

Item

# RISK MANAGEMENT STRATEGY & FRAMEWORK



**To:**

Civic Affairs Committee [2<sup>nd</sup> February 2022]

**Report by:**

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**Wards affected:**

All

## 1. Introduction / Executive Summary

- 1.1 This report provides an update on the agreed actions from the previous meeting of Civic Affairs Committee in September 2021.

## 2. Recommendations

- 2.1 Civic Affairs Committee is asked to:

- Note the work undertaken by Internal Audit since the last committee and the outline of proposals for further Risk Management work to be completed.
- Advise whether subsequent progress reports are required at future meetings of the Committee.

### **3. Risk Management Work Undertaken**

#### **3.1 Administration**

- 3.2 A data cleansing exercise has been completed to update/de-activate user profiles on the corporate risk management system, 4Risk. As a result, we have reduced the number of active users from @150 to 85. The majority of this work included identifying all risks and/or actions allocated to officers who had left the Authority, establishing the current responsible officer and re-assigning these risks/actions to these officers. Following completion of this exercise there remains @85 current user profiles on the 4 Risk System.
- 3.3 Starters & Leavers data is now being regularly received via the I-Trent Human Resources system. This data enables us to ensure that risks are re-assigned promptly when officers leave and ensure continuity in the risk management process when changes in personnel take place.
- 3.4 Risk review dates held in the 4risk system have been aligned to correspond with financial quarters to facilitate the collation of quarterly performance data.
- 3.5 Our Risk Management pages are being regularly updated to notify officers of Risk Management Training and 4 Risk system changes, as well as providing links to useful risk management information such as the 4 risk System and the Risk Management Strategy & Framework.
- 3.6 Historically 4 Risk users have only had access to their own service risks, with members of SLT having access to all risks. We have recently extended access rights for all members of the Senior Management Team (SMT) to also enable them to view all corporate/service and shared services risks, in addition to editing their own service risks. It is hoped this this will provide greater transparency, increase awareness and understanding of risks and interdependencies across the council where there may be opportunities for joined up risk management to identify and mitigate risks.
- 3.7 On the 2<sup>nd</sup> December 2021 we migrated all 4 Risk users to Single Sign on (SSO) providing benefits for both users and system administration. Users no longer need to remember usernames and passwords and administrative support is no longer required to reset passwords. User credentials are linked to existing network profiles and therefore only officers with an active 4 Risk profile and a matching, active Council

Anywhere e-mail address will be able to access the 4 Risk system. SSO ensures that robust password/access controls are still maintained.

### **3.8 Performance**

3.9 Following consultation with both the Senior Leadership Team and Senior Management Teams (SLT & SMT) a set of Key Risk Indicators has been agreed and from Q2 have been included in the Quarterly Performance Report. The indicators reported are:

- Percentage of risks reviewed;
- New & emerging risks;
- Increasing Risks; and
- Decreasing risks.

3.10 These indicators can be provided at both corporate and service level. It is hoped that the reporting of performance indicators will stimulate a more collaborative approach to risk identification/mitigation and management as well as provide an insight in to how well we are undertaking risk management activities (i.e., regularly reviewing existing risks and adding new ones).

3.11 In November 2021 we presented our first half yearly update report to SMT. This report included an update on recent and planned Risk Management activities, KPI's as well as a focus on topical risks (environmental and EU transition). This update was well received by SMT.

### **3.12 Training & Support**

3.13 As requested by Members, the Risk Management Strategy & Framework now includes a version control for ease of reference. This will be updated as and when any changes are made to the document.

3.14 A series of formal and ad-hoc training sessions have been delivered, providing an overview of the 4Risk system and responsibilities of risk/actions owners. Six sessions have been delivered, with 17 officers attending these sessions, since we last reported to Civic Affairs. We have received positive feedback from attendees and noticed an increase in activity on the 4 Risk system. The formal training sessions have been promoted through the corporate Learning & Development programme whilst ad-hoc trainings sessions have been delivered in response to

requests for new starters or for officers unable to attend the formal sessions.

- 3.15 As a result of our increased Risk Management profile we have been invited to attend departmental management meetings to update officers on Risk Management activities as well as answer any related questions they may have.
- 3.16 The cleansed user profile data was used to identify officers who had not logged into the system recently and invite them to attend the 4 Risk user training sessions.

#### **4. Planned Risk Management Work**

- 4.1 The first half yearly report to SLT is to be presented in January and alongside this report we are also running a workshop to review corporate risks.
- 4.2 With the implementation of a new Risk Management Strategy, appointment of new Chief Executive, Transformational change and a renewed focus on risk management, SLT have agreed to undertake a zero-based approach to corporate risks. A workshop is to be held with the Senior Management Team in January 2022 to identify and agree the corporate risks for the organisation.
- 4.3 The November 2021 Risk Management update to SMT generated a discussion around consistency of risk scoring and as a result a Risk Scoring Workshop has been planned for January 2022.
- 4.4 RSM Tenon recently presented a demonstration of V2 of the 4Risk system. We are awaiting confirmation of a launch date, but provisional timescales are for a release during Spring 2022. The new version has a very different look with several enhanced functions and as a result all users will require training on the new system when it is rolled out.
- 4.5 Historically, we have only recorded the Residual Risk scores in the 4Risk system. It is our intention to liaise with all Heads of Service/risk owners to undertake an exercise to capture the Inherent Risk score for all risks so that analysis of the effectiveness of controls can be undertaken.

## **5. Implications**

### **(a) Financial Implications**

None.

### **(b) Staffing Implications**

None.

### **(c) Equality and Poverty Implications**

None.

### **(d) Net Zero Carbon, Climate Change and Environmental Implications**

None.

### **(e) Procurement Implications**

None.

### **(f) Community Safety Implications**

None.

## **6. Consultation and communication considerations**

Not applicable.

## **7. Background papers**

Background papers used in the preparation of this report:

- Risk Management Strategy & Framework – January 2013
- Orange Book - Management of Risk: Principles and Concepts (Revised Feb 2020)
- Risk Appetite Guidance Note (October 2020)
- Association of Local Authority Risk Management (ALARM) toolkit 2021

## **8. Appendices**

- Risk Management Strategy & Framework

## **9. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Jonathan Tully, Head of Shared Internal Audit Service, Tel: 01223 - 458180, email: [jonathan.tully@cambridge.gov.uk](mailto:jonathan.tully@cambridge.gov.uk).