

## 2019/20 Midyear Risk Management Report

### Report of the County Treasurer

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

#### Recommendations:

- i. that the committee reviews the current risk management position as summarised in this report.
- ii. that the Committee reviews the changes and updates to the risk management process as supported by Devon Audit Partnership, particularly the increased use of visual and interactive Risk Management Dashboards (Appendix 2).
- iii. that members consider the risks currently ranked the highest shown in Appendix 1.

The attached report sets out the current risk management position and confirms the role of the Audit Committee as per the Risk Management Policy. It further summarises the existing risk position and links to visual reporting via power BI.

Appendix 1 Shows an extract of the top risks at the time of writing this report.

Appendix 2 Shows the Risk Management Dashboard that has been created for ongoing use by the Committee.

Mary Davis

Electoral Divisions: All  
Local Government Act 1972

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<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
Nil		

There are no equality issues associated with this report



devon**audit**partnership

**Risk Management**

**CIR** Risk Management

10th ANNIVERSARY

AWARDS 2019

*shortlisted*



**Risk Management**

**2019/20 – Mid Year Update Report**

**November 2019**



**CUSTOMER  
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EXCELLENCE**



Support, Assurance & Innovation

## Introduction

Devon Audit Partnership (DAP) is continuing to support and facilitate the development of the Council's risk management framework and processes. This support is assisting members, senior management and staff in identifying risks, recognising and recording the "true" risk, mitigation thereof, and promoting effective monitoring and reporting of those risks.

This report has been designed to present a mid-year summary and key information for those risks which have been identified, analysed, and recorded in the Risk Register, along with their mitigating actions and controls. As per the Risk Management Policy & Strategy document, the role of the Audit Committee in Risk Management is as shown below.

### Audit Committee

*The Audit Committee is responsible for ensuring that the council's Risk Management process is carried out effectively. It will not normally examine specific risks to objectives in detail but satisfy itself that risks are being monitored appropriately by the risk owner and relevant Scrutiny Committee. The Audit Committee may also consider the "top ten" risks to ensure that action is being taken to mitigate these risks.*

The Risk Information in this report is supplemented by a Power Bi Dashboard as per the embedded link and Appendix 2.

## Summary Risk Position

In respect of the risk that are known, assessed and being managed, there were 117 risks recorded in the Devon County Council Risk Register on 4<sup>th</sup> November 2019, a net decrease of one since the last report to Audit Committee in May. 87 of the risks had an Inherent risk rating of High or above; this indicates that the register is correctly identifying the more significant risks and is not diverting management attention to low level risks. Positive management action has reduced the Current risk score for 62 of these to Medium or lower. An extract of the 10 highest rated risks has been included as Appendix 1.

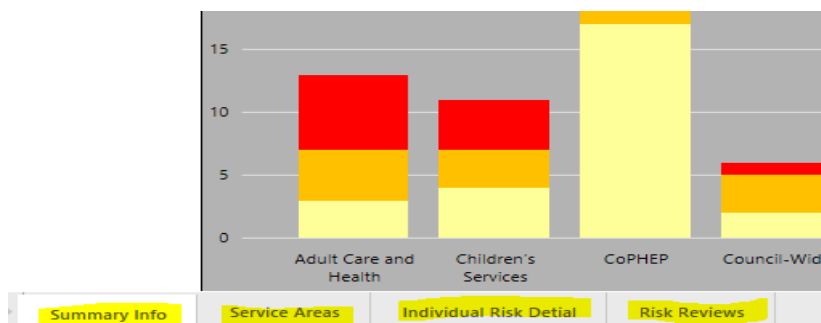
## PowerBI

A Dashboard, showing the current risk position, has been created in Power BI and can be accessed via the link below, the main elements of that dashboard are shown in Appendix 2. This process for presentation of risk information is being rolled out across the Council and was last used for presentation to the Leadership group in October 2019

### [Link to LG Power Bi Risk Management Dashboard](#)

The dashboard contains four Tabs (Highlighted in the image below).

- The first is an initial summary screen, showing risks by Service Area;
- The second provides more information on the risks within each service area;
- The third allows a more detailed review of individual risks; and
- The final tab allows scrutiny of risk reviews against corporate policy expectations.



