
Corporate Risk and Safety Group

Review of Council's Risk and Safety Governance Arrangements

Page 103

To Project Sponsor – Andrew Crookham

14th October 2019

Introduction and Scope

- What and why?
 - Questions were raised around our approach.
 - Insight and comfort - assurance over how effective - risk mgt etc.
 - Risk culture being embedded.

Page 104 Our key lines of enquiry focused on:

- What worked well?
- What could be better?
- Processes and practices adopted.
- How you gained assurance.
- How well risks are articulated in decisions / options / projects.
- Use of risk registers.

Overall Message

The Council has effective risk management and health and safety arrangements in place that enables risks to be taken in an informed manner.

There is a clear tone from the top from the Corporate Leadership Team and senior management in risk taking and avoidance.

Overall Message

Suggested areas for improvement:-

- Update of **strategic risks and risk appetite** to align with new Corporate Plan.
- More **robust corporate oversight** over both risk and health and safety – including **third party and key project risks**. Improving Board insight and challenge particularly around control actions.
- **Better transparency of risk information** on key decisions, scrutiny and transformation programmes.
- **Consistency of practice** and understanding of our key risks.
- Peer review found '**risk averse culture and behaviours due to fear of failure** and this is stifling innovation and creativity. Review and maintain a risk culture that enables risks to be taken – creating confidence in a 'just culture'.

Just Culture – is a learning culture

It means distinguishing between:

- **Simple mistakes or errors** – individuals should not be ‘blamed’ for things going wrong but they should be held accountable for their actions and learn from mistakes
- **Risky behaviour** – having a strong risk and control culture. Clearly understanding your risks and their potential impact. Where risk decisions need to be improved then individuals should be coached and educated to be more careful
- **Reckless behaviour** – systems and processes set up to encourage people to comply but where they deliberately over-ride controls – action is taken

Overall Assurance - Limited

System and control **design**

Substantial – effective and good practice

System and control **operation**

Limited – inconsistent across directorates with risk management not always transparent

Outcomes and Delivery

Substantial – outstanding / good service delivery

Suggested Improvements

Item	Description	Critical Essential Recommended
Leadership and Management		
1	Corporate Leadership Team should update the Strategic Risk Register and risk appetite statements to align to the new Corporate Plan.	Essential
Page 109 2	Corporate Leadership Team should strengthen oversight of both health and safety and the Council's strategic risks. Ensuring effective monitoring and board intelligence on the key risks facing the Council.	Essential
3	Ensure that risk information is made clearer and more transparent in reports to guide all major decision making and transformation programmes.	Essential
4	A risk culture workshop is held with the Corporate Leadership Team / Senior Leadership Group to enable them to scrutinise and challenge the Council's risk culture. The Institute of Risk Management's 'Ten Questions' provide a useful framework for such a challenge.	Essential

Suggested Improvements

Item	Description	Critical Essential Recommended
Strategies and Policies		
5	Our good practice tools to support management of risk should be simplified – using quick guides etc.	Recommended
Page 6 110	Review our Health and Safety policies to align with the updated HR policies – simplifying and streamlining where appropriate. Improving access to information and website.	Recommended
People		
7	Review and maintain an effective health and safety / risk management training strategy within the context of overall organisational development strategies. This should include Senior Management induction and key roles in the risk and safety governance structure. A combination of e-learning/workshops is suggested.	Recommended

Suggested Improvements

Item	Description	Critical Essential Recommended
People		
8	More regular oversight of both risk and safety. The Corporate Risk and Safety Steering Group should meet more frequently with the Corporate Leadership Team reviewing / challenging risk and safety intelligence on a more regular basis.	Essential
9	Consider developing a communications strategy. The objective is to ensure that relevant information regarding risk and safety management is communicated effectively to all key internal stakeholders.	Recommended

Suggested Improvements

Item	Description	Critical Essential Recommended
Risk Handling and Assurance		
10 Page 112	The existing risk governance arrangements works well – responding to the different risk and safety profiles of service areas. But directorate groups need to have more transparent oversight of their key risks and safety intelligence (particularly Children Services and Adults and Community Wellbeing). The Directorate groups should be reviewed to align with the new structures – see Appendix 1 for proposed group structure.	Essential
11	A Health and Safety Committee is set up – with appropriate Union representation.	Essential

Suggested Improvements

Item	Description	Critical Essential Recommended
Risk Handling and Assurance		
12	Better use of risk and safety data by both the Directorate and Steering groups to help drive improvements, share learning and take action.	Recommended
13	Common themes / learning from major incidents should be shared as part of organisational development strategies.	Recommended
14	Corporate oversight of project and partnership risks – limited information provided at the moment.	Recommended
15	Directorate Groups to provide highlight reports to the Corporate Risk and Safety Steering Group to give insight and assurance on their risks – see Appendix 2 .	Recommended
16	Development and oversight of risk registers at Directorate level – aligning to Directorate business plans and focussing on control measures.	Recommended

Our key findings – Leadership and Management

Clear and effective sponsorship of risk management by senior management and elected members.

