

Annual Report of the Corporate Risk Management Group

Report of the Head of Services for Communities

1. Recommendations

Audit Committee to:

- (a) Monitor the effective development and operation of risk management in the Council
- (b) Note progress in addressing Internal Audit recommendations;
- (c) Consider and note updates to risk registers

2. Summary

This report provides an update on risk management practice in the Council in the form of the annual report of the Corporate Risk Management Group

3. Introduction

The approach to development and operation of risk management during 2013 has been to follow action points set out by Corporate Leadership Team Change Programme Review Board (CLT/CPRB) in response to an Internal Audit report on risk management arrangements.

4. Internal Audit findings and Council responses

As part of the 2012/13 Internal Audit Plan an evaluation of risk management arrangements operating across the Council was undertaken by the Devon Audit Partnership that lead to the following findings that were reported in January 2013:

The audit opinion was given that overall, risk management arrangements within Devon County Council are considered to be "Working". This describes a definition of Audit Assurance Opinion Level based on Alarm's National Performance Model for Risk Management. Working is the middle of five levels.

It was found that the Risk Management Framework follows recommended best practice and would if implemented completely ensure the effective management of risk to council objectives. However the current risk management framework is not completely embedded within the culture of the organisation.

The evaluation found that Council Leadership and Senior Management respond to risk as part of day to day management, with the Corporate Leadership Team and Audit Committee effectively challenging the management of high level risks, however to be effective the process is reliant on the flow of complete and accurate risk information. This review has found that the true benefit of Risk Management is not currently being realised. Due to the sensitivity, complexity of risk and a lack of capacity to own and manage them, there is a reluctance to capture completely all

risks to strategic and service objectives. This is preventing the flow and utilisation of risk information which may put the council at risk of the glass ceiling effect¹.

Although Senior Management are clear about the Partnerships in which they are involved there is no demonstrable evidence that the risks to DCC of working in each partnership have been evaluated. All the risks need to be evaluated and there should be a common understanding of risk appetite of each partner organisation at the outset.

A report from Corporate Risk Management Group to CLT/CPRB in April 2013 recommended that the Council embed risk management through local ownership of and better communication of risks. Risks should be identified and recorded at an early stage within strategic and business planning. A specific role within Heads of Service management teams to ensure identification of risk, to record hot issues and escalate.

CLT/CPRB recorded a set of action points for Heads of Service to ensure greater corporate consistency in risk management and to embed risk management through local ownership of and better communication of risks.

In response, reports have been received by the Leadership Teams of People, Place - and Corporate Services that recommended in each case the adoption of a consistent approach to risk management across the Council and that a zero-based review of risk registers should be carried out in each area. These proposals were adopted in each case and resulted in the identification and assessment of the risks faced by the organisation in the light of the considerable changes in organisational structure and challenges brought about by reduced funding. The risks have been prioritised and the most significant of those reported to Corporate Leadership Team with the recommendation that those form the Corporate Risk Register.

A formal response to the recommendations made by the Devon Audit Partnership to improve risk management practice is being prepared by Corporate Risk Management Group. This will be followed by a report to Corporate Leadership Team from Internal Audit.

The content of the refreshed Corporate, People, Place and Corporate Services risk registers are provided as Appendices A – D. These will be regularly monitored at leadership teams and action taken to escalate or reduce the management of the risks to the appropriate level according to changes in perceived risk to the Council.

The Risk Management Policy Statement has been brought up to date and approved by the Corporate Leadership Team and Heads of Services. This is provided as Appendix E.

Corporate Risk Management Group will provide exception reports to future meetings of Audit Committee as necessary to provide information on significant changes

¹ An invisible barrier that prevents the flow of risk information between operations and strategic decision makers

recorded on risk registers in addition to providing an annual report on risk management.

5. Risk management updates from areas of risk specialism

5.1. Finance

The Outturn Statement and the Statement of Accounts have been approved by the Cabinet and Audit Committee respectively. Both indicate that for the 2012/13 financial year controls and risk mitigation proved effective in producing spending marginally below target. Publication of the audited Statement of Accounts without material alteration demonstrates that underlying arrangements to ensure a high standard of financial governance continue to be in place.

Looking forward, the key risk facing the Council continues to be finding budget reductions measures to meet increasingly tight financial targets that can be achieved in both a cost effective and efficient way. Work is continuing through the autumn to achieve this. By the time the budget is set and the medium term financial strategy is refreshed and approved by the Council in February appropriate measures will be in place.

5.2. Health and Safety

Health, Safety and Wellbeing risk management, when effectively undertaken, is a management discipline aimed at loss minimisation, increasing productivity and improving the quality of service delivery. Consequently effective health, safety and well-being risk management is critical to the success of the Council and the Council's Risk Management Strategy and the Council's Strategy for Improvement and Efficiency.

The annual report on progress for 2012-13 and a detailed action plan for 2013-14 was presented to the Devon Health & Safety Panel on 17th September 2013. The report identifies a number of achievements and initiatives throughout the Council since the previous report.

Achievements include a reduction in the rate of accidents to employees, which saw a fall in the overall number of violent incidents; the completion of a risk mapping exercise to remove unnecessary burden on trivial risk activities and to focus on significant areas of risk. A new more streamlined H&S meeting and communication structure was also implemented and a full online pre-employment and management referral computer system implemented within occupational health to reduce costs and to speed up referrals for sickness absence.

Challenges in the past 12 months include a number of regulatory and standards changes that have occurred which required amendments to be undertaken to DCC's policies, guidance and actions and whilst the overall number of incidents have reduced, there have been some notable or high profile incidents that have brought DCC health and safety arrangements under scrutiny, however, none of these incidents resulted in any regulatory enforcement against DCC and the Devon Health

& Safety Panel continue to closely monitor the performance of health and safety standards across the organisation.

5.3. Information Governance

The Council's top five information risks are as follows:

- Fines and Compensation for Damages caused by Data Protection Act Breaches
- Imperfect Sharing about Vulnerable (or Potentially Vulnerable) People
- Information during service divestments, take-overs and mergers.
- Failure to adhere to information management standards
- Information Governance Capacity and Resources

The council received 91 security incidents in 2012/13. This represents a 63% increase since the previous year. Of these incidents, 7 have been serious enough to be notified to the Information Commissioner's Office.

Key achievements in mitigation of the risks:

Data Protection Act e-training was rolled out across the Council in the 3rd and 4th quarter of 2012/13. As a result of significant management support, the Council achieved an exceptional completion rate of 98%. Information sharing e-training has also been rolled out across People Services, achieving an outstanding completion rate of 90%. The success of this training at raising staff knowledge and awareness has been reflected in the increase in enquiries, requests for advice and a significant increase in security incidents reported to the Information Governance Team (94% increase during the 4th quarter, immediately following the training).

Freedom of Information Act & Subject Access Compliance Rates: As a result of a centralised process (approved by Corporate Leadership Team July 2012), additional resource and a robust performance management procedure put in place within the Information Governance Team, Freedom of Information Act (FOI) and Data Protection Act (Subject Access) request compliance rates have significantly improved. FOI compliance has increased from 66% in 2011/12 to 85% in 2012/13 (compliance for the first quarter 2013/14 is 98%). Subject Access compliance has increased from 42% in 2011/12 to 60% in 2012/13 in spite of receiving a 40% increase in the number of requests received (compliance for the first quarter 2013/14 is 100%).