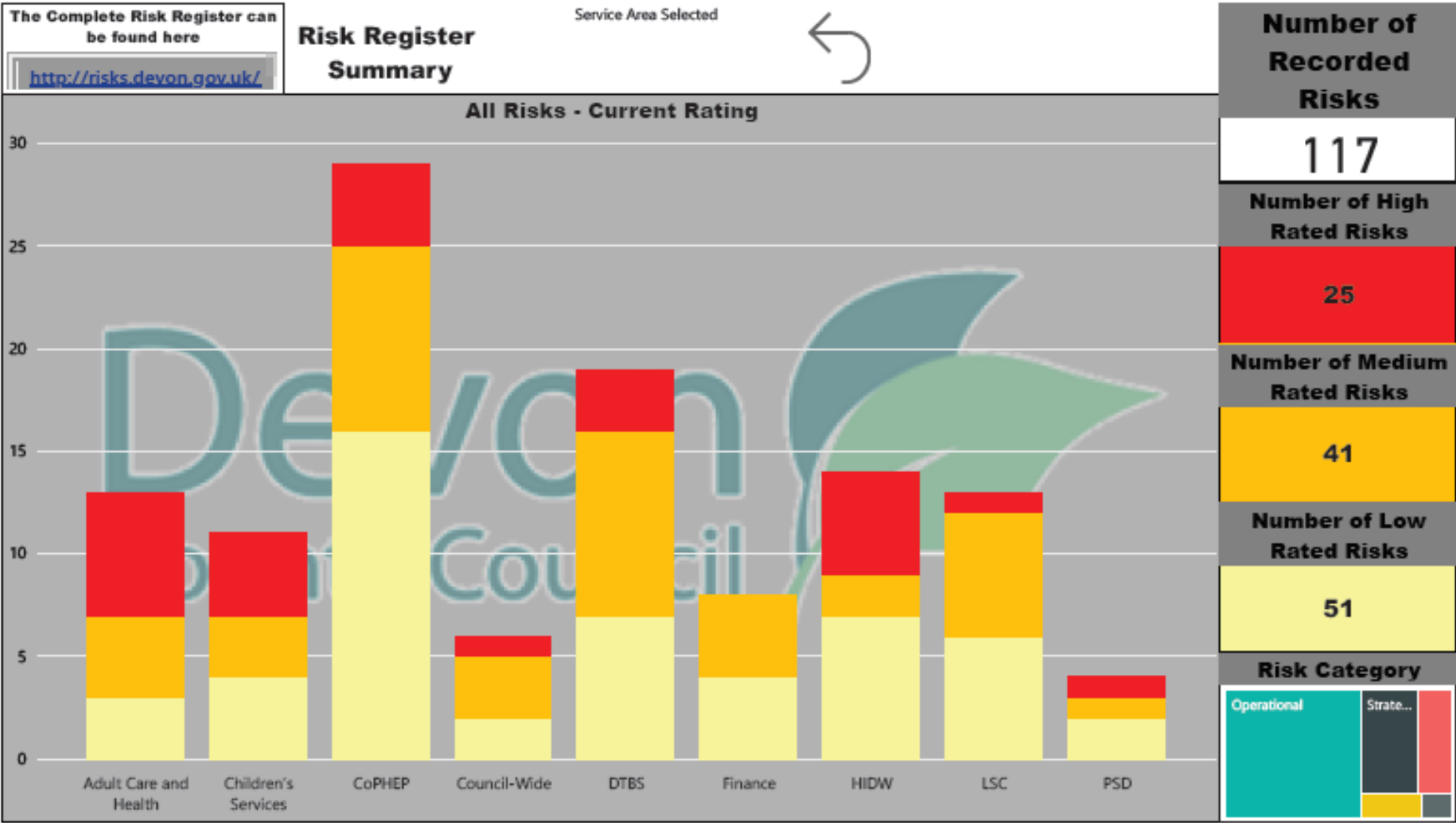
We will run through each tab individually at the Audit Committee meeting, advising how information that has in the past been extracted and summarised, can now be seen via a few mouse clicks. Please do not let this revised approach preclude you from clicking on the link and exploring the risk information.

For queries related to risk management please contact Tony Rose [tony.d.rose@devon.gov.uk](mailto:tony.d.rose@devon.gov.uk) or the risk management mailbox [finance.riskmanagement-mailbox@devon.gov.uk](mailto:finance.riskmanagement-mailbox@devon.gov.uk).

