

Developing the Council's approach to risk management and strengthening its risk culture

Project update

Audit and Governance Committee

26 November 2020

Introduction



The purpose of this document is to update the AGC on the progress of the risk management project. It is intended to support a discussion at the Audit and Governance Committee meeting on 26th November 2020.

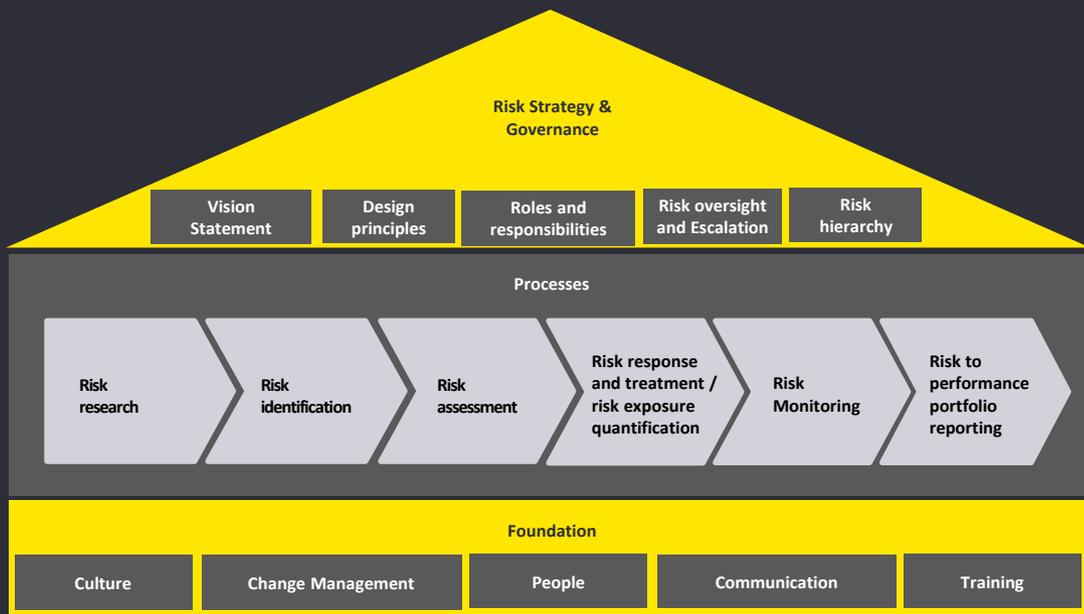
A reminder of our objectives

To develop and embed a robust risk management framework, underpinned by a strong risk management culture, that provides tangible and recognised value to SCC in supporting performance; the achievement of objectives; and ultimately the outcomes of the people of Surrey.

A reminder of our guiding principles and priorities

- Embedding simple and intuitive processes which will be sustainable, and will maximise outcomes relative to inputs.
- Building on existing good practice and leveraging already existing frameworks and mechanisms for risk management activities.
- Recognising the importance of culture.
- Ensuring the role of risk management in supporting strategic objectives is understood, and closer alignment to performance management.
- Including early and ongoing engagement with stakeholders from across SCC, ensuring risk management is relevant.
- Drawing on best practice and risk management standards (ISO31000, Orange Book, Corporate Governance Code).

Page 74



Critical activities completed

1-2-1 interviews



18 individual stakeholder meetings (including all of CLT) were held to understand perceptions of risk and expectations of risk management, with the specific objectives of:

- Developing a shared vision of the future state of risk management in SCC.
- Understanding the behaviours that support and prohibit effective risk management across SCC
- Identifying the most significant risks recognised by individuals

SIP sub-group strategic risk identification workshop



A workshop was held with nominated individuals from the Strategic Integrated Planning Group*, to develop an initial list of strategic risks through:

- Reviewing and prioritising risk areas
- Describing and categorising individual risks (including causes / consequences)
- Assessing the impact and likelihood of identified risks

*Chaired by the Executive Director for Strategy and Commissioning to ensure the budget, key strategies and transformation are integrated to form a coherent framework.

CLT risk session



A session was held with the CLT to:

- Review the strategic risks as identified by the SIP sub-group to:
 - Agree whether these are strategic risks
 - Identify any gaps in this list
- Agree the next steps and timescale to complete the strategic risk register
- Confirm CLT engagement required

Developing the Risk Management Strategy & Governance



Risk management processes & the development of the Strategic risk register

As we develop the Strategic risk register we will work with all directorates and use a consistent approach in how we understand identify, describe, assess and record risks. We will establish and embed the principles that will be the foundations of a sustained approach to risk management going forward.

