

Report to: Audit and Governance Committee



Date of Meeting 19 September 2024

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Risk project update

Report summary:

It has been recognised that we need to review our risk management practices including undertaking a full review of our risk register entries. In order to support this work, we have engaged with a risk specialist from Gallagher Bassett.

This report proposes a project to undertake this review, with the included project plan which has been approved by the Senior Leadership Team.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

(1) That the A&G Committee notes the risk project and endorses the way forward.

Reason for recommendation:

To ensure that risk management is undertaken in line with new best practice.

Officer: Joanne Avery, Management Information Officer, javery@eastdevon.gov.uk

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Medium Risk; There are reputational and organisational risks if we do not ensure that we address the recommendations from the Peer Challenge.

Links to background information [Appendix a – Peer Challenge delivery plan](#)

[Link to Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Report in full

1. Carl Dunckley from Gallagher Bassett (GB) undertook a risk health check to assessment of the degree of maturity and effectiveness of our current risk management practices. This review was designed to provide an invaluable third-party perspective on the perceived strengths and weaknesses of risk management practices within EDDC and identify opportunities for potential improvement. The following executive summary from the report outlines the main feedback of the report.

2. Risk Health Check Executive Summary

The Council demonstrates a fundamental commitment to embrace risk management as an essential management practice and embed it within the organisational culture.

The risk management cause is promoted as an essential management discipline by key stakeholders within the organisation. These stakeholders have demonstrated an ongoing commitment to invest valuable time and resource into the practice in order to maximise the associated value.

In order to assist the organisation in making further improvements, it should consider:

- Improving risk management capabilities and understanding through a dedicated programme of organisational learning (training) at all levels.
- Ensuring risk management is fully aligned to and embedded within organisational business planning / service delivery processes as well as personal management, development and performance programmes.
- Ensuring that a dedicated approach to partnership risk management is developed and implemented to ensure risk management is consistently applied across all partnership working activities.
- Seeking to maximise the value of information technology by reviewing its needs in respect of a risk management system to ensure an enhanced ability to manage risk in real time and share risk information efficiently.
- Publicly celebrating risk management successes within the Council, as well as publishing lessons learned from failures.
- Developing a risk appetite statement.

The full risk health check report is available on the member directory.

3. A project plan has been drawn up in order to progress the recommendations from the health check including reviewing our risk register and our risk management processes. The project plan for this work is outlined below. The plan summarises the current context, project purpose and proposed outcomes, the key activities that will be undertaken and what resources will be required.

4. Proposed action plan

GB to facilitate risk workshops for us – one for each directorate	2 nd and 3 rd October
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Hold an SLT risk workshop to look at corporate risk	TBC - October
Collate and prioritise recommendations from the risk audit and health check.	November
Report back to A&G	21 st November meeting
Review our risk process and policy taking in consideration of the last GT audit and the risk health check. Review including elements such as, <ul style="list-style-type: none"> • Training • Risk identification. • Timings of risk reviews • Committee reporting • New risk software 	Jan / Feb
Map our risk management processes – informing our risk policy.	Jan / Feb
Gallagher Bassett to provide updated risk training for members including A&G and cabinet.	Date TBC
Provide updated risk training to staff.	March
Risk appetite review	April

The Senior Leadership Team have endorsed the following project plan.

Risk Review Project Plan

1. Context for the work

- **External (e.g. PESTLE)**
 - External risks must be identified, monitored and managed.
 - Audit compliance and Peer Challenge recommendations.
 - Gallagher Bassett health check report.
- **Internal (e.g. SWOT)**

<p>Strengths</p> <ul style="list-style-type: none"> • Risk register in place. • Management and committee support for Risk Management. • SLT buy in for Risk Management. • Gallagher Bassett (GB) support and specialist support. • GB Health Check report. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Not consistent up to date risk entries. • Discipline around the management/reviewing of risks has reduced. • No template for new risks. • Concerns that there are risk gaps. • Potential gaps in risk understanding and knowledge. • Organisation capacity within service areas to review risks and maintain oversight and monitoring as well as corporate resource to co-ordinate. • Current risk software is out of date and difficult to navigate.
<p>Opportunities</p> <ul style="list-style-type: none"> • New risk management software. • Expert help being provided by Gallagher Bassett. • New eLearning (Totara) system could be utilised to support risk compliance 	<p>Threats</p> <ul style="list-style-type: none"> • Some risks are out of date. • Risks don't reflect the current internal or external risks. • Not managing our risks effectively.