The top priorities for 2013/14 are to:

- Manage security incidents (investigations, training and preventative work) as effectively as possible given the continuing increase in workload and the capacity and resource within the team.
- Increase FOI response compliance rates from 85% to 90%, and Subject Access Request (SAR) response compliance from 60% to 85%. FOI requests have a legal deadline of 20 working days. SAR requests have a legal deadline of 40 calendar days.

5.4. Insurance

The premiums for most of DCC's insurance policies for 2013 were only increased slightly from the previous year. However, the premium for our Public Liability Insurance was double the previous year's figure and only two insurers were prepared to quote for our business. This was due to the fact that a very large highways claim went against us and goes to show how just one claim can have an overall adverse effect.

The vast majority of claims that we receive are for vehicle damage due to potholes on the highway. We are receiving an unprecedented amount of these at the moment and the cause is a couple of very bad winters in succession, coupled with a lack of finance to maintain the roads to the standard that we would ideally like. Every other highway authority in the country is in the same position but Devon suffers the most due to the fact that we have one of the largest highway networks.

The main plus point for us is that we are still only receiving very few Employer's Liability claims and our insurers always comment on how impressed they are with the low numbers.

The other area of increase is for claims on behalf of children who have been injured at school. It seems that in the current litigious society, parents are looking for compensation whenever a child falls over at school or is involved in any other sort of mishap. If a child is injured at school, a solicitor's letter almost inevitably follows.

5.5. Emergency Planning

The work of the Emergency Planning team alongside the associated work delivered through the Highways Operations Control Centre, the Flood Risk Management Team, Marine and Coastline management and wider social care infrastructure remains key to planning for and responding to major incidents, emergencies and other factors with implications on business continuity. The severe and lengthy flooding events in 2012 demonstrated again a positive and proactive response, but highlighted the need for even more robust community led resilience arrangement. To this end over 50 high risk community flood plans have been developed with communities to ensure an effective response from agencies. Communities have been encouraged to develop local plans and this has been facilitated by external funding and support. We are working with the University of Exeter to look at the progress of this work and the wider and longer term benefits for community development.

We continue to work well across the Local Resilience Forum with other agencies and our direct support of some District Councils in this area has been productive. Our involvement in the recent Short Sermon exercise to test response to an incident in the naval dockyard has brought learning and opportunities to further mitigate associated risks.

A new cost effective incident logging and cascade system to quickly alert key responders has added to our overall capability. We will shortly be undertaking a formal review of all associated risks and mitigations and it is hoped given the progress over the last year, that our risks will be better understood and possibly

reduced. We have recruited additional staff and volunteers to support rest centres that may be required in the event of significant incidents.

6. Risk management implications arising from the transfer of Public Health

The Health and Social Care Act 2012 brought about the transfer of the health improvement function of public health and elements of the health protection and public healthcare function from Primary Care Trusts (now abolished) to top tier local authorities on 1 April 2013. The Act gives each authority a statutory duty to take such steps as it considers appropriate to improve the health of its local population.

As a result of these changes, Devon County Council has the responsibility for commissioning a range of services that were previously commissioned and provided by NHS bodies. Therefore, the Council is now an important part of the health service and as such, under the NHS Act 2006, has a statutory duty to have regard to the NHS Constitution when exercising its public health functions.

Furthermore, the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representative) Regulations 2013 identifies a number of public health functions which Devon County Council is mandated to provide. These are:

- Weighing and measuring of children (the National Child Measuring Programme)
- Health check assessment (NHS Healthcheck)
- Sexual health services
- Public health advice service (providing expertise and advice to the Clinical Commissioning Group)
- Protecting the health of the local population

In addition to the above there are a number of services that Devon County Council is funded for through a ring-fenced budget for public health, based on a local assessment of health needs identified through the Joint Strategic Needs Assessment. The council has a statutory duty to provide these services under section 2B of the NHS Act 2006.

A Strategic Framework for Public Health is being finalised that outlines Devon County Council's public health priorities and an associated three-year work programme. Assurance arrangements are described in the framework document including processes for risk identification, assessment, management and escalation aligned to the Council's arrangements. Devon County Council's risk identification and assessment tools have been adapted to make them fit for purpose for public health. Assurance arrangements have taken into account recommendations from the Devon Audit Partnership's draft cross-directorate audit report on risk management processes. Lead officers are currently identifying risks against delivery of the work programme which will be managed through the Council's Performance Management System, SPAR.net.

In order to provide adequate risk mitigation and controls for health protection assurance, Devon County Council through the Director of Public Health requires oversight of a health protection system involving several external partners. Therefore

a Health Protection Sub-Committee of the Health and Wellbeing Board for Devon has been formed and is awaiting formal mandate by this Board.

John Smith
Head of Services for Communities

Appendices

Appendix A Corporate Risk Register
Appendix B People Risk Register
Appendix C Place Risk Register
Appendix D Corporate Services Risk Register
Appendix E Risk Management Policy Statement

Electoral Divisions: All

Cabinet Member for Community and Environmental Services:
Councillor R Croad

Chief Executive: Dr Phil Norrey

Contact for enquiries: Pip Tucker
Room No. G43
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Appendix A to SC/13/32: Corporate Risk Register - overview

Report for FY 2013-14
 Filtered by Flag: Include: Corporate Risk Register
 Exclude: Archive

Key to Performance Status:

Mitigating Control: Review overdue Red Amber Green Completed

Risks: Review overdue (0+) Very high (21+) High (13+) Medium (10+) Low (1+)

