

Risk Management Strategy 2025 – 2028

1. Introduction:

- 1.1 Risk Management is the identification, assessment and prioritisation of risks followed by the coordinated and economical application of resources to minimise, monitor and control the probability or impact of unfortunate events/threats. Risk management can also play an important role in maximising the realisation of opportunities.
- 1.2 Cambridgeshire County Council does not seek to reduce all risk to the minimum possible level, as this would not be a proportionate use of scarce resources. Instead, our risk management processes aim to manage risk in a proportionate manner, relative to the severity of the risk.
- 1.3 Effective risk management is a critical part of good organisational governance, and as such the Council seeks to continually monitor, adapt and improve its risk management framework to address external and internal changes.
- 1.4 While the Council's Risk Management Policy and Toolkit documents define a clear and consistent approach to risk management across the organisation, this Strategy captures the development activity that the Council will undertake to ensure that its policy and procedures for risk management reflect best practice; are communicated effectively across the organisation; and are effectively complied with in practice.

2. Context:

- 2.1 This Strategy and Action Plan was originally developed following a Risk Maturity Assessment undertaken by the Cambridgeshire County Council Internal Audit & Risk Management service in April 2023, in line with Institute for Internal Auditors (IIA) guidance. This involved benchmarking the Council's risk management processes against a model framework provided by the IIA.

Risk Management Strategy 2025 – 2028 Annex B

- 2.2 A further maturity review has now been undertaken by the newly-appointed Corporate Risk Manager, to assess the Council's risk management arrangements against the Association of Local Authority Risk Managers (ALARM) Risk Maturity Framework. The draft report was issued in May 2025.
- 2.3 A structured Risk Maturity Review help to ensure that the Council's approach to risk management aligns with best practice and evolving government legislation and public sector risk management standards. The model helps identify gaps and strengths in current risk practices, offering a structured framework to gauge how embedded and effective risk management is across the Council.
- 2.4 The model examines and scores risk management maturity as being at one of five levels, with 1 being the lowest maturity and 5 being the highest maturity level. The table below shows the maturity of risk management arrangements at Cambridgeshire County Council, as identified by the Risk Maturity Assessment in May 2025:

Maturity level	Definition	No. of areas at this level
Level 1	Risk management is engaging with the organisation	0
Level 2	Risk management is happening within the organisation	0
Level 3	Risk management is working for the organisation	4 (66%)
Level 4	Risk management is embedded and integrated within the organisation	2 (34%)
Level 5	Risk management is driving the organisation	0

- 2.5 The review found that Cambridgeshire County Council (CCC) demonstrates a strong and structured approach to risk management. Out of the six key risk assessment areas, the Council scored 3 (working) in four areas: Leadership and Management; People; Partnerships; and Risk Handling. The Council received a score of 4 (Embedded) in two areas: Strategy and Policy and Processes, indicating that risk governance, culture and decision-making are well integrated but still evolving in some aspects.
- 2.6 The present version of the Strategy has been updated in June 2025 in light of the findings of the risk maturity review, which identified a number of recommended actions to elevate the Council's overall maturity. The Strategy has also been updated to reflect progress to date, rephrasing of planned activity, and to incorporate further actions that have been identified during the 2024/5 financial year. The intention is that the Strategy remains forward-looking, seeking to embed risk management more deeply and effectively across all levels of the Council.

2.7 This Strategy was initially prepared in response to the findings of the risk maturity assessment, with reference to the updated guidance document *The Orange Book: Management of Risk – Principles & Concepts* (April 2023) published by the UK Government. The elements of Cambridgeshire County Council's risk strategy outlined below therefore continue to be aligned to the five key principles set out in the Orange Book.

3. Objectives:

3.1 The chief objective of this Risk Strategy is to outline the key actions that will be undertaken by Cambridgeshire County Council to move to a consistently high level of risk management maturity, reflecting that 'risk management and internal controls are fully embedded into the organisation's operations'.

3.2 These actions are captured throughout the document and in the Risk Management Action Plan, below.

4. Risk Management Strategy

4.1 Key Principles

4.1.1 The elements of Cambridgeshire County Council's risk strategy are aligned to the five key principles set out in the Orange Book: governance and leadership; integration; collaboration and best information; risk management process; and continuous improvement.

4.2 Principle 1: Governance & Leadership

"Risk management shall be an essential part of governance and leadership, and fundamental to how the organisation is directed, managed and controlled at all levels."

4.2.1 At Cambridgeshire County Council, roles and responsibilities for risk management are set out in the Risk Management Policy & Toolkit. The CLT Risk & Assurance Group meets quarterly to scrutinise the Corporate Risk Register, and to consider reports on emerging risks and sources of assurance over risk. The Corporate and Directorate Risk Registers are regularly reported to Committee, and risk management activity is owned by management with guidance, advice and support provided by the Head of Internal Audit & Risk Management.

