

## Devon Audit Partnership - Strategic and Operational Risk Register Updated Oct 2021

Ref	Risk Description	Inherent			Mitigating control	Controlled			Comment / 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	<p>Continued development of service.</p> <p>Seek views / input from Partners – recognise that “each is different”</p> <p>Impact of a single partner leaving reduced somewhat due to more partners and increase of funding from other clients.</p> <p>Continued need to “evidence” added value.</p>	<p>Oct 2020 3</p> <p>Oct 2021 3</p>	<p>3</p> <p>2</p>	<p>9</p> <p>6</p>	<p>Identify new Partners as appropriate.</p> <p>Continue to work with the Partnership Cttee and explain the benefits that DAP bring to each partner.</p> <p>Deliver IA plan and ensure that we “add value” in a way appreciated by each client.</p> <p>Help develop and support “client relationships” at partners so that we are fully aware of their individual needs / requirements.</p>	<p>Ongoing</p> <p>Ongoing (e.g. Fire Service ?)</p> <p>Ongoing</p> <p>New Deputy to meet with all Partners to seek views and input</p>
S2	Poor response to the impact of Covid and failure to deliver expected services	4	3	12	<p>Staff make use of good IT to work from home.</p> <p>Adopt practices so that audit evidence can be obtained remotely.</p> <p>Adjust plan to reflect new risks that Covid has brought.</p>	<p>Oct 2020 2</p> <p>Oct 2021 2</p>	<p>2</p> <p>2</p>	<p>4</p> <p>4</p>	<p>There was a slight loss in productivity in 2020 as staff got used to working from home and some increased sickness due to Covid / shielding issues. However, these issues have now receded.</p> <p>Current impact now more likely in the training of new staff via remote arrangement. Need to ensure remote induction process is effective and efficient.</p>	<p>Being updated / revised Oct 2021</p>

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

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S3	Reducing Client base compromises viability of DAP	3	2	6	<p>Marketing programme / bids for new work maintains or improves the turnover.</p> <p>Diversification – offer more than just internal audit (e.g. risk management / counter fraud services)</p> <p>Best marketing tool is our staff – ensure that they are professional and add value</p>	<p>Oct 2020 2</p> <p>2</p> <p>4</p>		<p>Period of “consolidation” – then a need to consider DA as a wider “assurance” service provider.</p> <p>Look at benefits of further links with partners – e.g. Cornwall Council and Health partners.</p>	<p>Continued dialogue and discussion with local colleagues as to how we can support / assist them.</p>	
S4	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 – e.g. DAP Development Forum</li> <li>Use of networks (LACAN &amp; Audit Together) to widen understanding on audit subjects.</li> </ul>	<p>Oct 2020 3</p> <p>3</p> <p>9</p> <p>Oct 2021 3</p> <p>3</p> <p>9</p>		<p>PSIAS review will be completed in Nov 2021. This will provide insight and assurance and identify areas where we need to improve..</p> <p>CSE inspection planned for July but cancelled (assessor poorly). Awaiting a new assessment date.</p> <p>Further develop client relationship roles so that we fully know what each client wants, and aim to either</p> <ul style="list-style-type: none"> <li>- Deliver what is required</li> <li>- Clearly explain why we cannot meet that need.</li> </ul>	<p>Winter 2021</p> <p>Autumn 2021</p> <p>Deputy Head to meet with all s151,s late Autumn 2021</p>	

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S5	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 Data Protection 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. All staff to have completed Data Protection ELearning	Oct <u>2020</u> 3	1	3	Data sharing agreements refreshed / updated to reflect current legal advice / best practice.  Staff to be reminded of Data Protection requirements at team meetings	Completed.  Ongoing



