

AUDIT & GOVERNANCE COMMITTEE - 21 NOVEMBER 2012 RISK MANAGEMENT

Report by Assistant Chief Executive & Chief Finance Officer

Introduction

1. The County Council recently commissioned a 'health-check' of our approach to risk management. This was carried out by Zurich's Risk Management division.
2. The findings of the health-check enable us to reflect on our approach to risk management and consider how we wish to take it forward during 2013.
3. Zurich's findings follow this report. The County Council management team (CCMT) will have considered the report on the 14th November and their views will be fed back to the Audit & Governance committee at the meeting.

Overview of progress

4. The past year has seen development in the way that risk is managed at directorate level. The Joint Commissioning Service has been created across Children, Education and Families and Social & Community Services. The Performance and Information Team is now responsible for performance and risk management. The same is true in Environment & Economy where support to Oxfordshire Customer Services and Environment & Economy is consolidated with a single team supporting services.
5. This development has led to an increased understanding of the business, of current performance and the ability to challenge areas of risk. This is beginning to show through in the more mature approach to identifying performance measures and risks.
6. This alignment has enabled better intelligence and reporting up from teams to directorate leadership teams then through to CCMT and Informal Cabinet.
7. CCMT are currently reviewing the level and format of information brought to them to ensure effective management of priorities. They are moving towards a more risk based approach with performance of key indicators and projects being reported regularly with other risks or issues on an exception basis. This enables greater focus on the key deliverables and enables directorates to take responsibility for the operational management of their services.

8. Risk and partnerships has always been a concern to the Audit Committee. This has related to strategic partnerships. In the past year the council's forward planning process has been strengthened giving better oversight of the issues being dealt with in partnerships, the ability to track when key decisions will be taken and ensure that the council inputs appropriately into these.

Summary of findings

9. The Zurich health-check report focuses on four enabling categories; strategy and process, leadership and management, risk handling and assurance and people.
10. Leadership is considered to be a strength but the majority of the recommendations relate to improving our strategy and processes. Clarity and consistency over our guidance will be a large step to improving in this area and communicating better across all levels of the organisation.
11. The Zurich report is helping us to think about how the formal risk reporting process operates and how it should capture the risks that managers are actively managing on a day to day basis rather than acting as a stand-alone process.

Next steps

12. It is proposed that following consideration at CCMT that we will work with directorates to agree how to take forward the recommendations made by Zurich in the coming year particularly in regard to current resources and existing planned activity.
13. **The Committee is RECOMMENDED to:**
 - (a) **note the findings of the Zurich health-check; and**
 - (b) **provide any feedback on the report.**

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November 2012