Risk Management Strategy 2025 – 2028 Annex B

4.2.2 The Council has identified the following next steps to strengthen the leadership and governance around risk management:

Action:	Owner:	Due Date:
All Committees should receive a copy of the relevant Directorate Risk Register (DRR) in the first six months of 2025/26. <i>[N.B. Corporate Risk Manager to provide risk assurance on directorate-level risk reporting to committees by conducting quarterly reviews of submitted reports, identifying gaps or good practice, and summarising findings in the 2025/26 Annual Risk Management Report to demonstrate oversight and consistency in risk governance.]</i>	CLT	30 th November 2025 [previously 30/09/24]
Internal Audit & Risk Management will develop a risk management e-learning module that can be made available to all staff. This will particularly include guidance on how to escalate risks between different management levels/risk registers.	Head of Internal Audit & Risk Management	COMPLETE The new e-learning module was developed by the Internal Audit and Risk team in partnership with the Learning and Development team and went live in March 2025.
Publish communication to ensure that officers across CCC are aware of the new e-learning module and are encouraged to take part.	Corporate Risk Manager	31 st July 2025
Internal Audit will review how the Corporate Risk Registers link into the new Strategic Framework and Performance Framework.	Head of Internal Audit & Risk Management	30 th September 2025 [previously 31/05/2025]
Appoint to new Corporate Risk Manager role in 2024/5 to develop greater capacity and resilience in corporate risk management support.	Head of Internal Audit & Risk Management	COMPLETE Corporate Risk Manager joined the team in February 2025.
[NEW] Facilitate a Risk Management Workshop for all elected Members.	Head of Internal Audit & Risk Management	30 th September 2025

4.3 Principle 2: Integration

Risk Management Strategy 2025 – 2028 Annex B

“Risk management shall be an integral part of all organisational activities to support decision-making in achieving objectives.”

4.3.1 At Cambridgeshire County Council, the Risk Management Policy & Toolkit outline how risk management activity should be incorporated into all aspects of organisational decision-making.

4.3.2 The Council has identified the following next steps to strengthen the integration of risk management processes:

Action:	Owner:	Due Date:
The Council should consider integrating the Corporate Risk group with an equivalent network of Performance Champions or similar.	Executive Director: Strategy & Partnerships	COMPLETE First meeting took place on the 2 nd June 2025
The Council should consider integrating risk reporting alongside the performance/financial reporting received by Committees, to give a more holistic overview of the Council’s performance. [N.B. this has been delayed ensuring full implementation based on the Performance Framework]	Executive Director: Strategy & Partnerships	31 st September 2025 [Previously 31/3/2025]
[NEW] Provide assurance in the risk reporting (Annual Risk Report 2025/26) by evidencing implementation of risk mitigation actions through action tracking and alignment checks between corporate risks and Strategic KPIs.	Corporate Risk Manager	30/04/2026

4.4 Principle 3: Collaboration and Best Information

“Risk management shall be collaborative and informed by the best available information and expertise.”

4.4.1 At Cambridgeshire County Council, the Risk Management Policy and Toolkit set out guidance on managing risk across partnerships, contracts and other relationships with third party organisations.

4.4.2 The Council has identified the following next steps to strengthen the risk management processes around collaborative, partnership and third party working and to ensure risk management is informed by the best available information:

Action:	Owner:	Due Date:
As notice has been given on the current shared iteration of the GRACE risk management system that Cambridgeshire shares with Milton Keynes, the Council will need to conduct a formal exercise to evaluate and procure a new risk management system.	Head of Internal Audit & Risk Management	COMPLETE As of 1st April, CCC has migrated to a standalone GRACE system
[NEW] Undertake a targeted 'deep dive' into the risk registers of a representative sample of major partnerships. The review will assess the alignment of partnership-level risk practices with maturity expectations. Findings and recommendations from this analysis will be reported back to CLT R&A and incorporated into future risk improvement initiatives.	Corporate Risk Manager	30 th October 2025

4.5 Principle 4: Risk Management Processes

“Risk management processes shall be structured to include:

- a) risk identification and assessment to determine and prioritise how the risks should be managed;*
- b) the selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level;*
- c) the design and operation of integrated, insightful and informative risk monitoring; and*
- d) timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities.”*

4.5.1 At Cambridgeshire County Council, the Risk Management Policy and Toolkit set out a clear approach to identifying and assessing risk, treating risk, and risk monitoring and reporting. The Council has set a defined risk appetite and risk matrix to support a consistent approach to risk across the organisation. The Policy and Toolkit are reviewed regularly and approved by the Strategy & Resources Committee. Risk assurance reviews are conducted by staff from within the Internal Audit & Risk Management service.