- Risk culture heavily influenced by the clear leadership on risk provided by senior management – **but** more needs to be done on building confidence around taking risks and learning when things go wrong – **our risk culture.**
- Well defined and **user friendly risk management strategy.**
- **Industry leading approach** to the identification and understanding of **risk appetite.**
- Whilst Corporate Leadership Team engage in the risk management process. This is currently in their service areas. **Better corporate oversight** suggested to strengthen ‘board’ risk and safety intelligence, challenge and understanding.

Our key findings – Leadership and Management

- **Strategic Risk Register requires updating** – with a **better understanding at senior management level** of the risks facing the Council and its risk appetite.
- Whilst risk management is **embedded in our ‘business as usual’ processes** – **risks being taken or avoided are not always transparent** in key decisions / transformation programmes etc.
- The **Corporate Risk and Safety Steering Group met once in 2018/19**. Changes in roles / remit affected attendance and availability.

Our key findings – Strategies & Policies

We have a succinct and user friendly risk management strategy in place.

- Our strategy sets out our priorities and objectives and is **supported by good practice tools** to support the management of risk.
- Our good practice tools have been in place for some time. They are comprehensive and feedback suggests that they need to be reviewed with **the ‘reader’ in mind rather than a risk management specialist. Less is more!**
- There’s **overlap between our HR and Health and Safety Policies**. This can **cause confusion and lack of understanding** around expectations and policy requirements.

Our key findings – People

Effective arrangements are in place to support people to fulfil their role – having the capability and capacity to manage risk effectively.

- Risk management **good practice toolkit is available to all employees.** This is supported by elearning for both strategic and operational risk.
- **Specialist risk management** support available for the Council (**2 people**).
- Our review found a **gap in understanding at a senior level of the risks facing the Council.** Risk management tends to focus on service areas.
- Our discussions found a **disconnect between the stated risk appetite of the Council and what sometimes happened in reality** – do we ‘walk the talk’.
- Peer review found **‘risk averse culture and behaviours due to fear of failure** and this is stifling innovation and creativity.

Our key findings – Risk Handling and Assurance

Existing risk handling and assurance arrangements tend to work well but could be more transparent and ‘active’.

- The **Audit Committee** regularly reviewed and challenged the content and management of the Council’s strategic risks.
- Our existing risk **governance arrangements need updating** following the introduction of **the new senior management structures** – see Appendix 1.
- The **introduction of key performance measures and accident data should help strengthen corporate oversight.**
- There was **very little corporate oversight** of the Council’s key risks and health and safety information. The Corporate Risk and Safety Steering Group met just **once last year.**
- Directorate Risk and Safety teams **met more frequently** but we found that this **tended to focus on health and safety.** A Directorate highlight report is suggested to **help identify key themes and help challenge / oversight.**

Our key findings – Risk Handling and Assurance

- Our discussions showed us that risk management is **a normal part of day to day business**. We feel that there is merit in **increasing the frequency of reporting** around the key risks facing the Council ensuring that risk registers are maintained and **updated at a strategic and directorate level – quarterly**.
- The Council is involved in a wide range of increasingly complex delivery models, many of which involve significant levels of collaboration. **Assurance around third party / partnership risks tends to be included as part of commercial team processes and practice. Is this enough?**
- Major incidents are **effectively managed and reported** by Executive Directors **but better sharing of organisational learning should be undertaken**.

Overall Messages

The Council has effective risk management and health and safety arrangements in place that enables risks to be taken in an informed manner. There is a clear tone from the top from the Corporate Leadership Team and senior management in risk taking and avoidance. Suggested areas for improvement:-

Page 120

- Update of **strategic risks and risk appetite** to align with new Corporate Plan.
- More **robust corporate oversight** over both risk and health and safety – including **third party and key project risks**. Improving Board insight and challenge particularly around control actions.
- **Better transparency of risk information** on key decisions, scrutiny and transformation programmes.
- **Consistency of practice** and understanding of our key risks.
- Peer review found **‘risk averse culture and behaviours due to fear of failure** and this is stifling innovation and creativity. Review and maintain a risk culture that enables risks to be taken – creating a ‘just culture’.