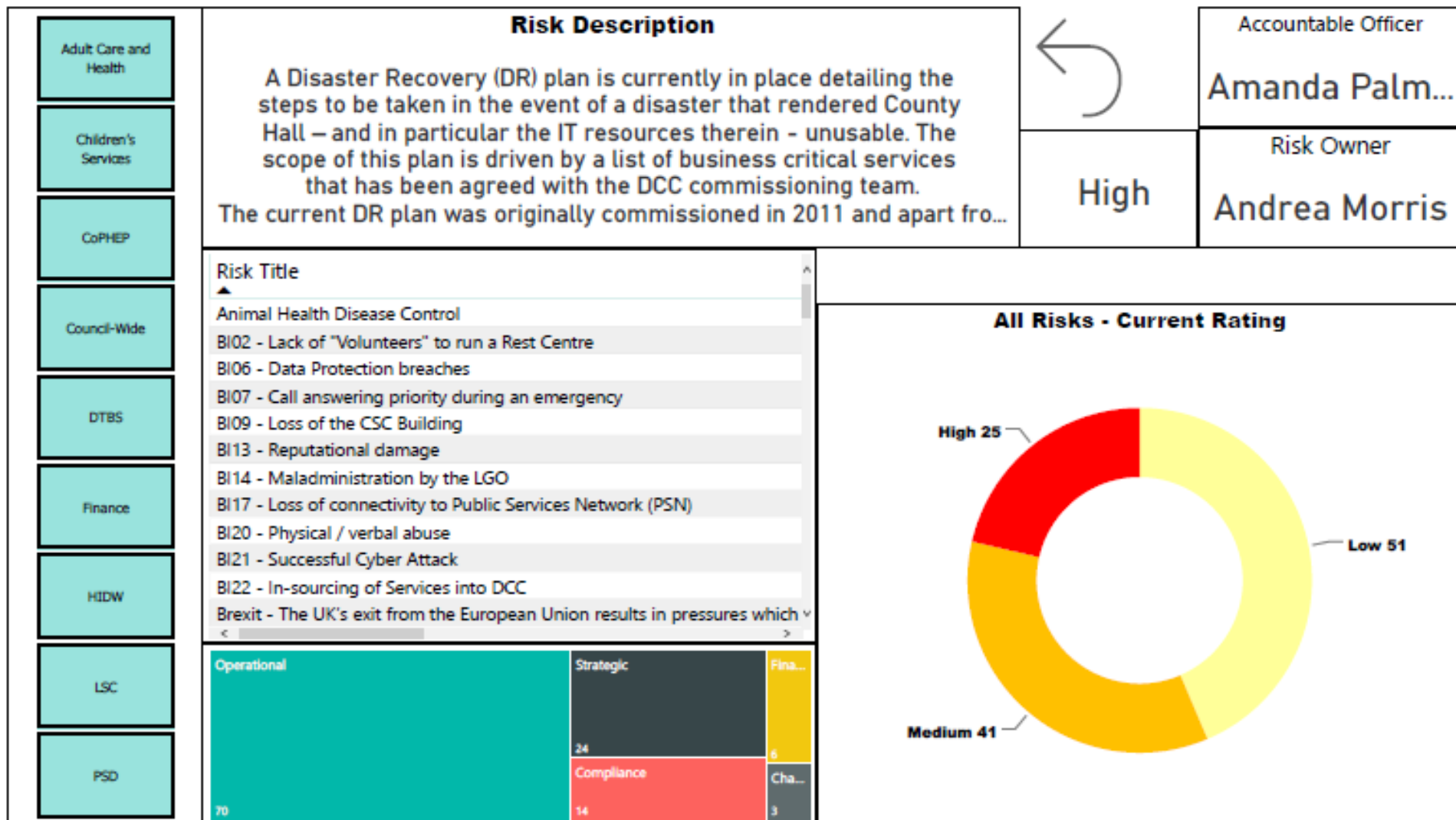
Service area	Risk Title	Description	Risk category	Current score	Risk Owner	Accountable Officer	Latest review	Score change since last review	Change direction
Digital Transformation	BI21 - Cyber Attack	Successful Cyber Attack on the Authority resulting in reduced ability to deliver council services.	Operational	20: High	Martin Lawrence	Gary Dempster	16 Oct 2019	+8	↑
Council Wide	Brexit - The UK's exit from the European Union results in pressures which directly impact the Council's delivery of services	<p><b>Cause</b> - Referendum Decision to Leave the EU.</p> <p><b>Event</b> - New arrangements need to be agreed for the relationship between the UK and the EU from 29 March 2019.</p> <p><b>Impact/s</b>  <u>No Deal Brexit</u>  Return to WTO Rules, reduced trading, return to WTO Rules, increased cost of trading.  Increased uncertainty on employment and residency for EU citizens.  Decrease in labour market availability to support care needs.  <u>Brexit with Deal</u>  Additional work to ensure future compliance with EU Rules and Regulations that may still be in force or require adherence to for specific activities, along with increased costs to ensure compliance with all future legislation.  <u>Both</u>  Increased costs due to lost funding to EU funded programmes, including economic growth and regeneration, employment, environmental protection, research and development.  Impact on local business / population and knock on effect to areas such as business rates and council tax.  Greater pressure on labour markets if EU nationals are not available to fill posts.</p>	Strategic	20: High	Keri Denton	Leadership Group	16 Oct 2019	0	↔
CoPHEP	Climate Change	<p><b>Cause</b> - Climate change is projected to increase global temperatures by 1.5 degree Celsius as a minimum. Impacts for Devon include potential sea-level rise of 90cm by the end of the 21st century, current extremes of weather becoming the norm, greater flooding risk and impacts on biodiversity that could lead to a reduction in natural services such as pollination.</p> <p><b>Event</b> - In Devon, this will lead to up to 1m sea level rise; drier, hotter summers; warmer, wetter winters; and more intense storm events.</p> <p><b>Impact/s</b>  <u>Health</u> – Increased heat-related morbidity, vector-borne disease, mental health issues  <u>Reputation</u> – DCC is being looked to as a community leader. 25% of local authorities have now declared climate emergencies.  <u>Legal</u> – There is no direct legal requirement on the authority to reduce carbon emissions or adapt to climate change, but not acting will make it more difficult to meet other legal requirements due to the impact of climate change on our services and infrastructure.  <u>Financial</u> – The Stern Review identifies the cost of climate change to the global economy to be 5% - 20% per year. The costs of mitigating the worst effects can be delivered for just 1% of GDP.  <u>Performance Standards</u> – Climate change will affect many of the council's performance standards  <u>Stakeholders</u> – Climate change will affect all of the authority's stakeholders and partners.  Service Users – Climate change will affect all of DCC's services and its service users</p>	Strategic	20: High	Doug Eltham	Dave Black	30 Sep 2019	0	↔