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| Risk Code: I&I 12 CRR Inherent Status: Very high (30) Current Status: Very high (30) Last Review Date: 26/09/2013 | <u>Failure to properly implement Impact Assessment in effective decision making</u> Continuing issues with poor consideration of impacts, and the potential for legal challenge and further judicial reviews. There may continue to be staff who consider there to be 'no need' to do an impact assessment or are unaware of the need, or ignore guidance and produce poor quality assessments as a result; this would be reinforced if proposals are accepted at senior level without evidence of an impact assessment of sufficient quality. We may also encounter active resisters to change (in particular where we need to influence a change over other templates, guidance, procedures etc. Occurrence of this operational risk will remove an effective mitigation from the Council's risk management approach and equality practice and threatens change programmes. | Risk Owner: Pip Tucker Accountable Officer: John Smith Mitigating Control: Red Escalation Red Facilitation Red Governance Red Monitoring and feedback |
| Risk Code: B&S 2 CRR Inherent Status: Very high (25) Current Status: Very high (25) Last Review Date: 04/07/2013 | <u>Inadequate resilience of bridge & highway structures stock in face of rising extreme weather events</u> Older bridges potentially restrict high river flows causing flooding. Vulnerability particularly of the older masonry bridges to flood and scour damage. | Risk Owner: Kevin Dentith Accountable Officer: David Whitton Mitigating Control: Green Inspections and assessments |
| Risk Code: CAP RM1 CRR Inherent Status: Very high (30) Current Status: Very high (25) Last Review Date: 02/08/2013 | <u>Quality of Practice</u> Current social work practice fails to ensure effective protection of children and young people. | Risk Owner: Maria Kasprzyk Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board. Green b) Post-Ofsted Improvement Plan Green c) Quality of Practice Work-stream Green d) Project management capacity identified |
| Risk Code: SCC People1 Inherent Status: Very high (30) Current Status: Very high (25) Last Review Date: 03/10/2013 | <u>Financial instability</u> Financial instability arising from failure to deliver identified savings plans. | Risk Owner: Tim Golby Accountable Officer: Jennie Stephens Mitigating Control: Green a) Budget Appraisal Process Green b) Improving People's Lives Programme: projects, governance and monitoring Green c) Management/Service action plans Green d) Budget monitoring process |
| Risk Code: People2 Inherent Status: Very high (24) Current Status: Very high (25) | <u>Looked After Children review/inspection</u> Serious concerns and inadequacies being identified with regard to practice, commissioning and provision of services to children looked after | Risk Owner: Jennie Stephens Accountable Officer: None Mitigating Control: Green a) Independently led internal performance review |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|--|--|
| Last Review Date: 03/10/2013 | | <p>Green b) Independent performance assessment report</p> <p>Green c) Improvement Plan</p> |
| Risk Code: ENP 1 CRR Inherent Status: Very high (30) Current Status: Very high (24) Last Review Date: 18/07/2013 | Rising Energy Costs Cumulatively, over the period to 2020/21, a further £55m will be required to pay DCC's energy costs on top of the existing £18m per annum. | Risk Owner: Ian Bateman Accountable Officer: David Whitton Mitigating Control: Amber Energy Strategy - managed by Environmental Performance Board |
| Risk Code: HTM 1 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | Failure to maintain C class and unclassified roads effectively. Deterioration of highway network due to insufficient planned and routine maintenance. | Risk Owner: Mark Dauncey Accountable Officer: David Whitton Mitigating Control: Amber Highway Monitoring Red Safety repairs Red Value for Money solutions |
| Risk Code: HTM 3 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | Inadequate response to Extreme weather Flooding and structural damage affecting citizens and property due to adverse weather. | Risk Owner: Mike Parnell Accountable Officer: David Whitton Mitigating Control: Green Emergency Plan Green Highway Monitoring Amber Planning and programming works |
| Risk Code: HTM 2 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | Failure to respond effectively to highway safety related issues Potential for fatal and severe accidents to citizens due to lack of effective and timely repair or replacement of highway assets. This could be brought about by deteriorating highway condition, inability to meet policy level of service, inadequate procedures or poor staff/contract performance. | Risk Owner: Mike Parnell Accountable Officer: David Whitton Mitigating Control: Amber Highway Monitoring Red Safety repairs |
| Risk Code: SPOC 7 CRR Inherent Status: Very high (30) Current Status: High (20) Last Review Date: 18/07/2013 | Potential for wide-ranging impacts resulting from the Euro crisis This risk is a broad assessment of the potential effects of global scenarios resulting from the Euro crisis looking at the potential of impacts on areas that DCC has specific liabilities. | Risk Owner: Simon Kitchen Accountable Officer: Phil Norrey Mitigating Control: Green Policy not to invest capital in non-UK banks. |
| Risk Code: CAP RM2 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 02/08/2013 | Quality Assurance Quality assurance framework fails to identify deficiencies in current practice and learning to ensure children and young people remain safe. | Risk Owner: Damian Furniss Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board. Green b) Post-Ofsted Improvement Plan Green c) Quality Assurance Work-stream with independent lead officer Green d) Project management capacity identified |
| Risk Code: CAP RM3 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 02/08/2013 | Early Help The Early Help offer fails to provide effective help and protection to children, young people and their families resulting in an escalation to statutory social care services | Risk Owner: Virginia Pearson Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board Green b) Post-Ofsted Improvement Plan Green c) Quality Assurance Work-stream with independent lead officer Green d) Project management capacity |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| | | identified |
| Risk Code: SCC 22 CRR Inherent Status: High (20) Current Status: High (20) Last Review Date: 04/07/2013 | Capacity - Organisational Capacity to Change a) to respond to the need for change, b) inadequate resources to deliver change activity, e.g. managerial capacity and business capacity | Risk Owner: Giles Colton Accountable Officer: Tim Golby Mitigating Control: Green Governance and progress chasing Green Improved corporate awareness Green Monthly meetings to review progress |
| Risk Code: B&S 1 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 04/07/2013 | Failure to maintain bridges and highway structures effectively Deterioration of the condition of both bridges and highway structures due to insufficient planned and routine maintenance. | Risk Owner: Kevin Dentith Accountable Officer: David Whitton Mitigating Control: Amber Inspection and prioritisation |
| Risk Code: AD E 01 CRR Inherent Status: Very high (24) Current Status: High (18) Last Review Date: 16/07/2013 | Effects of prolonged recession Combined & simultaneous pressures on core funding and all other funding sources (public, private, discretionary £...); increasingly competitive bidding; increasing demand for support; falling ability or willingness of participants, coaches/clubs to self-fund their activity or development; reduced or increased volunteering? | Risk Owner: Matt Evans Accountable Officer: John Smith Mitigating Control: Green Emphasis on sustainability |
| Risk Code: I&I 7 CRR Inherent Status: High (20) Current Status: High (16) Last Review Date: 27/08/2013 | Failure to prevent discriminatory practice/adhere to the Equality Act & Public Sector Equality Duty Ensuring the Council gives due regard to the need to eliminate discrimination (end prohibited conduct), advance equality and foster good relations as required by the Public Sector Equality Duty (Equality Act 2010). | Risk Owner: Jo Hooper Accountable Officer: John Smith Mitigating Control: Amber (Equality) Impact Assessment Green Communications Toolkit Amber Customer diversity monitoring Green Discriminatory Incident Reporting Amber Equality Framework for Local Government Green Equality Objectives (Fair for all Programme) Green Equality Policy Green Equality Reference Group Green Equality Standards in Procurement Amber Equality Training and Competencies Green Hate Crime Prevention Amber Impact Assessment Performance Measures Green Information (Evidence base) Amber Learning from Judicial Review Project - implementing the recommendations Green Staff Surveys Amber Sufficient allocation of staff with responsibility for equality/impact assessment Green Supporting employment policies Green Workforce diversity data |
| Risk Code: SPOC 1 CRR Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 18/07/2013 | Failure to achieve good working relationship through lack of involvement of partners & stakeholders - RISK of not engaging effectively with partners and stakeholders exposes us to high levels of uncertainty in terms of capacity, service delivery and finance; OPPORTUNITY for greater value-added benefits through co-operation with other | Risk Owner: Simon Kitchen Accountable Officer: John Smith Mitigating Control: Amber Clear governance arrangements Amber Communications between Partners (key individual networks) |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|--|--|---|
| | agencies and place-based budgets | |
| Risk Code: FIN 39 CRR Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 01/10/2013 | Failure to deliver priority services due to inadequate financial planning Reductions in government funding over the next 4 years have necessitated reductions in local government spending and service provision. DCC has responded by prioritising services and developing a medium term financial plan to deliver savings for 2011-12 to 2012-13. However, there is still further work required to close the gap for 2013-14 and beyond. | Risk Owner: Chris Sanders Accountable Officer: Mary Davis Mitigating Control: Amber Medium Term Financial Plan Amber Service Prioritisation 2011-12 |
| Risk Code: SCP MV6 CRR Inherent Status: High (20) Current Status: High (16) Last Review Date: 09/09/2013 | Community Homes Compliance Community Homes are at risk of not complying with Ofsted standards of care. This could be attributed to: inadequate investment in infrastructure and fabric, staffing structures, capacity and level of training, inability to recruit effectively and changes to Ofsted inspection framework. | Risk Owner: Karen Cleave Accountable Officer: Malcolm Vede Mitigating Control: Amber a) Embargo on all new admissions to Birchen Lane, Tiverton Amber b) Staff from Birchen Lane redeployed Amber c) All open homes subject to further Ofsted inspections Green d) Embargo on all new admissions to Rifford Road Green e) Awaiting outcome of Barnardo's review of all residential care settings |

