Audit, Risk and Assurance Committee **Agenda Item No. 08**

15 SEMPTEMBER 2025

Risk Management Update – Senior Management Review (SRR16)

Ward(s): All

Portfolios: All

Purpose: For comment/review

1. Aim

1.1 To provide Audit, Risk and Assurance Committee with assurance in relation to Strategic Risk Register (SRR) Risk 16 – Senior Management Review.

2. Summary

2.1 Audit, Risk and Assurance Committee considers the SRR at least twice per year. SRR Risk 16 was added to the risk register in March 2025. Audit Committee requested that this risk be brought to the September 2025 meeting of the Committee for further consideration. The inherent risk score is 20 (Likelihood 5; Impact 4) current risk score is 12 (Likelihood 4; Impact 3), with the target score 9 (Likelihood 3; Impact 3).

3. Recommendations

3.1 That Audit Committee review and comment on SRR16.

4. Report detail – know

4.1 Appendix 1 contains the risk for SRR16, revised and updated as part of the end of quarter one monitoring exercise. The risk is summarised below.

Risk	Risk Description	Lead	Inherent Score	Current score	Target score
16	Senior Management Review	CEX	20 (5x4)	12 (4x3)	9 (3x3)

4.2 This risk was added to the Strategic Risk Register in March 2025 and shared with the Chair of the Committee for information.

4.3 As illustrated in the appendix, there are several existing controls that contribute to the effective mitigation of this risk. Updates to the risk reflect the progress made in the implementation of the senior management review and planned completion date of October 2025.

Control Environment

4.4 The risk was included in the SRR in March 2025 and is being actively managed as part of the implementation of senior management structures.

Assurance of Controls

4.5 This report is for re-assurance that the council is effectively managing and working to reduce the risk concerning the review and refresh of the senior management structure.

Strategic Risks

4.6 This relates to strategic risk 16 regarding the senior management review.

Annual Statements

4.7 There are no specific annual reports relating to the management of this risk.

5. **Financial information**

5.1 There are no direct financial implications arising from this report, however effective risk management and reporting of risks supports and contributes to the delivery of good financial management.

6. **Reducing Inequalities**

6.1 There are no direct impacts to reduce inequalities arising from this report

7. Decide

7.1 Audit, Risk and Assurance Committee are asked to consider the risk and comment as appropriate.

8. Respond

8.1 The Committee is required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables the Committee to exercise its responsibilities in respect of risk management by reviewing SRR16; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.

9. **Review**

9.1 The Risk Management Strategy sets out the formal review and reporting points for risks throughout the year and these will continue to be followed, with feedback on the actions set out within this report incorporated into those updates.

Background papers – None

Report Author:

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Chief Executive

SRR	Summary of Risk:	Risk Owner:	Connected Risks:			Impact	Likelihood	Risk Score	Status & Trend
16	**Senior Management Review**	CEX / Head of Paid Service	*SRR 15*		**Inherent Score** *(pre existing controls)*	5	4	20	Red
		Contributors to delivery:			**Current Score** *(with existing controls)*	4	3	12	Red
		Executive Directors			**Target Score** *(Appetite to manage risk)*	3	3	9	Amber

Cause & Effect	**Existing Controls**		**Further Actions**	**Deadline**
Cause: The senior management restructure involves significant changes in leadership roles and responsibilities within the organization. This may lead to uncertainty and disruption among staff, as well as potential gaps in leadership during the transition period, loss of experience and organisational memory	**1. Conflict of Interest Management:** Ensuring that decisions are made impartially and without bias by managing conflicts of interest effectively.		1. Continued engagement with staff in scope *These will continue through the implementation phase with signposting for support relevant to individuals*	October 2025
	2. Pay and Grading Management: Implementing a structured approach to managing changes in pay and grading, particularly for senior positions, and ensuring clear communication of these changes.		2. Further comms plan actions *Communications are continuing as progress made. This includes utilising CMT, Senior Managers Group, Weekly CEX updates, conversations with Emma and Inside Walsall news articles*	October 2025
	3. Project Updates and Risk Assessments: Providing regular updates on key achievements and activities and conducting detailed risk assessments to identify and mitigate potential risks.		3. Member updates *All member briefing held on 3 June and ongoing communications take place as required. Senior Management Review and Pay & Grading report going to Council on 30 July*	October 2025
	4. Action Logs and Follow-ups:		4. Governance actions (e.g. council reports)	July 2025

	Maintaining detailed action logs and follow-up tasks to ensure that all actions are tracked and completed, with specific individuals assigned to tasks and due dates set		*Report to full council scheduled for meeting on 30 July following which it is anticipated implementation will commence. CEX will then sign off formal decision notice*	
Effect: The restructuring could result in decreased employee morale and productivity, as well as potential delays in project delivery and decision-making processes. Additionally, there is a risk of losing key talent if employees feel insecure about their positions or future within the organization.	**5. Governance and Compliance:** Ensuring that all processes are in line with council polices, employment legislation and good practice.		5. Oversight board outstanding actions *Oversight board will continue to meet throughout implementation phase to ensure appropriate governance and close down of the project.*	October 2025
	6. Communication and Stakeholder Engagement: Implementing structured communication plans and providing regular updates to stakeholders to ensure that all relevant parties are informed and engaged in the decision-making process.		6. Process for evaluating feedback *Post implementation there will be an evaluation and lessons learnt completed.*	December 2025
	7. Independent HR and Legal Advice Independent HR and legal advice has been procured to ensure that an optimal and compliant approach is taken to service design, consultation and implementation		7. Transition arrangements *Role of oversight board will be to ensure as smooth a transition as possible, utilising project management techniques to track delivery of actions and plan any further actions required at lower levels of structures, ensuring appropriate governance is in place.*	December 2025
	8. Process for evaluating feedback Feedback following the initial consultation has been thoroughly considered and informed changes to initial proposals. To ensure this was given appropriate consideration the timelines for implementation were adjusted.			