



Audit & Governance Committee
12 March 2025

Risk Management

Purpose of the report:

To provide an update on risk management.

Recommendations:

It is recommended that:

The Committee notes the update on Risk Management.

Introduction:

1. Risk Management is presented to the Audit and Governance Committee twice per year – in March and September.

Risk Management

2. In terms of things to highlight and make the Committee aware of i.e. where there have been changes required from a risk management perspective, there are two key areas (and detailed here in chronological order):
3. Firstly, the practical realignment of some risks following the reorganisation of a couple of the Directorates within Surrey County Council. It is important for effective risk management that the structuring of risks mirrors and support the way Surrey County Council works so there are clear lines of ownership, accountability and action. One example has been where the Resources Directorate has now been expanded to include the former 'Finance & Corporate Services' Directorate and 'Customer Digital & Change' Directorate. Whilst this is a realignment of risks (and not new risks) it is critical to ensure appropriate reporting and an escalation route if needed.
4. Associated with the above, the Executive Directors that have joined Surrey County Council more recently in the last 6 months or so (namely

the Chief Executive, Executive Director of Resources, and Executive Director for Adults, Wellbeing and Health Partnerships) have received a specific 1-2-1 induction on how risk functions within Surrey County Council and how it can benefit their areas. I am pleased that the sessions went well and that there was clear commitment from the Executives on the importance of risk management to the organisation. Further to these sessions, I should also point out that I have met all the Executive Directors subsequently, as needed, to review risk related matters.

5. Secondly, the other big area which is very much a work in progress is support in preparation for devolution and Local Government Reorganisation. At the time of writing this paper it has recently been announced that Surrey County Council will be part of the 'first wave'. I will give a verbal update to the Committee on some of the activities in train at a Corporate, Directorate and Programme level (given I am writing this paper in Mid February).
6. Some other activities to make the Committee aware of is that CLT (Corporate Leadership Team) continue to receive monthly risk updates as a standing agenda item and that Directorates also have risk as a standing agenda item. Informal Cabinet (icab) continues to receive risk updates focused on any new risks or where there have been significant changes. The Committee also continue to get regular updates, including approving the Risk Management Strategy (reviewed annually) and visibility of the Corporate Risks.
7. There continues to be good levels of engagement across the wider organisation on risk management. One example is reflected in the Care Quality Commission (CQC) assessment finding from November 2024 where the report referenced the 'Adults, Wellbeing and Health Partnerships' Directorate and how it reviews risks effectively including linkages with the Corporate Risk Register. The report did not identify any recommendations for improvement in the way the Directorate conducts risk management.
8. Externally, good links have been developed with other councils. Partly this has been through involvement and collaboration with the South East Risk Managers Group (a collection of Risk Managers from other councils) as well as developing links with some other Risk Managers who have approached me - such as Oxfordshire, Warwickshire and West Berkshire - to get guidance on what makes risk so effective in Surrey County Council.
9. Finally, it is important to acknowledge the level of uncertainty within the more global environment. A change in administration in the United States (with policies that can impact growth, inflation and world security), as well as the troubles in Ukraine and the Middle East to name just three. Whilst these may feel far away the impacts can be felt closer to home and we are not immune to global events.

Conclusions:

10. Risk management continues to be actively undertaken within Surrey County Council.

Financial and value for money implications:
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11. Improved decision making through risk management supports better allocation of resources and value for money.

Equalities and Diversity Implications:

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

Risk Management Implications:

13. Failure to implement effective risk management will reduce the quality of decision making within the Council. Moreover, the Committee will not be able to demonstrate that it is discharging its governance responsibility of having active risk management within the organisation.

Legal Implications – Monitoring Officer:

14. There are no legal implications of this report.

Next steps:

15. The Committee will receive a further risk update (on a 6 monthly cycle) with the next scheduled for September 2025. This will include an updated Risk Management Strategy for approval.

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Sources/background papers:
None

Annexes/Appendices:

- Annex A - Corporate Risk Heat Map (February 2025)

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