Appendix B to SC/13/32: Leadership Team People risk register - overview

Report for FY 2013-14
 Filtered by Flag: Include: Leadership Team People Risk Register
 Exclude: Archive

Key to Performance Status:

Mitigating Control: Review overdue Red Amber Green Completed

Risks: Review overdue (0+) Very high (21+) High (13+) Medium (10+) Low (1+)

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|--|--|---|
| Risk Code: CAP RM1 CRR Inherent Status: Very high (30) Current Status: Very high (25) Last Review Date: 02/08/2013 | Quality of Practice Current social work practice fails to ensure effective protection of children and young people. | Risk Owner: Maria Kasprzyk Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board. Green b) Post-Ofsted Improvement Plan Green c) Quality of Practice Work-stream Green d) Project management capacity identified |
| Risk Code: SCC People1 Inherent Status: Very high (30) Current Status: Very high (25) Last Review Date: 03/10/2013 | Financial instability Financial instability arising from failure to deliver identified savings plans. | Risk Owner: Tim Golby Accountable Officer: Jennie Stephens Mitigating Control: Green a) Budget Appraisal Process Green b) Improving People's Lives Programme: projects, governance and monitoring Green c) Management/Service action plans Green d) Budget monitoring process |
| Risk Code: People2 Inherent Status: Very high (24) Current Status: Very high (25) Last Review Date: 03/10/2013 | Looked After Children review/inspection Serious concerns and inadequacies being identified with regard to practice, commissioning and provision of services to children looked after | Risk Owner: Jennie Stephens Accountable Officer: None Mitigating Control: Green a) Independently led internal performance review Green b) Independent performance assessment report Green c) Improvement Plan |
| Risk Code: CAP RM2 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 02/08/2013 | Quality Assurance Quality assurance framework fails to identify deficiencies in current practice and learning to ensure children and young people remain safe. | Risk Owner: Damian Furniss Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board. Green b) Post-Ofsted Improvement Plan Green c) Quality Assurance Work-stream with independent lead officer Green d) Project management capacity identified |
| Risk Code: CAP RM3 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 02/08/2013 | Early Help The Early Help offer fails to provide effective help and protection to children, young people and their families resulting in an escalation to statutory social care services | Risk Owner: Virginia Pearson Accountable Officer: Rory McCallum Mitigating Control: Green a) Devon Children's Safeguarding and Looked After Children Board Green b) Post-Ofsted Improvement Plan Green c) Quality Assurance Work-stream with independent lead officer Green d) Project management capacity identified |
| Risk Code: SCC 22 CRR Inherent Status: High (20) Current Status: High (20) Last Review Date: 04/07/2013 | Capacity - Organisational Capacity to Change a) to respond to the need for change, b) inadequate resources to deliver change activity, e.g. managerial capacity and business capacity | Risk Owner: Giles Colton Accountable Officer: Tim Golby Mitigating Control: Green Governance and progress chasing Green Improved corporate awareness Green Monthly meetings to review progress |
| Risk Code: ACM SS1 Inherent Status: High (16) Current Status: High (20) Last Review Date: 03/10/2013 | Increasing demand for people with dementia Increasing demand which is challenging current services in terms of both capacity and suitability | Risk Owner: None Accountable Officer: Sally Slade Mitigating Control: Red Commissioning approach for social care needs to be developed and implemented. |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| Risk Code: ACM SS3 Inherent Status: High (20) Current Status: High (20) Last Review Date: 03/10/2013 | Information governance/integrated working Information security within integrated working contexts/teams | Risk Owner: None Accountable Officer: Sally Slade Mitigating Control: Red a) Basic data protection training completed Red b) further work required |
| Risk Code: SCC TG2 Inherent Status: High (20) Current Status: High (16) Last Review Date: 02/08/2013 | Data systems Children and young people's services: lack of robust systems impacts on the ability to analyse and integrate datasets in a timely manner to inform commissioning decisions. | Risk Owner: Sarah Aggett Accountable Officer: Damian Furniss Mitigating Control: Green a) ICT commissioned to to use an SQL database in Coreview to provide the data on screen with search Red b) data warehouse/business intelligence platform provides functionality |
| Risk Code: SCP MV6 CRR Inherent Status: High (20) Current Status: High (16) Last Review Date: 09/09/2013 | Community Homes Compliance Community Homes are at risk of not complying with Ofsted standards of care. This could be attributed to: inadequate investment in infrastructure and fabric, staffing structures, capacity and level of training, inability to recruit effectively and changes to Ofsted inspection framework. | Risk Owner: Karen Cleave Accountable Officer: Malcolm Vede Mitigating Control: Amber a) Embargo on all new admissions to Birchen Lane, Tiverton Amber b) Staff from Birchen Lane redeployed Amber c) All open homes subject to further Ofsted inspections Green d) Embargo on all new admissions to Rifford Road Green e) Awaiting outcome of Barnardo's review of all residential care settings |
| Risk Code: JVF Inherent Status: High (15) Current Status: High (15) Last Review Date: 25/09/2013 | Failure of Joint Venture LLP Joint Venture fails/collapses - Statutory services/staff would be required to transfer back into DCC. Legal & redundancy costs to DCC. | Risk Owner: Richard Belcher Accountable Officer: Sue Clarke Mitigating Control: Green Devon Audit Partnership - Audit Review/Recommendations |

Appendix C to SC/13/32: Place Leadership Team risk register - overview

Report for FY 2013-14

Filtered by Flag: Include: Place Leadership Team Risk Register

Exclude: Archive

Key to Performance Status:

Mitigating Control: Review overdue Red Amber Green Completed

Risks: Review overdue (0+) Very high (21+) High (13+) Medium (10+) Low (1+)

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|--|---|--|
| Risk Code: B&S 2 CRR Inherent Status: Very high (25) Current Status: Very high (25) Last Review Date: 04/07/2013 | <u>Inadequate resilience of bridge & highway structures stock in face of rising extreme weather events</u> Older bridges potentially restrict high river flows causing flooding. Vulnerability particularly of the older masonry bridges to flood and scour damage. | Risk Owner: Kevin Dentith Accountable Officer: David Whitton Mitigating Control: Green Inspections and assessments |
| Risk Code: ENP 1 CRR Inherent Status: Very high (30) Current Status: Very high (24) Last Review Date: 18/07/2013 | <u>Rising Energy Costs</u> Cumulatively, over the period to 2020/21, a further £55m will be required to pay DCC's energy costs on top of the existing £18m per annum. | Risk Owner: Ian Bateman Accountable Officer: David Whitton Mitigating Control: Amber Energy Strategy - managed by Environmental Performance Board |
| Risk Code: HTM 1 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | <u>Failure to maintain C class and unclassified roads effectively.</u> Deterioration of highway network due to insufficient planned and routine maintenance. | Risk Owner: Mark Dauncey Accountable Officer: David Whitton Mitigating Control: Amber Highway Monitoring Red Safety repairs Red Value for Money solutions |
| Risk Code: HTM 3 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | <u>Inadequate response to Extreme weather</u> Flooding and structural damage affecting citizens and property due to adverse weather. | Risk Owner: Mike Parnell Accountable Officer: David Whitton Mitigating Control: Green Emergency Plan Green Highway Monitoring Amber Planning and programming works |
| Risk Code: HTM 2 CRR Inherent Status: Very high (24) Current Status: Very high (24) Last Review Date: 04/07/2013 | <u>Failure to respond effectively to highway safety related issues</u> Potential for fatal and severe accidents to citizens due to lack of effective and timely repair or replacement of highway assets. This could be brought about by deteriorating highway condition, inability to meet policy level of service, inadequate procedures or poor staff/contract performance. | Risk Owner: Mike Parnell Accountable Officer: David Whitton Mitigating Control: Amber Highway Monitoring Red Safety repairs |
| Risk Code: SPOC 7 CRR Inherent Status: Very high (30) Current Status: High (20) Last Review Date: 18/07/2013 | <u>Potential for wide-ranging impacts resulting from the Euro crisis</u> This risk is a broad assessment of the potential effects of global scenarios resulting from the Euro crisis looking at the potential of impacts on areas that DCC has specific liabilities. | Risk Owner: Simon Kitchen Accountable Officer: Phil Norrey Mitigating Control: Green Policy not to invest capital in non-UK banks. |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| Risk Code: B&S 1 CRR Inherent Status: Very high (24) Current Status: High (20) Last Review Date: 04/07/2013 | <u>Failure to maintain bridges and highway structures effectively</u> Deterioration of the condition of both bridges and highway structures due to insufficient planned and routine maintenance. | Risk Owner: Kevin Dentith Accountable Officer: David Whitton Mitigating Control: Amber Inspection and prioritisation |
| Risk Code: LE 2 Inherent Status: High (20) Current Status: High (20) Last Review Date: 04/07/2013 | <u>Fail to deliver the capital programme</u> Recent reductions in staff and recourses have affected DCC's ability to deliver significant capital building programmes. Central Government Departments increasingly offer capital as grant conditioning short timescales for delivery. | Risk Owner: Chris Dyer Accountable Officer: David Whitton Mitigating Control: Amber Governance of capital programme |
| Risk Code: LE 3 Inherent Status: High (20) Current Status: High (20) Last Review Date: 04/07/2013 | <u>Inadequate management of the Dartington C of E Primary school part rebuild</u> Political / Reputational risk to DCC in having to undertake major remedial building work. Potential impact on the schools ability to deliver education, disruption potential effect on school leadership and management (school Ofsted due autumn 2013). | Risk Owner: Chris Dyer Accountable Officer: David Whitton Mitigating Control: Red Project governance |
| Risk Code: SP 1 Inherent Status: High (20) Current Status: High (18) Last Review Date: 18/07/2013 | <u>Flood Risk Management</u> Devon County Council became the Lead Local Flood Authority as defined by Flood and Water Management Act (FWMA) 2010 and, as a consequence, is responsible for managing the risk of local flooding from surface water run-off, groundwater and ordinary watercourses. The Act sets out a number of specific roles for the LLFA. This includes the risks associated with the obligations and expectations associated with this LLFA role, particularly in the light of the major flooding experienced in Devon in 2012 / early 2013 and the impending implementation of Schedule 3 of FWMA 2010 relating to Sustainable Drainage Systems (SuDS) [Note: no specific consideration here to the risk of flooding to DCC assets or the huge costs of responding to / recovering from flood events, particularly linked to highway flooding.] | Risk Owner: Martin Hutchings Accountable Officer: Dave Black Mitigating Control: Green Capacity of the Flood Risk Management Team Red Consider options for operation of Sustainable Drainage Approvals Body Amber Flood Risk Management Strategy / Flood Resilience Community Pathfinder project |
| Risk Code: LIB 2 Inherent Status: High (18) Current Status: High (18) Last Review Date: 02/07/2013 | <u>Libraries - Lack of capacity to meet demand for digital support</u> Lack of capacity to meet needs for digital support from individuals affected by benefits reforms. | Risk Owner: Ciara Eastell Accountable Officer: John Smith Mitigating Control: Amber Staff capacity Amber Staff training |
| Risk Code: AD E 01 CRR Inherent Status: Very high (24) Current Status: High (18) Last Review Date: 16/07/2013 | <u>Effects of prolonged recession</u> Combined & simultaneous pressures on core funding and all other funding sources (public, private, discretionary £...); increasingly competitive bidding; increasing demand for support; falling ability or willingness of participants, coaches/clubs to self-fund their activity or development; reduced or increased volunteering? | Risk Owner: Matt Evans Accountable Officer: John Smith Mitigating Control: Green Emphasis on sustainability |
| Risk Code: TS 1 Inherent Status: High (16) Current Status: High (16) Last Review Date: 17/10/2013 | <u>Animal Health Disease Control</u> Additional costs and manpower requirements to respond to exotic animal disease spreading in the Devon Community | Risk Owner: Sharon Anderson, Richard Styles Accountable Officer: Paul Thomas Mitigating Control: Green Contingency Plans & trained staff available via an emergency cascade system |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|--|---|--|
| | | Completed Contingency Plans & trained staff available via an emergency cascade system. |
| Risk Code: TS 3 Inherent Status: High (16) Current Status: High (16) Last Review Date: 02/09/2013 | Potential legal costs/compensation for court cases or improper seizure or suspension of goods Potential of legal costs/compensation and damage to reputation of Service and Authority due to officers wrongly impounding goods etc. | Risk Owner: Sharon Anderson, Richard Styles Accountable Officer: Paul Thomas Mitigating Control: Green Staff Training |
| Risk Code: SPOC 1 CRR Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 18/07/2013 | Failure to achieve good working relationship through lack of involvement of partners & stakeholders - RISK of not engaging effectively with partners and stakeholders exposes us to high levels of uncertainty in terms of capacity, service delivery and finance; OPPORTUNITY for greater value-added benefits through co-operation with other agencies and place-based budgets | Risk Owner: Simon Kitchen Accountable Officer: John Smith Mitigating Control: Amber Clear governance arrangements Amber Communications between Partners (key individual networks) |
| Risk Code: EP 1 Inherent Status: High (20) Current Status: High (16) Last Review Date: 30/10/2013 | Inadequate DCC access to diesel during a fuel crisis In light of disposal of fuel bunker holding c. 5,000 litres of fuel, c.6% of weekly consumption. E.g. 5k litres of fuel would be enough to keep 100 essential workers delivering services for a week. Further a tentative agreement with SW Highways to supply diesel from their 8 depots around Devon has not been agreed. Other mitigating controls in development with partners. These arrangements are themselves at risk and may in any case be inadequate. | Risk Owner: Keith Reed Accountable Officer: Simon Kitchen Mitigating Control: Amber Local LRF Planning Amber Mutual aid arrangements with others Amber National Fuel Plan Amber Small Tanker/Bowser Solution Amber Use of the military |
| Risk Code: HM12 Inherent Status: High (20) Current Status: High (16) Last Review Date: 01/10/2013 | Failure to maintain the A and B road network effectively leading to reduced surface life The risk of reduced life of the A and B road surfaces is influenced by several factors including the availability of an adequate budget to carry out work and deterioration factors such as severe winters and climate change. | Risk Owner: Mark Dauncey Accountable Officer: David Whitton Mitigating Control: Green Assessment of Highway Drainage Green Materials Selection Green Re-evaluation of our approach to preventative maintenance Green Transport Asset Management Plan |
| Risk Code: AD O 08 Inherent Status: High (20) Current Status: High (16) Last Review Date: 16/07/2013 | Sports offer is ill-defined or obscure Potential clients fail to engage. Clients misunderstood or have false expectations. | Risk Owner: Matt Evans Accountable Officer: John Smith Mitigating Control: Green Marketing strategy |
| Risk Code: TCS 1 Inherent Status: High (15) Current Status: High (15) Last Review Date: 28/10/2013 | Public Transport Support Budget Additional Cost/ budget pressure due to: (a) withdrawal of commercial services, requiring DCC to respond to fill gaps in the bus network thorough additional support for services. (b) Risk of higher tender prices, given a prolonged period of lower tender prices. | Risk Owner: Bruce Thompson Accountable Officer: John Smith Mitigating Control: |
| Risk Code: LE 1 Inherent Status: High (15) Current Status: High (15) Last Review Date: 04/07/2013 | Fail to deliver PDS Programme Central government (Partnerships for Schools) are in the process of introducing a new national Property Data Survey (PDS) predominantly collecting condition data. | Risk Owner: Chris Dyer Accountable Officer: David Whitton Mitigating Control: Amber Risk if PDS condition data is significantly different from Local Authority historic condition data. |
| Risk Code: AD E 03 Inherent Status: High (20) | Schools don't or can't engage with SE strategy Community use of school facilities stymied. | Risk Owner: Matt Evans Accountable Officer: John Smith Mitigating Control: |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| Current Status: High (15) Last Review Date: 16/07/2013 | Fewer or less productive school-club links. Greater call on Active Devon resources to achieve targets & outcomes. | Green Identify gaps in school-club links |
| Risk Code: AD R 02 Inherent Status: High (20) Current Status: High (15) Last Review Date: 16/07/2013 | Fragmentation of local stakeholder networks Greater call on Active Devon & NGB resources. Primary outcomes reduced. Opportunities missed. | Risk Owner: Matt Evans Accountable Officer: John Smith Mitigating Control: Green Proactive support of networks |