Service area	Risk Title	Description	Risk category	Current score	Risk Owner	Accountable Officer	Latest review	Score change since last review	Change direction
HIDW	HTM1: Deterioration of minor road network due to insufficient maintenance.	Injury and delays to road users and damage to vehicles resulting from deterioration of C Class and Unclassified road network due to insufficient planned and Routine Maintenance.	Strategic	20: High	Joe Deasy	Meg Booth	03 Sep 2019	0	↔
HIDW	HTM2: Lack of capacity or capability 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.	Operational	20: High	Joe Deasy	Meg Booth	03 Sep 2019	0	↔
HIDW	HTM3: Lack of capacity or capability to effectively respond to extreme weather events	Flooding, obstruction and structural damage to the highway or other transport infrastructure affecting citizens and property causing traffic disruption, economic and health impacts.	Operational	20: High	Joe Deasy	Meg Booth	03 Sep 2019	0	↔
Children's Services	Demand for Children's Services exceeds the financial provision	Due to an increase in demand for the different services provided by the Children's Services teams, the budget set for the current financial year may be exceeded, resulting in a potential reduction of service delivery or the possibility of a failure to deliver statutory responsibilities.	Strategic	16: High	Darryl Freeman	Jo Olsson	23 Sep 2019	0	↔
Adult Care and Health	KS29: Inability to recruit appropriately qualified adult social care professionals	<p><b>Cause</b> - Lack of suitable and appropriately qualified professionals available across the health and care system locally, regionally and nationally. High levels of competition across organisations which often offer better remuneration and terms and conditions than Devon County Council. Ageing internal workforce of Approved Mental Health Professionals (AMHP) and within the Emergency Duty Service.</p> <p><b>Event</b> - That the numbers of professionally qualified staff fall below that required to offer a safe and secure service. Care management throughput, particularly with regard to the timeliness of assessment and review are impacted adversely putting services users at risk of harm.</p> <p><b>Impact</b> - That referrals leading to assessment are not undertaken in a timely fashion leading to people waiting longer for the support they require, which could potential lead to heightened risk of harm. Reviews not undertaken in a timely manner leading to service users with possibly inappropriate packages of care (too high or too low) with associated financial consequences. Patients unnecessarily delayed in hospital longer due to inability to assess needs and procure services in a timely manner.</p>	Operational	16: High	Social care management information adults	Keri Storey	05 Sep 2019	0	↔
Adult Care and Health	KS30: Investment in workforce capacity and skills mix is insufficient to meet the changing nature and intensity of demand	<p><b>Cause</b> - Increased acuity of need for people who require support and intervention from community health and care services. Only short-term investment and targeted initiatives, e.g. Invest to Save, have been used to grow the workforce in recent years.</p> <p><b>Event</b> - That these initiatives increase the risk of destabilising teams required to deliver core care management functions.</p> <p><b>Impact</b> There is a significant risk that the workforce is unable to deliver safe services to the required standard. Without properly planning ahead to meet projected changes in demand the workforce will not be developed and built to meet future requirements.</p>	Operational	16: High	Social care management information adults	Keri Storey	05 Sep 2019	0	↔
Adult Care and Health	KS9: Demand for adult social care and health for working aged adults (aged 18-64) exceeds financial provision putting the Council at risk	<p><b>Cause</b> – Due to advances in medical practice more young people are surviving into adulthood with increasingly complex needs, living longer and out living their careers.</p> <p><b>Event</b> – Significant cost and volume pressures are being placed on the adult social care system. In addition to the increasing numbers of young people transitioning from children's services there are additional and increasing pressures to support people with mental health needs, particularly in</p>	Strategic	16: High	Social care management information adults	Keri Storey	05 Sep 2019	0	↔