Progress to date

1. **Drafted list of risk areas**
Based on 1-2-1 interviews, existing risk register, and common / current sector risks
2. **Prioritised risk areas and identified, described, categorised and assessed strategic risks**
Through SIP sub-group workshop
3. **Strategic risks reviewed by Exec and gaps in the strategic landscape identified**
During CLT session

Next steps

Hold risk sessions with each Directorate Leadership Team to determine:

1. How are these risks understood and managed within each Directorate?
2. What are the controls currently in place to manage these risks?
3. What factors (indicators) tell us a risk is changing?

Update Directorate risk registers

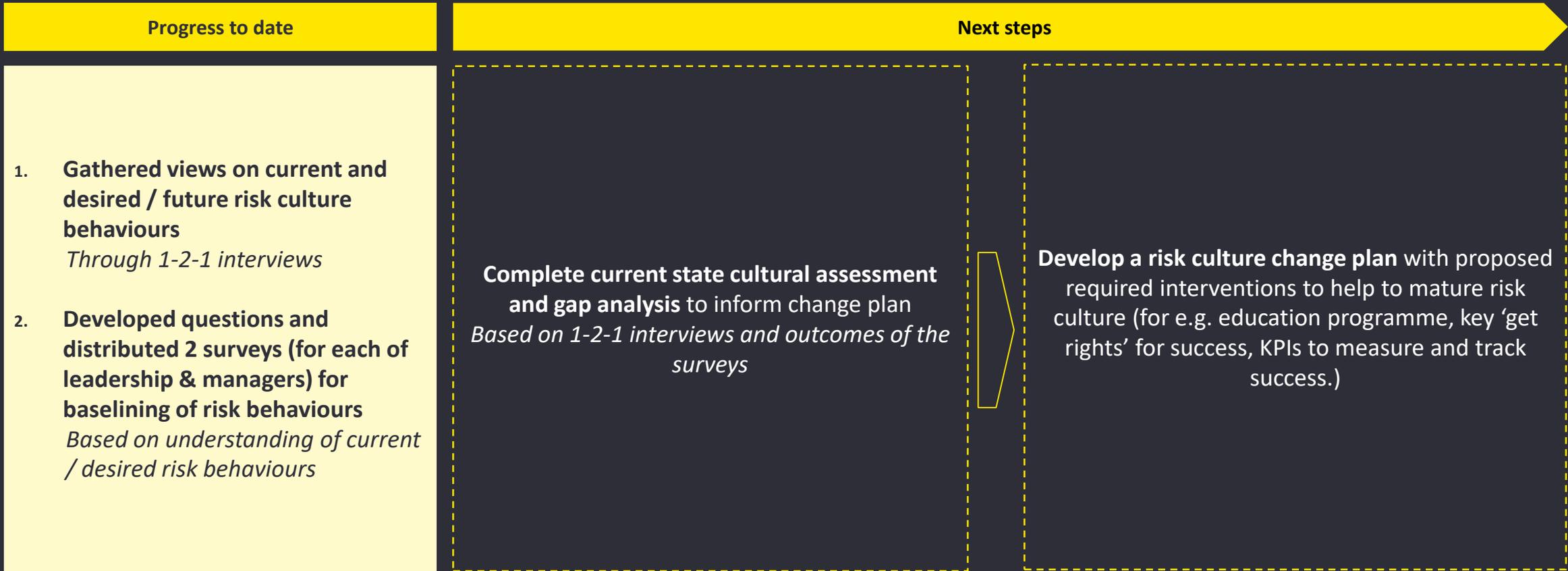
Consolidation of risk information from Directorate risk sessions

Hold CLT risk workshop to consider:

1. How do we assess the current level of these risks?
2. Are we comfortable with the level of these risks?
3. How can we respond to these risks and what actions should we take?
4. What indicators can we monitor to understand how risks are changing?
5. What scenarios might we expect multiple risks to occur?

Update Strategic risk register

Our foundation – developing a strong risk culture



Ask of the Audit and Governance Committee

Today

1. Note progress of project.
2. Provide feedback and ask questions .

For next AGC meeting (29th January 2021):

1. Review the proposed future risk management framework and timeframe.
2. Discuss and agree what this will mean for the AGC in terms of :
 - ▶ The risk information you should expect to see
 - ▶ Your role in the oversight of risks across Surrey CC
 - ▶ Your role in maintaining an effectiveness of the risk management process across Surrey.
3. Review the timeframes for implementation and understand how risk management and risk information will can be expected to develop over time.

And longer term...

- ✓ Track the implementation of the risk management framework.
- ✓ Allow the time on your agenda to undertake your role and responsibilities with regards to risk management; and provide feedback on the information you receive to ensure that enables you to fulfil your role.
- ✓ Continue to champion the importance of risk management across SCC.

This page is intentionally left blank