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Print Date: 05 November 2013 14:33

Appendix D to SC/13/32: Corporate Services Leadership Team risk register - overview

Report for FY 2013-14

Filtered by Flag: Include: Corporate Services Leadership Team Risk Register

Exclude: Archive

Key to Performance Status:

Mitigating Control: Review overdue Red Amber Green Completed

Risks: Review overdue (0+) Very high (21+) High (13+) Medium (10+) Low (1+)

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| Risk Code: I&I 12 CRR Inherent Status: Very high (30) Current Status: Very high (30) Last Review Date: 26/09/2013 | <u>Failure to properly implement Impact Assessment in effective decision making</u> Continuing issues with poor consideration of impacts, and the potential for legal challenge and further judicial reviews. There may continue to be staff who consider there to be 'no need' to do an impact assessment or are unaware of the need, or ignore guidance and produce poor quality assessments as a result; this would be reinforced if proposals are accepted at senior level without evidence of an impact assessment of sufficient quality. We may also encounter active resisters to change (in particular where we need to influence a change over other templates, guidance, procedures etc. Occurrence of this operational risk will remove an effective mitigation from the Council's risk management approach and equality practice and threatens change programmes. | Risk Owner: Pip Tucker Accountable Officer: John Smith Mitigating Control: Red Escalation Red Facilitation Red Governance Red Monitoring and feedback |
| Risk Code: SPOC 7 CRR Inherent Status: Very high (30) Current Status: High (20) Last Review Date: 18/07/2013 | <u>Potential for wide-ranging impacts resulting from the Euro crisis</u> This risk is a broad assessment of the potential effects of global scenarios resulting from the Euro crisis looking at the potential of impacts on areas that DCC has specific liabilities. | Risk Owner: Simon Kitchen Accountable Officer: Phil Norrey Mitigating Control: Green Policy not to invest capital in non-UK banks. |
| Risk Code: ICT 6 Inherent Status: High (20) Current Status: High (20) Last Review Date: 08/07/2013 | <u>Loss of New Desktop back-office infrastructure</u> Inefficiencies and potential failure to deliver successful DCC services | Risk Owner: Chris Outram Accountable Officer: Chris Outram Mitigating Control: Completed ICT DR Plan, trained support staff and support contracts |
| Risk Code: IG 1 Inherent Status: High (18) Current Status: High (18) Last Review Date: 12/07/2013 | <u>Data Protection breaches</u> The Council may incur fines and legal actions for damages following incidents of misuse, loss, accidental or deliberate disclosure. | Risk Owner: Amber Steer-Frost Accountable Officer: Rob Parkhouse Mitigating Control: Green Staff training and awareness |
| Risk Code: I&I 7 CRR Inherent Status: High (20) Current Status: High (16) Last Review Date: 27/08/2013 | <u>Failure to prevent discriminatory practice/adhere to the Equality Act & Public Sector Equality Duty</u> Ensuring the Council gives due regard to the need to eliminate discrimination (end prohibited conduct), advance equality and foster good relations as required by the Public Sector Equality Duty (Equality Act 2010). | Risk Owner: Jo Hooper Accountable Officer: John Smith Mitigating Control: Amber (Equality) Impact Assessment Green Communications Toolkit Amber Customer diversity monitoring Green Discriminatory Incident Reporting Amber Equality Framework for Local |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|---|---|--|
| | | <ul style="list-style-type: none"> Government Green Equality Objectives (Fair for all Programme) Green Equality Policy Green Equality Reference Group Green Equality Standards in Procurement Amber Equality Training and Competencies Green Hate Crime Prevention Amber Impact Assessment Performance Measures Green Information (Evidence base) Amber Learning from Judicial Review Project - implementing the recommendations Green Staff Surveys Amber Sufficient allocation of staff with responsibility for equality/impact assessment Green Supporting employment policies Green Workforce diversity data |
| <p>Risk Code: DFS 4</p> <p>Inherent Status: High (20)</p> <p>Current Status: High (16)</p> <p>Last Review Date: 01/10/2013</p> | <p>Failure to Oversee Financial Performance of Commercial Enterprises in which DCC has influence</p> <p>Failure to oversee financial performance of various commercial enterprises in which DCC has a controlling influence eg PLUSS, NPS, NORSE and LDP. Failure could lead to significant financial issues - eg contract performance - as well as consequent impact on Council's reputation.</p> | <p>Risk Owner: Chris Sanders Accountable Officer: Mary Davis Mitigating Control:</p> <ul style="list-style-type: none"> Green Liaise with other stakeholders (ie Plymouth, Torbay and Somerset CC re PLUSS) to ensure consistency Green Regular review of company business plans and budget Amber Review existing governance arrangements for such enterprises and propose improvements where relevant Amber Work more closely with Members/Officers who act as Co Directors ensuring info exchange |
| <p>Risk Code: I&I 5</p> <p>Inherent Status: Very high (25)</p> <p>Current Status: High (16)</p> <p>Last Review Date: 25/10/2013</p> | <p>Poor organisational practice of risk management</p> <p>Failure to conduct robust risk assessment consistently across the Council could result in gaps in control of risks and failure to deliver strategic and other priorities or realise opportunities.</p> | <p>Risk Owner: Keith Bowden Accountable Officer: Pip Tucker Mitigating Control:</p> <ul style="list-style-type: none"> Green Corporate Risk Management Group Amber Risk Registers Green Risk Strategy and Policy Amber Risk training |
| <p>Risk Code: SPOC 1 CRR</p> <p>Inherent Status: Very high (30)</p> <p>Current Status: High (16)</p> <p>Last Review Date: 18/07/2013</p> | <p>Failure to achieve good working relationship through lack of involvement of partners & stakeholders</p> <p>- RISK of not engaging effectively with partners and stakeholders exposes us to high levels of uncertainty in terms of capacity, service delivery and finance; OPPORTUNITY for greater value-added benefits through co-operation with other agencies and place-based budgets</p> | <p>Risk Owner: Simon Kitchen Accountable Officer: John Smith Mitigating Control:</p> <ul style="list-style-type: none"> Amber Clear governance arrangements Amber Communications between Partners (key individual networks) |
| <p>Risk Code: EP 1</p> <p>Inherent Status: High (20)</p> <p>Current Status: High (16)</p> <p>Last Review Date: 30/10/2013</p> | <p>Inadequate DCC access to diesel during a fuel crisis</p> <p>In light of disposal of fuel bunker holding c. 5,000 litres of fuel, c.6% of weekly consumption. E.g. 5k litres of fuel would be enough to keep 100 essential workers delivering services for a week. Further a tentative agreement with SW Highways to supply diesel from their 8 depots around Devon has not been agreed. Other mitigating controls in development with partners. These arrangements are themselves at risk and</p> | <p>Risk Owner: Keith Reed Accountable Officer: Simon Kitchen Mitigating Control:</p> <ul style="list-style-type: none"> Amber Local LRF Planning Amber Mutual aid arrangements with others Amber National Fuel Plan Amber Small Tanker/Bowser Solution Amber Use of the military |

| Risk Code and Status | Scope of risk | Current Position, Action being taken, and Accountable Officer |
|--|--|---|
| | may in any case be inadequate. | |
| Risk Code: FIN 39 CRR Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 01/10/2013 | Failure to deliver priority services due to inadequate financial planning Reductions in government funding over the next 4 years have necessitated reductions in local government spending and service provision. DCC has responded by prioritising services and developing a medium term financial plan to deliver savings for 2011-12 to 2012-13. However, there is still further work required to close the gap for 2013-14 and beyond. | Risk Owner: Chris Sanders Accountable Officer: Mary Davis Mitigating Control: Amber Medium Term Financial Plan Amber Service Prioritisation 2011-12 |
| Risk Code: ICT 5 Inherent Status: High (18) Current Status: High (16) Last Review Date: 04/09/2013 | Lack of ICT resources (finance, people) Failure to deliver existing ICT services and deliver new leading to degradation of ICT support and projects. | Risk Owner: Richard Carter Accountable Officer: Richard Carter Mitigating Control: Green Management Plan |
| Risk Code: I&I 11 Inherent Status: Very high (30) Current Status: High (16) Last Review Date: 01/07/2013 | Failure to adhere to Information Management standards Information is one of DCC's chief resources. This can only be of use if it can be retrieved and related to other data. Failure to name documents, to keep them in the right format or the right place or for too long can all degrade data quality. | Risk Owner: Steve Howkins Accountable Officer: John Smith Mitigating Control: Green Electronic Documents and Records Management Green Information Standards |
| Risk Code: DFS 5 Inherent Status: High (20) Current Status: High (15) Last Review Date: 13/09/2013 | Failure to Prepare or Control Robust Budget Failure to prepare robust MTFP, managing cost pressures and preserving reserves and balances. Failure to develop financial management skills of budget managers, which could compromise budget control and service delivery. Failure to produce a balanced budget | Risk Owner: Chris Sanders Accountable Officer: Mary Davis Mitigating Control: Completed Financial Literacy survey to obtain a benchmark of the level of understanding from budget managers Amber Management Board and Senior Members Approve the Development of a MTFS Green Member / Director Input to Budget Process Green Monthly budget monitoring of key budgets, bi-monthly Budget Mngt Group meetings & Exec Reports Green Ongoing support from DFS Green Ongoing training provided to the budget managers within services |
| Risk Code: BI 3 Inherent Status: Very high (25) Current Status: High (15) Last Review Date: 09/07/2013 | Failure to deliver services to vulnerable persons (known to DCC) in the event of an emergency This risk is to mitigate against the effect to the services provided to vulnerable people known to Devon County Council during major emergency incidents including: severe weather, pandemic, fuel shortage, terrorism, prolonged industrial action, loss of building, loss of key suppliers, loss of I.T. and loss of utilities. | Risk Owner: Melanie Wellard Accountable Officer: Liam Jennings Mitigating Control: Green 4 x 4 Transport Green Alerts / communication Green Business continuity action plans. Amber Fuel Shortages Green Identification of vulnerable service users Amber Overarching People action plan Green Staff Green Transport |

Risk Management Policy Statement

Introduction

We aim to embed risk management into the processes and culture of the Council to help us achieve our strategic objectives and increase the effectiveness of service delivery to the people of Devon.

The Council has undergone a period of fundamental change and restructure. The prevailing financial climate is creating huge challenges in terms of protecting and improving service to citizens on a smaller budget through considering new ways to deliver services. These situations increase create the potential for a riskier working environment that makes risk management even more important to ensure that risks have been identified and mitigated; not to avoid the risks but to control them to ensure the Council can meet its objectives.

Similarly, addressing risks with partners is vitally important as the organisation will be working more closely with a wider group of stakeholders than ever before.

By employing best practice risk management to deliver a structured and focused approach to manage risks and by ensuring that risk management is an integral part of our governance arrangements, we also meet our statutory duty to manage risk to safeguard employees, to protect Council assets and to protect the public.

This Policy supports the Risk Management Strategy which sets out our approach to risk management from 2011 to 2015.

Risk Management Objectives

We will:

- minimise the effect of uncertainty on achieving the Council's priorities and in so doing reduce the probability of failure and increase the probability of success;
- minimise injury, damage, loss and inconvenience to residents, service users and staff arising from or connected to the delivery of services; and
- minimise the cost of risk

Key mechanisms

The risk management objectives will be achieved through the following key mechanisms:

Governance

- Clear roles, responsibilities and lines of reporting for risk management (Appendix 1);
- Leadership: through appropriate strategic leadership and monitoring of key projects;
- Decision-making: risk management is explicitly considered and recorded in all policy decisions, partnerships, projects and key planning processes, e.g. committee reports;
- Ownership: a risk owner is assigned to each identified risk to be responsible for its management;
- Assurance is obtained regarding the adequacy of strategic, operational, partnership and project risk registers and of general risk management arrangements;
- The Risk Management Strategy and Policy will be reviewed and updated in their entirety in 2015; however there will be annual reviews and action plans in the interim to ensure that we are achieving the desired outcomes.

