

AUDIT and GOVERNANCE COMMITTEE

July 2024

RISK MANAGEMENT OVERVIEW

Report by Lorna Baxter, Director of Finance

RECOMMENDATION

1. The Committee is RECOMMENDED to
 - To note the Risk Management Update

Executive Summary

1. This report sets out updates to Risk Management and an overview of the latest strategic risk register which contains the Council's most significant risks. The strategic risk register is closely managed by the Council Management Team and reported into the Strategic Leadership Team as part of the Council's Business Management and Monitoring Reports. These combined reports contain performance, risk and finance progress updates against the delivery of the current strategic plan priorities.

Introduction

2. The Oxfordshire County Council Risk Management strategy is the overarching framework of the strategic and operational risk management process across the council. The strategy is reviewed and updated on an annual basis. This annual review ensures the strategy is linked to the budget and business planning process, the strategic plan and captures any external influence that may impact on the risk management process. The strategy will be submitted for review and approval in September 2024.

3. The current 2022 – 2025 Strategic Plan includes nine priorities, leading positive change by working in partnership to make Oxfordshire a greener, fairer and healthier county.

4. The Performance and Insight team are responsible for the management and reporting of strategic risks and continue to work with services to assess training needs and further embed the risk management process across the organisation.

Key updates

5. Councillor training to be held 17 July 2024 as part of the Audit and Governance Committee. This is a virtual session and will be recorded covering the key role aspects supporting the overarching strategy and linking to the council's strategic priorities.

6. The Strategic Leadership Team participate in the 6monthly review of current strategic risks, next review is September 2024 this includes a thorough review of all strategic risks

ensuring all risks continue to be relevant as a strategic risk, horizon scanning of other risks as part of the business planning process.

7. The recent internal audit concluded; the system of internal controls being maintained as Amber – generally good system of internal control. However, some action is required to improve controls. We are working through 9, priority 2 management actions with leaders across the services.

8. One of the key actions is to implement and embed health checks across all directorates, this paper went to CMT in June and the launch of the health check will be during September and October. This health check links to the Management of Risk practitioner training and guidance. The findings of this first health check will identify training and development needs which will be prioritised.

9. A number of training sessions have also happened at Directorate Leadership Team (DLT) sessions to review and discuss operational risk, awareness of the escalation process and strategic risks for their service area. This includes onboarding new colleagues who have joined OCC and are responsible for risk management.

10. The consistent approach of using the operational and strategic risk templates has been embedded more widely and updated templates are available to all on the intranet. These simple templates reflect the Strategic plan priorities to ensure all risks align appropriately to the relevant priority/outcomes. These templates and access will also be reviewed as part of the health check.

11. The Performance and Insight team (P&I) are implementing a new performance management system which will also capture strategic and operational risks. This will also link to the audit to ensure consistency in approach, reporting and escalation across the services. This will be live from November 2024.

12. The team continue to work closely with DLT's to discuss performance and risks and the proactive management of risk actions. Reporting of these areas has been made available in a performance and risk dashboard, also held on the performance system. Further training will be provided as the new system is launched.

13. The team are responsible for collating and reporting the Business Management and Monitoring report, which includes the three elements, performance, risk and finance. Two colleagues within the P&I team are now qualified Management of risk practitioners.

Strategic Risk Register

13. The term "Strategic risk" refers to both strategic risks (risks to the Council's strategic objectives) and operational or programme/project risks which have been escalated due to the severity of their likelihood and/or impact. It does not necessarily include risks to the community, which are managed through the Community Risk Register, overseen by the Local Resilience Forum, (of which the Council is a member).

14. The Strategic Risk Register records the risks identified as requiring the most senior management attention. The Strategic Risk Register is reviewed monthly by Council Management Team, and bi-monthly by Strategic Leadership Team, Informal

Cabinet, Cabinet and is also an agenda item for chairs of scrutiny committees as part of the Business Management and Monitoring reporting.

15. The high-level overview of the Strategic Risks will be reported publicly as part of the Business Management and Monitoring Report pack which goes to Cabinet.

16. There are currently 9 strategic risks listed below, this is included in the most recent Business Management and Monitoring Report at Cabinet 16 July.

17. Strategic Risk Register overview – May 2024

The table below provides an overview of the current strategic risk position. Strategic risks are reviewed monthly as part of the Business management and monitoring process. Risks can be added and escalated at any time during the year.

Risk Name	Risk Description	31 May 2024				Direction of Travel
		Inherent Score	Previous Residual Risk Score	Current Residual Risk Score	Current Residual Risk Rating	
01. Financial Resilience	The council is not financially sustainable in the immediate/medium term.	25	12	12	●	➡
02. Cyber security	A successful and significant Cyber-attack leading to disruption, damage or compromise of any of the council's computer services, information systems, infrastructure or data.	25	15	15	●	➡
03. HIF1&HIF2	HIF1 and HIF2 become undeliverable and/or potential financial risk to the council	16	12	12	●	➡
04. Managing Demand across Adult's and Children's Services	Fluctuating demand of community across Oxfordshire can result in varying requirements in resource.	15	12	8	★	↘
05. Special Educational Needs and Disability (SEND)	Local area SEND partnership inspection outcomes found widespread systemic failure. Delay for children having their SEND needs met. Reputational damage (locally, regionally, and nationally).	20	12	12	●	➡
06. Oxford Core Schemes	Failure to deliver Oxford Core Schemes (Traffic Filters, Workplace Parking Levy, Zero Emissions Zone and associated city area schemes such as Low Traffic Neighbourhoods) with public support.	20	16	16	▲	➡
07. Strategic Workforce Planning	A risk that the county council's workforce does not have capacity, capability or resilience to deliver key functions, statutory services or transformational changes required to ensure the councils objectives and long-term priorities are met. Further, that the diversity of the workforce satisfies statutory requirements.	16	12	12	●	➡
08. Policy & Budget	Inability to seek agreement in relation to the policy and budget framework from a minority administration.	25	8	8	★	➡
09. Delivering the Future Together	Failure to deliver organisation wide transformation.	25	12	12	●	➡

Table 1: Strategic Risk Overview for May 2024.

18. The team are working with the climate change team regarding escalation of risk regarding resilience in the face of climate change, this is going to CMT for final sign off in July 24.

Corporate Policies and Priorities

2. The risk management process links to all nine of the strategic priorities. All templates include the link to the strategic priorities to ensure risks are identified with any effect to priorities possibly not being delivered.

Financial Implications

3. There are no significant financial implications from this paper

Comments checked by:

Ian Dyson, Assistant Director finance, ian.dyson@oxfordshire.gov.uk

Legal Implications

4. There are no significant legal implications from this paper

Comments checked by:

Anita Bradley, Director of Law & Governance and Monitoring Officer
Anita.Bradley@oxfordshire.gov.uk

Risk Management

5. There are no significant risk implications from this paper.

Louise Tustian, Head of Insight and Corporate Programmes.

Contact Officer: Louise Tustian, Head of Insight and Corporate Programmes
Louise.Tustian@oxfordshire.gov.uk

July 2024