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## Operational Risks

O1	<p>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.</p> <p>Wider Assurance product mix (Risk, Counter Fraud, IA etc) increases resilience, but introduces new challenges in monitoring.</p>	3	3	9	<p>Wider client base reduces exposure for individual clients.</p> <p>Close and effective management of work against all plans (IA, Risk, Counter Fraud etc).</p> <p>Clear understanding and control of time spent on "overheads" / non productive work.</p>	<p>Oct 2020 2</p> <p>Oct 2021 2</p>	2	4	<p>Use other ways to measure "effectiveness" of services provided (e.g. value of funds recovered from Fraud).</p> <p>Strong and effective management to tackle areas of concerning performance.</p>	<p>Ongoing – working with Audit Together grouping and LACAN.</p> <p>Ongoing</p>
O2	<p>Due to Covid, - insufficient work is undertaken for some clients to support a well-founded annual assurance opinion;</p>	3	3	9	<p>Ability to "flex" plans to focus on key risks thereby giving assurance over the key areas.</p> <p>Development of Assurance Maps to provide assurance with reduced resources.</p>	<p>Oct 2020 2</p> <p>Oct 2021 2</p>	2	4	<p>Re-assessment of each Partner IA plan to ensure that resources are allocated to correct risks.</p> <p>Flex of plan in year to adapt to new and emerging risks.</p> <p>Evenly allocate DAP resources so that all partners have enough dedicated IA input to enable an assurance opinion to be provided.</p>	<p>Annually.</p> <p>Each Audit Manager</p> <p>Head of DAP &amp; Management Team.</p>

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O3	Failure to work effectively across clients to identify cross cutting themes and issues, and report on best practice that relate to many of the clients – for instance on climate change and environmental considerations.	2	3	6	Managers to educate staff to consider the benefits of partnership working and to learn from partners.  Make best use of supporting networks – e.g. LACAN, Audit Together.	Oct 2020 2	2	4	Ongoing reminders to team (including new starters) of the networks available, and the need to work across all our partners.  DAP Development Forum to cover the issue	Management Team – ongoing  Session planned for Jan 2022
										
O4	Insufficient revenue budgets: a) to deliver service effectively;	2	2	4	“7 year” agreement refers to flexibility for partners, and this provides a good solid base for IA plans.  Contracts with other bodies are more flexible and are “higher risk” but current trend is for an increase in demand, rather than reduction.  Fraud work requires additional buy in from partners and others.  Risk Management – potential to provide such a service in a wider context.	Oct 2020 2	2	4	Annual review with each partner to firm up budget and requirement.  Need to continually meet clients needs / provide professional and “value added” services.  Better buy in secured from County Council. Ongoing work in CTax producing good results .  Regional RM group continues to be a good way to showcase our services.	Ongoing  Quarterly with each client  Further work req'd in 2021/22  RRMG working well. Recent meeting (Sept 2021) had extended invite.
										

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O5	b) – leads to reduce knowledge base	3	3	9	“Pool” of associate staff to provide additional skills.	Oct 2020 3	1	3	Continue to identify additional staff that we can add to our list of “associates”.	Ongoing
					Collaborative working arrangements e.g. Strategic Alliance with Audit West to provide alternate skills.	Oct 2021 3	1	3	Continue to extend additional collaborative arrangements.	Ongoing
					Bring in Apprentices so that we can train and develop them and provide some “continuity planning”.				Use of apprentices / sandwich students to supplement our resources	3 x further apprentices taken on Oct 2021
O6	Failure to adopt “modern auditing techniques” – resulting in lack of confidence.  Reduction in effectiveness of auditing given remote working	2	3	6	Management Team to keep abreast of developments in the wider internal audit world. Awareness of new legislation e.g. Cyber Security	Oct 2020 2	2	4	Continued team and individual professional development.	Annual review Oct 2021.
					Team to be shown how to make best use of home and remote working.	Oct 2021 2	2	4	Annual review of training needs via appraisal process.  DAP Development Forum created – for all staff	Annual appraisals  Continues to work well.

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O7	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.	Oct 2020 2	3	6	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.  Covid and resulting home working, has had a positive impact – sickness levels have reduced as colds and other viruses are not being spread in the office.	Ongoing  Completed Sept 2021
						Oct 2021 2	2	4		
O8	Staff Mental Health and Wellbeing arising from the ongoing need to continue to work from home	3	3	9	Managers require staff to complete H&S assessment to ensure working conditions are appropriate	Oct 2020 3	2	6	One to one sessions.  Regular “team chats” where team building as important as management messages.  Staff survey completed in Sept 2021 – initial results are “positive” in the support being provided to staff.	Since June 2020 and ongoing.
						Oct 2021 2	2	4		

Key to arrows:-20



Risk Increased since Oct 2020



Risk decreased since Oct 2020



Risk unchanged

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