

## Devon Audit Partnership - Strategic and Operational Risk Register Updated Oct 2019

Ref	Risk Description	Inherent			Mitigating control	Controlled			Further action required	By When
		Impact *	Probability	Risk *		Impact	Probability	Risk		
<b>Strategic Risks</b>										
S1	Change in priorities or dissatisfaction of one of the partners results in a partner leaving.	4	2	8	Continued development of service. Impact of a single partner leaving now reducing due to more partners and increase of funding from other clients.  Continued need to “evidence” added value.	3	2	6	Identify new Partners as appropriate.  Continue to work with the Partnership Cttee and explain the benefits that DAP bring to each partner.  Deliver plan and ensure that we “add value” in a way appreciated by each client.  Help develop and support “client relationships” at partners so that we are fully aware of their individual needs / requirements.	Ongoing  Ongoing (e.g. NDDC)  Ongoing  For example at Devon CC.
S2	Reducing Client base compromises viability of DAP	3	2	6	Marketing programme / bids for new work maintains or improves the turnover.  Diversification – offer more than just internal audit (e.g. risk management / counter fraud services)	3	2	6	Improved marketing to extend into known market areas e.g. academy schools - EU funded schemes - Charities - Other local authorities  Develop and promote other services that compliment DAP (e.g. Risk Management, Counter Fraud etc)	Ongoing (e.g. Cornwall).  e.g. via Regional Risk Man Group
S3	Reputational damage from poor quality audit delivery	3	2	6	<ul style="list-style-type: none"> <li>• PSIAS – Assurance.</li> <li>• Quality review process in operation</li> <li>• CSE – delivery</li> <li>• Internal QA process.</li> <li>• Staff development –</li> </ul>	3	2	6	Extend the QA process.  Revitalise quality review process  Annual CSE “inspection”. Last review June 2019 =	31/3/18 and ongoing  Winter 2019 Summer 2020

\* Risk score based upon the DCC approach to Risk Management. <http://staff.devon.gov.uk/riskmanagementstrategy2011.pdf>

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					e.g. LGBT+ awareness				positive	
S4	Information Governance – non-compliance from multiple storage areas and data transfer means. Loss of data due to IT failure / unable to use secure data transfer arrangements	3	3	9	Good understanding and awareness of GDPR requirements. Part of DCC network – so lots of resilience. Data sharing agreements prepared and shared / agreed with each partner. Use of Mki – hosted software supplier.	3	2	6	Further develop client relationship roles so that we fully know what the client wants. Data sharing agreements refreshed / updated to reflect current legal advice / best practice. All staff to have completed Data Protection ELearning 2019 Staff to be reminded of GDPR at team meetings	Winter 2019 Completed. Winter 2019 Ongoing
<b>Operational Risks</b>										
O1	Failure to deliver agreed plans in line with targets resulting in increased control risk to clients and lack of confidence in DAP as a provider. Wider product mix (Risk, Fraud IA etc) increases resilience, but introduces new challenges in monitoring.	3	3	9	Wider client base reduces exposure for individual clients. Close and effective management of work against all plans (IA, Risk, fraud etc). Clear understanding and control of time spent on “overheads” / non productive work.	2	2	4	Use other ways to measure “effectiveness” for non audit services (e.g. value of funds recovered from Fraud). Make best use of IT to ensure valuable people resource is used as effectively as possible. Strong and effective management to tackle areas of concerning performance.	Nov 2019 Ongoing
O2	Inefficient or expensive support arrangements, including IT, accommodation, finance services etc.	2	2	4	Partnership is hosted by DCC who provide majority of support services. Hosted Audit Management system (Mki).	2	1	2	Support arrangements (including ICT arrangements) under constant review to ensure we get best value.	Ongoing

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	ICT does not provide sufficient security i.e. DCC not certified against the Governments Cyber Essentials Scheme or ISO 27001 or equivalent?				Certificate provided by Approachable Certification valid to 31 March 2019.					
O3	Insufficient revenue budgets: a) to deliver service effectively;	2	2	4	<p>“7 year” agreement refers to flexibility for partners, and this provides a good solid base for IA plans.</p> <p>Contracts with other bodies are more flexible and are “higher risk” but current trend is for an increase in demand, rather than reduction.</p> <p>Fraud work requires additional buy in from partners and others.</p> <p>Risk Management – potential to provide such a service in a wider context.</p>	2	2	4	<p>Annual review with each partner to firm up budget and requirement.</p> <p>Need to continually meet clients needs / provide professional and “value added” services.</p> <p>Started to provide CTax fraud support – seen as a “way in” to demonstrate what we can do.</p> <p>Regional RM group is a good way to showcase our services – need to try to expand this further.</p>	<p>Ongoing</p> <p>Quarterly with each client</p> <p>Jan 2019 onwards</p> <p>RRMG working well, but need to use for better marketing</p>
O3	b) – leads to reduce knowledge base	3	3	9	<p>“Pool” of associate staff to provide additional skills. Collaborative working arrangements e.g. Strategic Alliance with Audit West to provide alternate skills.</p> <p>Staff training programme</p>	3	2	6	<p>Continue to extend additional collaborative arrangements.</p> <p>Continue to identify additional staff that we can add to our list of “associates”.</p> <p>Use of apprentices / sandwich</p>	<p>Ongoing</p> <p>Nov 2018</p> <p>Nov 2019</p>

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		Impact *	Probability	Risk *		Impact	Probability	Risk		
					develops staff skill.				students to supplement our resources	
	c) – reduces capability and capacity to deliver effective partnership objectives.	3	3	9	Pool of associate staff provide additional skills. Collaborative working arrangements e.g. Strategic Alliance provide alternate skills / resource	3	2	6	Continue to extend additional collaborative arrangements. (e.g. Audit West, Audit South West, Cornwall )	Ongoing.  Meeting Cornwall colleagues early 2020.
O4	Failure to make stay within financial envelope.	2	2	4	Good notice of what is required. Good understanding of cost base and how we can quickly adjust our cost base.	2	1	2	Continuous monitoring. Continuous need to sell services to other clients.	Ongoing
O5	Failure to adopt “modern auditing techniques” – resulting in lack of confidence.	2	3	6	Management Team to keep abreast of developments in the wider internal audit world. Awareness of new legislation e.g. GDPR.	2	2	4	Continued team and individual professional development. Annual review of training needs via appraisal process.	Annual review Oct 2019.
O6	Higher than expected levels of staff sickness prevent completion of agreed annual internal audit plans / areas of development for the service.	2	2	4	Monitoring sickness levels (via PRISM).  Work with HR colleagues to ensure that HR best practice is being followed.  Understand our employees physical and emotional wellbeing – try to anticipate sickness pressures and take action to address.	2	1	2	Understand our employees physical and emotional wellbeing – managers to pick up through regular one to one sessions.  Survey of staff needs – programme of workflow management and support network to improve feeling of wellbeing	Ongoing  Spring 2020

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