Processes

- Impact Assessments need to be done when we make recommendations, decisions or plan, commission or evaluate any service, function, policy, project or strategy, or any other activity that would have an impact on people, the economy or the environment;
- Risk registers are maintained at all levels in the Council following consistent risk assessment process comprised of: (See the Source for - Guidance for Managers)
 - Identification: of emerging risks, as reported by management teams, is ongoing and a standing agenda item of every meeting of Corporate Risk Management Group (CRMG);
 - Recording: the most significant strategic, operational, partnership and project risks are entered in the Council's performance management system, SPAR.net;
 - Assessment: the inherent and current risk scores are assessed using the risk scoring matrix to provide comparable scores thus enabling robust prioritisation;
 - Response: potential cost effective mitigation of each risk is considered, according to our risk appetite, as to whether to mitigate through action plans, transfer the risk, accept the risk or cease the activity, if possible, in view of the severity and/or proximity of risk;
 - Reporting: risks with the highest status scores that exceed the risk appetite are considered for inclusion in the Corporate Risk Register for the direct involvement of Corporate Leadership Team;
 - Review: risks are reviewed as a minimum annually, as an integral part of the business and budget planning cycle, with the most significant receiving review six-monthly or more frequently when appropriate;
- Measurement of the benefits of risk management and early warning indicators of the potential failure of risk management are outlined in the Strategy and reported to CRMG;
- An annual action plan describes steps for the improvement of risk management (Currently that set out by Corporate Leadership Team on 29 April 2013);

Further support

- Additional advice and guidance are available on the Council's Intranet, the Source;
- Training and development to enhance risk awareness (Details on the Source).

Risk Management Policy Statement; update approved 14 October 2013

Appendix 1: Roles and Responsibilities

| Body or Individual | Risk Role | Key Risk Responsibilities |
|--|---|---|
| Cabinet | To oversee the effective management of risk by officers. | <ul style="list-style-type: none"> • Approve and review the overall effectiveness of the Council's Risk Management Strategy (Constitution 5: C 1.1); • Maintain awareness of the implications of risk management in all decisions; • Appoint a Member to Corporate Risk Management Group to promote risk management at a strategic level in the Council from the Members' perspective. |
| Audit Committee | To monitor the effective development and operation of risk management and corporate governance in the Council (Constitution 3: 9.12). | <ul style="list-style-type: none"> • Provide independent assurance of the adequacy of the risk management framework and the associated control environment; • Provide independent review of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment. |
| Corporate Leadership Team | <p>To ensure that the Council manages risks effectively.</p> <p>To actively manage the risks in the Corporate Risk Register.</p> | <ul style="list-style-type: none"> • Jointly, the Chief Finance Officer, Strategic Directors and Heads of Service are responsible for preparing the authority's risk management policy statement, promoting it throughout the Council and updating it (Constitution 5: C 1.2); • Ensure the Council manages risk effectively, through the implementation of the Risk Management Strategy and Policy, as an integral part of business planning, decision-making and the performance framework; • Identifying and managing business risks and opportunities facing the Council; • Take responsibility for, monitor and manage the Corporate Risk Register; • Consider risk management in all decision-making and record in action logs of meetings; • Receive and monitor Risk Management reports from the Corporate Risk Management Group; • Appoint a Senior Information Risk Officer (currently the Head of Service for Business Strategy and Support). |
| Strategic Directors and Heads of Service | To ensure that risk is managed effectively in each service area in accordance with the Risk Management Strategy. | <ul style="list-style-type: none"> • Take responsibility for the promotion of the Risk Management Strategy and Policy in their services; • Ensure all Risk Registers within their services are managed, monitored, responded to and communicated effectively in their areas and risks reported through the Council's Performance Management Framework; • Ensure that Risk Management is a key consideration in the delivery of business plans. |

| Body or Individual | Risk Role | Key Risk Responsibilities |
|---------------------------------|--|---|
| County Treasurer | To ensure the proper administration of the Council's financial affairs. | <ul style="list-style-type: none"> • Section 151 Officer responsibilities including: <ul style="list-style-type: none"> ○ Perform the duty to report any unlawful financial activity involving the authority; ○ Make sufficient financial provision for the cost of internal audit. |
| Managers | To manage risks effectively in their particular service areas. | <ul style="list-style-type: none"> • Manage risk effectively in their service areas and provide assurance to departmental management teams that the controls assigned to them are operating efficiently, effectively and economically; • Report systematically and promptly to departmental management teams any new risks or issues identified or failures of existing control measures; • Balance an acceptable level of operational risk against programme and project objectives and business opportunities; • Ensure risk registers are reviewed and updated regularly, including new or unaddressed risks, and build into service plans. |
| Risk Owners | To manage the risks allocated to them. | <ul style="list-style-type: none"> • Ensure effective action is taken to deal with risk; • Ensure integrity of information recorded on the Register; • Oversee controls in place, review proposed mitigations; • Develop/implement action plans; • Feedback and reporting as required; • Undertake training to ensure their own knowledge of risk management. |
| Corporate Risk Management Group | To support the Council in the understanding and effective management of risk | <ul style="list-style-type: none"> • Support the Council and its Service Groups in the understanding and effective management of risk; • Ensure that risks in the Community Risk Register are appropriately reflected in the Council's risk registers; • Act as a forum to challenge the composition of the Corporate Risk Register to contribute to ensuring that this is comprised of a balance of types of risk that are focussed in the need to have corporate leadership attention; • Keep abreast of risk management knowledge and experience elsewhere through networking with the wider RM community (e.g. ALARM, CIPFA, and CIIA); • As a minimum provide an annual report to the Audit Committee and report twice-yearly to Corporate Leadership Team; • Set an annual action plan. <p>NB. See Terms of Reference for further information</p> |

| Body or Individual | Risk Role | Key Risk Responsibilities |
|--|---|---|
| Head of Insight & Impact | To support the Council and services in the effective development, implementation and review of risk management. | <ul style="list-style-type: none"> • Promote, support and oversee good risk management practice across the Council; • Ensure the risk and performance frameworks are aligned to enable effective management of service delivery; • Chair the Corporate Risk Management Group; • Maintain, monitor and review the effectiveness of the Risk Management Strategy and Policy; • Ensure availability of suitable training provision. |
| Risk Co-ordinators | To co-ordinate risk management initiatives, policy and strategy across the Council. | <ul style="list-style-type: none"> • Attend Corporate Risk Management Group meetings or otherwise arrange for deputy cover; • Promote, maintain and monitor service level risk registers in line with risk management / business planning guidance and in alignment with strategic partners; • Ensure that risks are considered for elevating to the attention of higher tiers of management when assessed risk is high or rising; • Promote and advise on the Risk Management Strategy; • Provide effective scrutiny and challenge of risk management activity. |
| Risk specialisms: <ul style="list-style-type: none"> • Business Continuity • Health & Safety • Information • Insurance | To apply professional expertise within the Council and advise at meetings of CRMG. | Responsibilities across these roles: <ul style="list-style-type: none"> • Effective production, testing and maintenance of the Council's Business Continuity Plans; • Co-ordinate health, safety and wellbeing across the Council; • Senior Information Risk Officer; • Suitable insurance cover against financial loss. |
| Internal Audit | To provide assurance on the adequacy of internal control arrangements | <ul style="list-style-type: none"> • Ensure that internal controls are robust and operating correctly; • Ensure that risk work undertaken across the Council informs the Internal Audit Plan; • Support risk management arrangements through the Corporate Risk Management Group and within services; • Provide independent review and report through the Annual Audit Report on the effectiveness of the risk management process. |
| All staff | To be risk aware. | <ul style="list-style-type: none"> • Support and comply with all H&S and risk management initiatives; • Report systematically and promptly to management any new risks or failures of existing control measures; • Contribute to service risk registers and action plans; • Undergo training and development as required |