



AUDIT & GOVERNANCE COMMITTEE  
2 September 2013

**RISK MANAGEMENT UPDATE REPORT**

**SUMMARY AND PURPOSE:**

This risk management update report supports the committee's responsibilities for monitoring the development and operation of the council's risk management arrangements.

**RECOMMENDATIONS:**

Members are asked to consider the contents of this report and confirm they are satisfied with the risk management arrangements.

**BACKGROUND:**

1. The committee received the Risk and Governance Managers annual risk report at the meeting on 24 June 2013. Since then, Internal Audit has published the findings of its 2012/13 review of risk management. The review focused on the corporate risk management arrangements and processes during 2012/13, it did not look at service specific risk arrangements or assess the risk management culture of the organisation. Therefore the findings of the review were issued as a position statement and included an agreed management action plan. The internal audit position statement is attached at Annex A and progress against the management action plan is at Annex B.
2. This report updates the committee on the actions completed in relation to the 2013/14 areas of focus from the annual risk report and the position statement management action plan, and future activity. The risk management governance structure is attached at Annex C.

**ACTIONS COMPLETED:**

**Documents and guidance**

3. The up to date risk management policy statement and strategy was approved by the committee in June and will be presented to Council in October for inclusion into the Constitution.

4. The risk framework has been updated to include risk escalation procedures, cross referencing of risk registers and movement of risk. It has been reviewed by the Strategic Risk Forum (SRF) and is available on the snet. The risk guidance on the snet has also been updated and includes information on risk workshops and a risk induction pack for risk representatives.

#### **Communication and awareness**

5. The risk management policy statement, strategy, framework and guidance have been communicated to service risk representatives, SRF and Corporate Board. The Council Risk and Resilience Forum (CRRF) will be updated on the corporate risk arrangements at their meeting on 18 September 2013. Risk representatives also receive regular risk management updates from risk practitioners in order to provide information on cross-council issues and any changes to arrangements.
6. As part of the induction training programme for new and returning members following the recent county council elections, the Finance Service held an all Member briefing on 24 July 2013, which included a presentation on the corporate risk arrangements.

#### **Risk registers and snet**

7. Directorate and Service risk registers received from risk representatives are loaded onto the snet by the Risk and Governance Manager. A risk register exception report is now provided to the SRF on a monthly basis, which highlights the status of risk registers on the snet and where directorate risk leads may need to take action.
8. The risk management snet pages now include references to other areas of risk such as business continuity and health and safety.

#### **Strategic Risk Forum**

9. The SRF met twice in July 2013. The first meeting focused on reviewing the Leadership risk register in preparation for Corporate Board. The second meeting was a workshop focusing on risk culture and the development of ideas on the work that is required to assess the risk culture across the organisation.

#### **FUTURE ACTIVITY:**

10. Following the updating of the risk framework, the Risk and Governance Manager will work with risk representatives to improve the co-ordination of risk registers and ensure they have clear referencing.
11. The SRF will continue to develop the risk culture work with a view to reporting to Corporate Board in early 2014. The SRF will also continue to review the adequacy of the risk arrangements through exception reporting and reviewing documentation to ensure it is effective and fit for purpose.

#### **IMPLICATIONS:**

##### **Financial**

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

## **Equalities**

13. There are no direct equalities implications of this report.

## **Risk management**

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

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**Sources/background papers:** Risk Management reports, agendas and minutes.

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