Overall Assurance - Substantial

System and control **design**

Substantial – effective and good practice

System and control **operation**

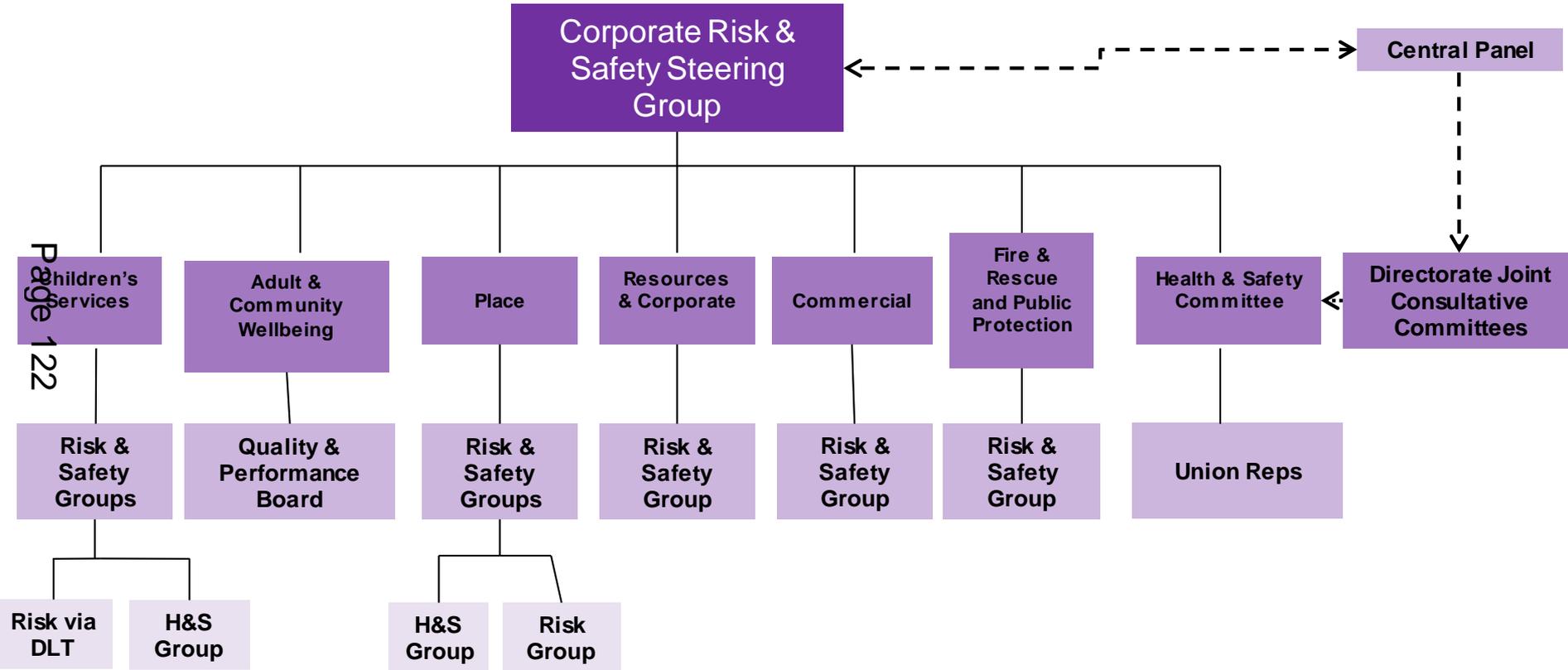
Limited – inconsistent across directorates with risk management not always transparent

Outcomes and Delivery

Substantial – outstanding / good service delivery

Risk and Safety Governance Arrangements Structure Chart - Proposal

Appendix 1



Corporate Risk & Safety Steering Group

Feedback Template

Appendix 2

Key Messages

Use this section to provide any key messages/updates to the group. Also use this to provide any detail behind your current risks. In particular any low assurance risks or new risks. Provide any important Health and Safety messages here also.

Please also provide an overall Assurance level on risk and safety within your directorate.

Risk Update

Use this for other risk messages

Safety Update

Use this for other Health & Safety messages

Any other messages...

Use this for any other areas you wish to cover, for example, important directorate information which could be shared with the group or any big news items you feel may also be important.

Appendix 1. Directorate Top 5 Risks

Resources			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1			
2			
3			
4			
5			

Appendix 2. Health and Safety KPI's

Resources

Thank you for your help

This page is intentionally left blank