

AUDIT and GOVERNANCE COMMITTEE

15 January 2025

RISK MANAGEMENT OVERVIEW

Report by Executive Director of Resources and Section 151 Officer

RECOMMENDATION

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

Executive Summary

2. 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

3. The Oxfordshire County Council Risk Management policy is the overarching framework of the strategic and operational risk management process across the council. The policy is reviewed and updated on an annual basis. This annual review ensures the policy 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 policy will be submitted for review and approval in March 2025.

4. 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.

5. 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

6. Councillor training was held on 17 July 2024 as part of the Audit and Governance Committee meeting. This was a recorded virtual session which covered the key aspects supporting the overarching strategy and linking to the council's strategic priorities.

7. The Strategic Leadership Team participate in a review of current strategic risks, next review is January 2025, 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 25/26 business planning process.

8. 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.

9. The key action of embedding health checks across the organisation was implemented at the start of October 24, with health check interviews being undertaken with CMT colleagues throughout October and early November 24. This health check links to the Management of Risk practitioner training and guidance. The findings of this first health check will aid the formulation of an action plan to establish training and development needs which will be prioritised.

10. A number of risk awareness 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.

11. A standardised risk template has been developed and a standardised risk matrix has been added to the intranet. Risk documentation has been reviewed and revised where appropriate and uploaded to the intranet, to further embed a consistent approach to risk across the organisation. The outcome of the risk health check will also highlight where information, training and development requires additional focus. These templates and access will also be reviewed as part of our continuous improvement following the results of the health check.

12. The Performance and Insight team (P&I) are implementing a new performance management system which will also provide a platform to capture the performance of strategic and operational risks. The strategic risk register reporting will be live from November 2024. Operational risk performance will also be incorporated, following the successful automation and implementation of the newly designed risk template and operational risks registers into the performance system (anticipated Quarter 1 2025/26). This will also link to the audit to ensure consistency in approach, reporting and escalation across the services.

13. 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. User guides and videos have been created and cascaded across the organisation to support colleagues in their reporting of performance and risk. Further training and support will be provided as the new system is embedded with colleagues and additional training needs are identified.

14. 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

15. 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).

16. The Strategic Risk Register records the risks identified as requiring the most senior management attention. The Strategic Risk Register is reviewed monthly by the 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.

17. 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.

18. There are currently ten strategic risks listed below, this is included in the most recent Business Management and Monitoring Report at Cabinet 21 January 2025.

19. Strategic Risk Register overview – November 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	Inherent Score	Previous Residual Risk Score	Current Residual Risk Score	Current Residual Risk Rating	Direction of Travel
01. Financial resilience	The council is not financially sustainable in the immediate/medium term.	25	12	12	A	→
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	A	→
03. HIF1 & HIF2	HIF1 and HIF2 become undeliverable and/or potential financial risk to the council.	16	12	12	A	→
04. Managing Demand across Adults' and Children's Services	Fluctuating demand of community across Oxfordshire can result in varying requirements in resource.	15	8	8	G	→
05. Special Educational Needs and Disabilities	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	A	→
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	R	→
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	A	→
08. Policy & Budget	Inability to seek agreement in relation to the policy and budget framework from a minority administration.	25	8	8	G	→
09. Delivering the Future Together	Failure to deliver organisation wide transformation.	25	8	8	G	→
10. Climate Impact	Increasing vulnerability to climate impacts leads to failure of key infrastructure and services with a direct impact on health, safety, environment, and businesses.	25	20	20	R	→

Table 1: Strategic Risk Overview for November 2024.

Corporate Policies and Priorities

20. 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

21. There are no significant financial implications from this paper

Comments checked by:

Ian Dyson, Director of Financial and Commercial Services
ian.dyson@oxfordshire.gov.uk

Legal Implications

22. 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

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

Comments checked by

Louise Tustian, Director, Transformation, Digital and Customer Experience
Louise.Tustian@oxfordshire.gov.uk

LORNA BAXTER, Executive Director of Resources and Section 151 Officer

January 2025