4.5.2 The Council has identified the following next steps to further develop Cambridgeshire County Council’s risk management processes:

Risk Management Strategy 2025 – 2028 Annex B

Action:	Owner:	Due Date:
<p>Reimplement the Risk Assurance Review process in 2025/6 to provide assurance over the management of risks across the Corporate Risk Register.</p> <p><i>[NB this will now be undertaken by the Corporate Risk Manager as part of their role]</i></p>	Head of Internal Audit & Risk Management	31 st March 2026 <i>[previously 31/3/2025]</i>
<p>Develop and share a template to allow risk owners to self-assess the effectiveness of the current control environment for their risks.</p> <p><i>[N.B. delayed as this will now be developed by the Corporate Risk Manager]</i></p>	Head of Internal Audit & Risk Management	31 st October 2025 <i>[previously 31/3/25]</i>
<p>[NEW] Develop and publish guidance on risk statement formulation, integrated into the 2025 Risk Management Toolkit update, to ensure standardised and consistent articulation of risks across the Council and reflect current best practices. The aim is for 100% compliance confirmed in the next risk maturity review update in 2026.</p>	Corporate Risk Manager	1 st June 2025 COMPLETED
<p>[NEW] Deliver at least one targeted session (follow up session if needed) to the CRPG on how to formulate risk statements with pre/post assessments showing a minimum of 30% improvement in knowledge and confidence. This will ensure that CRPG and Risk Champions have the skills to lead by example and support the wider organisation in adopting good risk management practices.</p>	Corporate Risk Manager	30 th September 2025
<p>[NEW] Work with Performance colleagues to develop and present draft risk dashboards, including at least one using heatmap visualisations, for review by CLT R&A, to select versions for implementation to present risk information alongside performance information. This will enhance visibility of risk data, enabling senior leadership to interpret and act on risk insights more effectively.</p>	Corporate Risk Manager	30 th September 2025
<p>[NEW] Corporate Risk Manager to provide risk assurance on directorate-level risk reporting to committees by conducting quarterly reviews of submitted reports, identifying gaps or good practices, and summarising findings in the 2025/26 Annual Risk Management Report to demonstrate oversight and consistency in risk governance.</p>	Corporate Risk Manager	30 th April 2026

4.6 Principle 5: Continual Improvement

“Risk management shall be continually improved through learning and experience.”

4.6.1 At Cambridgeshire County Council, the Head of Internal Audit & Risk Management prepares an annual report on risk management which is presented to CLT, Strategy and Resources Committee and the Audit & Accounts Committee. This considers the risk management environment at the Council and areas for further improvement and development.

4.6.2 This Risk Strategy document outlines the Council's planned approach to developing and improving its risk management framework over the next three years, and all the actions outlined in this Strategy support this principle. In particular, the following key actions are highlighted as supporting the principle of continuous improvement of risk management practice:

Action:	Owner:	Due Date:
A full audit of risk management will be undertaken in 2024/25. This will include a detailed review of Directorate Risk Registers (DRR); consideration of how risk management processes serve to communicate risks from partners and suppliers; looking at how risk management performance is assessed; and a staff survey to gain a deeper understanding of how embedded risk management is across the organisation.	Head of Internal Audit & Risk Management	COMPLETE (N.B. this was combined with the risk maturity review)
Follow-up Risk Maturity Assessment to be conducted in Q4 2024/25, to assess the development of the organisation's risk maturity in light of the implementation of key actions from this Strategy.	Head of Internal Audit & Risk Management	COMPLETE A risk maturity report has been developed with findings and recommendations updated in this strategy document
Council to consider commissioning an independent review of risk management arrangements.	CLT	31 st December 2026
Full review and refresh of the Risk Strategy to be undertaken.	Head of Internal Audit & Risk Management	COMPLETE

Risk Management Strategy 2025 – 2028 Annex B

[NEW] Improve the CRPG's functionality and align it with best practices by adding deep dive sessions into the agenda that focus on in-depth analysis of specific risks, allowing for thorough examination and discussion.	Corporate Risk Manager	31 st March 2026
[NEW] Develop and implement a targeted programme to build risk awareness and capacity across all officers levels, encouraging a culture where managed risk-taking in support of innovation is understood, supported and embedded into decision-making.	Corporate Risk Manager	1 st June 2025 COMPLETE

5. Implementation of the Strategy

- 5.1 The implementation of the Action Plan outlined in this Strategy document will be reported by the Head of Internal Audit & Risk Management to Corporate Leadership Team Risk and Assurance meetings on a six-monthly basis. The implementation of actions will also be reflected in the Annual Risk Report to Strategy & Resources Committee and Audit & Accounts Committee.
- 5.2 The Risk Management Strategy is not intended to be a static document. The Strategy and Action Plan will be informally updated on an ongoing basis by the Head of Internal Audit & Risk Management, taking into account the findings of internal audit reviews, the developing risk environment, and feedback from management and Members.