



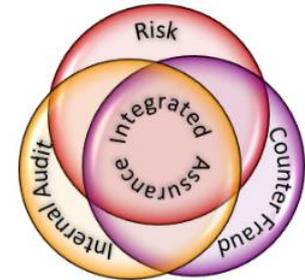
devon**audit**partnership

**Risk Management**

**CIR** Risk Management

AWARDS 2021

*shortlisted*



**Risk Management**

**Update Report**

**November 2021**



**Audit Committee**

**CUSTOMER  
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Support, Assurance & Innovation

## Introduction and purpose of this report

Devon Audit Partnership (DAP) continues to support and facilitate the development of the Council's Risk Management Framework and Processes. This support is designed to assist members, senior management, and staff in identifying risks, recognising, and recording the "true" risk, mitigation thereof and to promote the effective monitoring and reporting of those risks. Audit Committee members are requested to review the movement in the Council's Risk Register since last reported.

## Risk Update

The ongoing Covid-19 pandemic continues to impact on the operations of the Council, most notably in Adult Care and Health and Public Health, although the direct impact on the 'normal operation' of the risk management process in other areas of the Council is reducing. Risks relating to the coronavirus (Covid-19), and its impact, are included within the relevant risk registers.

Other themes underpinning the most recent risk management activity across the Council include updates to Children's and Adult Care and Health risk registers, including to reflect the Council's current financial position and demand for services. As advised in the Risk Management Annual Report 2020/21 (June 2021), a budget book risk register has been established to support the monitoring of risks directly linked to the budget setting process for 2021/22. These risks are now recorded on the risk management system and are currently subject to update by the relevant Head Accountant and service areas leads. These risks will be subject to further update in 2021/22 and a budget book risk register will be retained and updated going forward into 2022/23.

As of 5<sup>th</sup> November 2021, there were 127 risks recorded in the Risk Register. Of these, sixteen risks were initially assessed to have an Inherent status of Very High, with mitigations reducing ten of these risks to High, four to Medium, one to Low; one risk 'Covid 19 pandemic', remains as Very High. Overall, there are thirty-one risks with a Current (Mitigated) Risk Score of High or above, a small extract of which are shown in Appendix A. Budget book risks are not included within these figures, but will instead be included in a future report to Audit Committee, as these risks are progressed and populated.

Notable recent changes in risk scores include several linked to those risks facing Children's Services. There is continued pressure on the SEND (special educational needs and disabilities) budget, where officers are in contact with central government, although the wider funding issues are unlikely to be resolved for some years. For Children's Social Care, the level of demand is high and the ability to respond to the demand is not matched by current capacity; overall increasing the risk profile for the Council.

Details of the most up to date risk position can be seen in the [Power BI Dashboard](#). There has been an increase in the risks "Demand for Children's Social Work", "Demand for Children's Services exceeds the financial provision" and "Education and Learning services budget availability". This is indicative of a high level of risk being managed within the Service Area.

The Adult Care and Health risk register is scheduled for review and re-evaluation by the Adult Care and Health leadership group, including in relation to risk scoring. Risks may therefore be subject to change, and score amendment, in the forthcoming period, including to reflect to current market and financial position, the demand for Adult Care and Health services and the on-going impact of Covid-19.

Occasionally, exceptions occur where risks have a Current (Mitigated) Score that is higher than the initial Inherent (Unmitigated) Score. This happens when the normal circumstances under which risks are scored suffer a temporary but significant change in context, with instances normally rare. It is of note that this inconsistency currently applies to the following risks.

Risk Title	Inherent Score (Unmitigated)	Current Score (Mitigated)
Demand for Children's Social Work - Children's Services	16: High	24: Very High
Insufficient capacity of the High Needs Block to meet demand - Children's Services	20: High	24: Very High
SC1 Education and Learning Services budget availability - Children's Services	18: High	24: Very High
KS22: Capacity challenges and systems complexity in the preparing for adulthood process - Adult Care & