Audit, Risk and Assurance Committee **Agenda Item No. 10**

15 SEMPTEMBER 2025

Risk Management Update – Transformation and Strategic Improvement (SRR 2)

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 2 - Transformation and Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.

2. Summary

2.1 Audit, Risk and Assurance Committee considers the SRR at least twice per year. SRR Risk 2 was added to the risk register in relation to the Walsall Proud Programme and wording was refreshed in June 2024. Audit Committee requested that this risk be brought to the September 2025 meeting of the Committee for further consideration.

2.2 The Committee have previously reviewed this risk in September 2022, November 2023 and June 2024. The inherent risk score is 20 (Likelihood 5; Impact 4) current risk score is 12 (Likelihood 4; Impact 3), with the target score 8 (Likelihood 4; Impact 2).

3. Recommendations

3.1 That Audit Committee review and comment on SRR 2.

4. Report detail – know

4.1 Appendix 1 contains the risk for SRR 2, 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
02	Transformation and Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.	ED Resources	20 (5x4)	12 (4x3)	8 (4x2)

4.2 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 delivery and oversight of improvement and change activity.

Control Environment

4.4 The risk related to transformation and change has been included in the Strategic Risk Register (SRR) for several years, highlighting its strategic significance. The most recent

update to the risk description was made in June 2024. SRR2 is actively managed through a more detailed risk register, which is reviewed monthly by the Transformation Board to ensure timely oversight and mitigation

Assurance of Controls

4.5 This report is for re-assurance that the council is effectively managing and working to reduce the risk concerning change and continuous improvement activity.

Strategic Risks

4.6 This relates to strategic risk 2 regarding transformation and continuous improvement.

Annual Statements

4.7 There are no dedicated annual reports specifically addressing the management of this risk, Cabinet receives regular updates on the transformation programme. These updates include detailed information on risk mitigation strategies and programme-related risks

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 SRR2; 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 (Audit Committee)
26 September 2022 - Risk Management Update – Strategic Risk Register (SRR2 and SRR7)
20 November 2023 - Risk Management Update – Strategic Risk Register (SRR2)
24 June 2024 - Risk Management Update – Strategic Risk Register (SRR2)

Report Author:

Caroline Brom – Head of Transformation and Change
01922 652130
Caroline.brom@walsall.gov.uk

SRR	Summary of Risk:	Risk Owner:	Connected Risks:			Impact	Likelihood	Risk Score	Status & Trend
2	**Transformation and Continuous Improvement does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community.**	Executive Director R&T			**Inherent Score** *(pre existing controls)*	4	5	20	Red
		Contributors to delivery:			**Current Score** *(with existing controls)*	4	3	12	Red ⇔
					Target Score *(Appetite to manage risk)*	4	2	8	Amber

Cause & Effect	Existing Controls	Further Actions	Deadline
• Change fatigue or inconsistent commitment to transformation across the organisation	• Regular reporting through the governance arrangements and to Cabinet on progress and the Leader of the Council as Portfolio Holder for Transformation.	Next phase of council's continuous improvements will be developed to address Council Plan priorities, Medium Term Financial Outlook &business priorities – regularly reviewed.	September 2025
• Insufficient internal capacity in key enabling areas such as digital, data, business analysis, and service design	• Applying lessons learnt to the next iteration of transformation. • Close working between Policy & Strategy, Finance and Transformation & Change to address the Proud Promises.	Governance reviewed and new ways of working will be aligned to the recommendations from the Governance Review (completed)– Financial monitoring element being reviewed	September 2025
• Variability in how directorates and services engage with and adopt transformation approaches	• Focusing on the key business areas where there are significant risks around delivery and budget	Lessons learnt will be reviewed and applied at appropriate stages in project lifecycle. Copilot Pilot Project Lessons Learnt shared with Transformation Board	August 2025
• Over-reliance on external expertise if internal capability development is not sustained.	• Applying appropriate governance to the redesigned transformation work	A review of the capability of the programme and project reporting tool will be undertaken and considered as a corporate solution. Feedback will be considered by Transformation Board.	December 2025

• Failure to embed a continuous improvement mindset across all levels of the organisation.	• Resource requirements in line with demand via a prioritisation process.		Prioritisation and capacity of the Transformation and Change function will be considered alongside the scope of the Transformation Programme	
• The organisation cannot sustain the changes made.	• Managing risks and issues with regular reporting on status and mitigation through boards.			
	• Lessons learnt will be collated and shared with Board, building up a knowledge base for future projects			
The effect would be that costs of service provision remains above optimum level and opportunity cost of this cannot be removed. The Council would not become fit for purpose to face future challenges. Behaviours and Culture would not change, and customer service levels would be variable alongside the Council's ability to attract and retain top talent in the sector	• Programme & Project Management methodologies will be applied to managing delivery and risk and an appropriate software tool will be used for visibility of progress.			
	• Performance Measures as developed as part of the Council Plan, will be used to prioritise and measure the effectiveness of Transformation projects.			
	Assurances: • *Monthly monitoring of financial benefit and highlight report to Transformation Board and Cabinet;*			
	• *Re-established "transformation / finance" group to track and monitor transformation investments and benefit delivery*			
	• *Regular reporting to Cabinet on benefit delivery;*			
	• *Revised governance arrangements to enable appropriate scrutiny and progress to be made*			