

Risk Management Update Q4 2021/22

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Purpose of the Report

This report is provided to inform Audit Committee of recent changes to the delivery of risk management at the council, and share the status of the Strategic and Corporate Risk Register as at 17th May 2022.

Public Interest

Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving our ability to deliver key priorities, improve outcomes for residents, maintain good governance and minimise any damage to its reputation.

Recommendations

1. Audit committee note the recent changes to delivery of risk management for SSDC
2. Audit committee note the SSDC Strategic & Corporate Risk profile at 17th May 2022

Background

Risk: "The effect of uncertainty on objectives, often described by an event or a change in circumstances"

Risk Management: "Coordinated activities to direct and control an organisation with regard to risk"

Report Detail

Changes to Risk Management approach

1. During 2021 there was a significant amount of disruption to the arrangements around risk management at the council due to changes in the leadership team and reassignment of duties at an officer level. In January 2022 the opportunity was



identified to refine the approach to risk at the council to develop a more rigorous and integrated approach to risk monitoring through to April 2023.

2. In support of this, a share point risk register platform has been developed to record, develop and manage risks. This change of approach away from excel registers enables the collation of all strategic, corporate and project risk registers into a single dataset which supports improved reporting functionality (supported by Power BI analysis) and thereby greater transparency on the overall risk position for the authority.
All existing risk registers were migrated onto the new platform, and then their content reviewed and challenged in terms of their ongoing relevance. Through this process several legacy risks (including COVID related) were either retired or redrafted, and new risks were developed.
3. The model and guidance for risk impact and likelihood scoring has been retained, as this approach to identifying and analysing risk has gained a level of familiarity with officers.
4. A separate actions list – used to record proposed actions to mitigate risks - has been created to enable better monitoring and challenge of ongoing actions for risks. An advantage of this is that a single action can be linked to several different risks therefore highlighting the value and importance of mitigating actions, as well as reducing duplication of actions.

Strategic and Corporate Risk Position

5. In December 2021 Zurich Risk Management were engaged through our insurance arrangements to facilitate a risk workshop with SLT to identify the current strategic risks to the organisation. Primary strategic risk items were identified, and ownership of these risks agreed across the Senior Leadership Team. Following the workshop, these risks have been developed, analysed and scored by the risk owners and mitigating actions identified to further reduce the residual risk where desirable.
6. Following this re-assessment of strategic risks, the corporate risk profile was also analysed and updated in the light of the current organisational context. The corporate risk register includes organisational risks that require a consolidated corporate response or action plan. The approach to develop and maintain the corporate risk register through review with risk category leads has been maintained, with assessment of these risks progressed through Q4 of 21/22 with category risk leads. Significant updates to the risk profile were brought forward in the finance area and on H&S risks following benchmarking with other authorities

and resetting of risks in line with the updated H&S policy. In addition a specific staffing risk & mediation workshop was held with people managers on 4th March.

7. This review has resulted in a new strategic and corporate risk profile consisting of 33 risks across 7 categories, which are presented in appendix 1.

Risk Categories

8. The category approach to describing our corporate risks means when a risk is created it will be allocated to a risk category (Financial, Legal etc.), and the monitoring of that category of risk will be led by the relevant officers within the organisation, for example People Managers Forum for Staffing risks, Health and Safety Steering Group for Health and Safety risks etc. It is intended that the use of categories in the risk system provides better focus by relevant experts and supports greater consistency in risk description and analysis, as well as enabling oversight of all risks (strategic, corporate and project) assigned to that category. As well as enabling meaningful groupings of risks aligned to relevant interest groups, category risk management also provides a clearer route of risk escalation through the organisation.

Project Risk Registers

9. The risk dataset is currently being populated with project risk registers for all capital projects, to support the new platform for corporate performance monitoring being introduced for 2022/23. Most of this work is expected to be completed by the end of May. It is expected that integrating project risk registers into the same data set as strategic and corporate risks will help reduce duplications of risks across the council, provide greater oversight of the councils' overall risk exposure and focus attention on the most impactful risks and delivery of their mitigating actions.

Focus on risk actions and frequency of risk reviews.

10. As described above, actions which are being undertaken to further mitigate risks are now recorded in a specific share point list. This will enable more meaningful reporting and analysis on the planned and ongoing activities which should protect and support organisational performance and mitigate risks.
11. A monthly risk update will be provided to SLT through 22/23, covering the Strategic and Corporate risks and associated actions, and project risks by exception when requiring escalation.



Financial Implications

None

Council Plan Implications

Include links to Council Plan 2020 – 2024 – which can be found on the staff portal at this link: [Council Plan | South Somerset District Council](#)

Carbon Emissions and Climate Change Implications

None

Equality and Diversity Implications

Please describe the outcome of your Equality Impact Assessment. As a minimum an Equality Impact Relevance Check form must be completed which will indicate whether a full Equality Impact Assessment is required. Please see template guidance notes. [Equality Impact Assessment - South Somerset District Council](#)

Please complete the questions in the box below along with a brief summary of the outcome of the EIA process. A copy of either the Impact Relevance Check form or full Equality Impact Assessment form should be appended to this report.

<i>An Equality Impact Relevance Check Form has been completed in respect of the Proposal?</i>	<i>No</i>
<i>The Impact Relevance Check indicated that a full EIA was required?</i>	<i>No</i>
<i>If an EIA was not required please attach the Impact Relevance Check Form as an Appendix to this report and provide a brief summary of its findings in the comments box below.</i>	
<i>If an EIA was required please attach the completed EIA form as an Appendix to this report and provide a brief summary of the result of your Equality Impact Assessment in the comment box below.</i>	
Additional Comments	
<i>It is my understanding that a risk report does not require assessment.</i>	

Background Papers

1. Presentation showing status of Strategic and Corporate risks register on May 17th 2022.