Service area	Risk Title	Description	Risk category	Current score	Risk Owner	Accountable Officer	Latest review	Score change since last review	Change direction
		<p>residential care settings.</p> <p><b>Impact</b> – Significant demand and financial pressures are evident within the system. Overall more of the adult social care NET budget is now being spent on supporting working aged adults (aged 18-64). Based on 3-year retrospective modelling, additional cost pressures of c.a. £1m are anticipated in supporting young people transitioning into adult care services. There is also significant pressure within the mental health system for residential care placements with demand and cost outstripping budget capacity.</p>							











Risk Title

All

<div><b>Risk Description</b></div> <div>A Disaster Recovery (DR) plan is currently in place detailing the steps to be taken in the event of a disaster that rendered County Hall – and in particular the IT resources therein - unusable. The scope of this plan is driven by a list of business critical services that has been agreed with the DCC commissioning team. The current DR plan was originally commissioned in 2011 and a...</div>	<b>Inherent Rating</b>	<b>Last Review Date</b>			
	High	02 July 2018			
	<b>Current Rating</b>	<b>Score Change - Last Review</b>			
	High	-66			
		Accountable Officer			
Objective Impacted		Risk Owner			
Adequately resource contract teams to mitigate overspends		Andrea Morris			
Ongoing Communication	Amber	(Blank)	(Blank)	(Blank)	(Blank)
First Mitigation 1	M1 RAG Rating	Mitigation 2	M2 RAG Rating	Mitigation 3	M3 Rag Rating
A multi-agency task force	Green	(Blank)	(Blank)	(Blank)	(Blank)
First Mitigation 1	M1 RAG Rating	Mitigation 2	M2 RAG Rating	Mitigation 3	M3 Rag Rating
Service Engagement Leads	Green	2014/17 Budget Setting ...	Green	Improved use of impact ...	Green
First Mitigation 1	M1 RAG Rating	Mitigation 2	M2 RAG Rating	Mitigation 3	M3 Rag Rating
DCC Flu Pandemic plan	Completed	ACS Flu Pandemic plan	Completed	LRF Influenza Pandemic ...	Completed
First Mitigation 1	M1 RAG Rating	Mitigation 2	M2 RAG Rating	Mitigation 3	M3 Rag Rating

## Appendix 2 – PowerBI Extract

Risk Title	Current Rating
Animal Health Disease Control	High
BI02 - Lack of "Volunteers" to run a Rest Centre	Medium
BI06 - Data Protection breaches	High
BI07 - Call answering priority during an emergency	Medium
BI09 - Loss of the CSC Building	Low
BI13 - Reputational damage	Medium
BI14 - Maladministration by the LGO	Low
BI17 - Loss of connectivity to Public Services Network (PSN)	Low
BI20 - Physical / verbal abuse	Low
BI21 - Successful Cyber Attack	High
BI22 - In-sourcing of Services into DCC	High

Animal Health Disease Control	
Last Review Date	Score Change - Last Review
02 July 2018	-66
Accountable Officer	Risk Owner
Amanda Palmer	Andrea Morris
Risk Description	

A Disaster Recovery (DR) plan is currently in place detailing the steps to be taken in the event of a disaster that rendered County Hall – and in particular the IT resources therein – unusable. The scope of this plan is driven by a list of business critical services that has been agreed with the DCC commissioning team. The current DR plan was originally commissioned in 2011 and apart from minor reviews ...

