

OVERVIEW AND SCRUTINY COMMITTEE – 21 NOVEMBER 2022

PRE-DECISION SCRUTINY - RISK MANAGEMENT UPDATE**Executive Summary**

The purpose of this report is to provide an update in relation to Risk Management arrangements, and to share the Council's Strategic Risk Register with the Committee. Both items are scheduled to be submitted to the Executive on 19th January 2023.

Risk can be defined as the combination of the probability of an event and its consequences. In any organisation there is the potential for events and consequences that can result in opportunities for benefits or threats to success. Successful implementation of risk management will produce many benefits for the Council if it becomes a living tool.

Corporate strategic risks represent the biggest internal and external threats to the Council that could affect the delivery of significant Council objectives and targets. Strategic risks are reviewed and updated by the Corporate Leadership Team every three months.

Strategic risks will be fewer in number, but would typically be high-scoring (representing the biggest threats) and may sit outside of the Council's tolerance and appetite levels. The identification of strategic risk is an essential element of good practice and demonstrates a proactive stance to managing key threats in a transparent way. The Strategic Register was last updated by CLT on 7th November 2022 and is appended to this report.

The committee is requested to scrutinise the content of the Strategic Risk Register to provide assurance that the current risks on the register are accurate and reflect a true account of the biggest threats facing the Council.

Feedback is also welcomed in relation to the measures identified to control/manage each risk and whether these are deemed to be correct and proportionate.

Recommendations

The Committee is requested to:

RECOMMEND TO THE EXECUTIVE That

The Strategic Risk Register reflects the key risks currently facing the Council and that measures to mitigate each risk have been recorded and are being actioned by officers.

The item(s) above will need to be dealt with by way of a recommendation to Council.

Background Papers: None.

Reporting Person: Pino Mastromarco, Corporate Strategy Manager
Email: Pino.Mastromarco@woking.gov.uk, Extn: 3464

Contact Person: Pino Mastromarco, Corporate Strategy Manager
Email: Pino.Mastromarco@woking.gov.uk, Extn: 3464

PRE-DECISION SCRUTINY - RISK MANAGEMENT UPDATE

Portfolio Holder: Councillor Barker
Email: CllrAnn-Marie.Barker@woking.gov.uk

Shadow Portfolio Holder: Councillor Azad
Email: CllrAyesha.Azad@woking.gov.uk

Date Published: 11 November 2022

PRE-DECISION SCRUTINY - RISK MANAGEMENT UPDATE

1.0 Introduction

- 1.1 The purpose of this report is to provide an update in relation to Risk Management arrangements, and to share the Council's Strategic Risk Register with the Committee. Both items are scheduled to be submitted to the Executive on 19th January.
- 1.2 In terms of standard risk reporting, an annual Risk Management and Business Continuity paper is submitted to the Executive each June which outlines key updates in the reporting period.
- 1.3 In addition to the annual report, the Risk Management Policy is reviewed and updated every four years in line with the end of the policy period, or before if required to take account of key changes in Government policies and other significant external factors. The last update was submitted to the Executive in September 2021 for adoption. The current policy covers the period 2021 to 2025 and is attached at Appendix 1.

2.0 Background

- 2.1 Risk Management is the process through which the organisation methodically identifies and manages the threats and opportunities that might exist within a Council activity.
- 2.2 Risk Management is not a one-off activity. It is part of a continuous process that runs throughout the Council, taking into account a range of activity such as project delivery as well as day-to-day work that is undertaken.
- 2.3 Risk can be defined as the combination of the probability of an event and its consequences. In any organisation there is the potential for events and consequences that can result in opportunities for benefits or threats to success. Successful implementation of risk management will produce many benefits for the Council if it becomes a living tool. These include:
 - Improved service delivery resulting from fewer disruptions/enhanced controls.
 - Increased chance of achieving strategic objectives in the Woking For All Strategy through minimising or removing key obstacles.
 - Improved awareness of risk - an organisation can become less risk averse if risks are identified and understood.
 - Improved corporate governance through stronger, more transparent decision making, accountability, and prioritisation.

3.0 Risk Management Training

- 3.1 Risk management training was delivered to senior managers and Councillors on 12th October 2022. The training sessions, which were planned and delivered in partnership with Zurich, were well attended; the majority of senior managers participated in the day session and 15 Councillors were present for the evening session.
- 3.2 The main purpose of the training was to ensure that all key stakeholders have a good understanding of the Council's Risk Management Policy and are aware of the principles of how to identify and manage risk.
- 3.3 In both the Senior Management and Councillor sessions, all participants were asked to identify what they perceived to be the biggest risks facing the Council. It is encouraging to note that in both instances the risks identified were almost identical to the items currently listed on the current Strategic Risk Register which suggests a broad alignment of understanding across all stakeholders.

PRE-DECISION SCRUTINY - RISK MANAGEMENT UPDATE

4.0 Strategic Risk Register

- 4.1 Risk is managed at two primary levels within the Council – these are directorate risks and strategic risks. Directorate risks are more operational in nature and can be quite specific to the delivery of a particular service or function. These risks are owned and managed at Strategic Director level and reviewed on a six-monthly basis.
- 4.2 The focus of this report however, is corporate strategic risks which are of a size and nature that could affect the delivery of significant Council objectives and targets. Strategic risks are reviewed and updated by the Corporate Leadership Team (CLT) every three months. These risks are often at such a level where only CLT can influence and mitigate them through political and financial intervention, or other means such as redistributing resources.
- 4.3 Strategic risks will be fewer in number, but would typically be high-scoring (representing the biggest threats) and may sit outside of the Council's tolerance and appetite levels. The identification of strategic risk is an essential element of good practice and demonstrates a proactive stance to managing key threats in a transparent way.
- 4.4 The Strategic Register was last updated by CLT on 7th November 2022 and is attached at Appendix 2. Highlights from the risk register include:
- There are currently ten strategic risks that have been identified.
 - Five of the ten risks have a score which is beyond the Council's risk appetite i.e., these risks are higher than we feel comfortable with and will require closer monitoring.
 - Each risk has mitigation plans in place, and progress to manage the risk has been identified and recorded.

5.0 Scrutiny of the Strategic Risk Register

- 5.1 The committee is requested to scrutinise the content of the Strategic Risk Register to provide assurance that the current risks on the register are accurate and reflect a true account of the biggest threats facing the Council.
- 5.2 Feedback is also welcomed in relation to the measures identified to control/manage each risk and whether these are deemed to be correct and proportionate.

6.0 Corporate Strategy

- 6.1 In order to successfully deliver the objectives and actions contained within the Woking For All Strategy, it is recognised that the Council must embrace and embed risk management across the organisation. The desired outcome is that risks associated with these objectives can be managed and the potential impact limited, thereby providing greater assurance that the Woking For All Strategy can be delivered.

7.0 Implications

Finance and Risk

7.1 None arising from this report.

Equalities and Human Resources

7.2 None arising from this report.

Legal

7.3 None arising from this report.

8.0 Engagement and Consultation

8.1 None arising from this report.

REPORT ENDS