee &amp; Corporate Leadership Team</li> <li>Put in place appropriate formal mechanisms for managing risks within partnerships</li> </ul>	
Risk identification assessment						 		  									Risk assessment framework Prioritised list of principal risks Risk appetite statements	<ul style="list-style-type: none"> <li>Clarify and formally document the council's risk appetite</li> <li>Propose suitable risk indicators to enhance performance measurement and assurance. (ID of P. risks not in req.s)</li> </ul>		
Risk Framework											 								Documented risk processes Risk templates - including risk register & risk reports Completed process and documents for piloted area	<ul style="list-style-type: none"> <li>Review the Risk Framework, including:               <ol style="list-style-type: none"> <li>the format of the risk registers</li> <li>escalation process</li> <li>strategic/directorate/service risk process</li> </ol> </li> <li>Align risk management with organisational business planning activities</li> <li>Put in place appropriate formal mechanisms for managing risks within partnerships (Risk MI not in req.s)</li> </ul>
Risk training and guidance																 		Documented risk skills / knowledge requirements Risk training plan including recommended training programmes	<ul style="list-style-type: none"> <li>Propose a range of risk management training programmes for officers &amp; Members</li> </ul>	
Ongoing support																	 			

## Next steps

- Kick off meeting and planning session with EY
- EY to attend Audit and Governance Committee on 1<sup>st</sup> October to provide approach and next steps
- Progress updates to be provided to CLT and Audit and Governance Committee over the course of the engagement.