<p>through training opportunities. Also GB have offered training.</p> <ul style="list-style-type: none"> • Building a new risk assessment template could ensure consistency. • New ELT/SLT governance and reporting arrangements – opportunity to provide greater clarity about where risks are reported. • Could AI support us with risk development? 	
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2. Purpose & scope

To make improvements to the management of risk by reviewing the whole approach to the identification, mitigation, monitoring and reporting of strategic and operational risks and introducing a revised approach.

In scope:

- Reviewing all risks within our risk register.
- Reviewing our risk policy and processes and amending them as needed in line with audit recommendations.
- Storage of the risk register and access to them.
- Reporting of our risks internally and externally.
- Support and training on risk management including eLearning and other mandatory training as part of staff and member induction and during employment/member tenure.
- Process for identification, mitigation, monitoring and reporting of strategic and operational risks.
- Reviewing our risk appetite.

Out of scope:

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3. Outcomes

- The risk policy and management reflect external and internal requirements.
- There is a shared understanding of risk management approach, identification, mitigation, monitoring and reporting of strategic and operational risks.
- There is clarity about who is responsible for risk management in services.
- The risk register is easy to access in a shared and secure space which also includes related guidance, support and templates.
- Risk reports are appropriately disseminated to councillors and employees and externally, as required.
- There is clarity about what training and other support is in place to support risk management and all councillors and employees utilise this support and training, with appropriate monitoring arrangements in place to ensure employee and member compliance.
- There is an effective monitoring system in place for the review of all risks, with regular reporting of the policy register to ELT/SLT.

4. Resources & stakeholders

Resources required to undertake this work:

- Simon Davey Director of Finance – Project Sponsor
- Andrew Hopkins, Corporate Lead – Communications, Digital Services and Engagement Project Lead.
- Joanne Avery, Management Information Officer – project officer.

- Carl Dunckley – Gallagher Bassett Risk Specialist.
- Ben Drake, Process Improvement Analyst – support process mapping.
- Democratic services link officer (TBC) – advise and support on member approval process and induction and training of members to ensure risk compliance.
- Communications team (TBC) – advise and support on internal and external dissemination of risk.
- SWAP audit services – for audit view and recommendations / suggestions around risk monitoring .

Below summarises the key stakeholders that we will need to engage with this project. Stakeholder engagement forms part of the project lead and project officer roles and the methods for achieving this will be agreed by the project lead, in liaison with ELT/SLT as required.

Stakeholders:		
INFLUENCE	KEEP SATISFIED ELT/SLT Members? SWAP	ACTIVELY ENGAGE & MANAGE CLOSELY SLT Digital Team Communications Team EDI Advisor L&D Support Officer Dem Services
	MONITOR Other council risk leads Strata	KEEP INFORMED ELT/SLT Members?
INTEREST		

5. Timeline and planned activities

Activity	Timescale	Who
Agree project plan with ELT and SLT	August 24	JA
GB to facilitate risk workshops for us – one for each directorate	2 nd and 3 rd October	GB/JA
Hold an SLT risk workshop to look at corporate risk	TBC - October	GB/JA
Collate and prioritise recommendations from the risk audit and health check.	November	JA
Report back to A&G	21 st November meeting	JA/SD
Review our risk process and policy taking in consideration of the last GT audit and the risk health check. Review including elements such as, <ul style="list-style-type: none"> • Training • Risk identification. • Timings of risk reviews • Committee reporting • New risk software 	Jan / Feb	JA/SD
Map our risk management processes – informing our risk policy.	Jan / Feb	JA/BD
Gallagher Bassett to provide updated risk training for members including A&G and cabinet.	TBC	GT
Provide updated risk training staff.	March	GB

Risk appetite review	April	GB/JA
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Financial implications:

There are no immediate financial implications.

Legal implications:

There are no immediate financial implications.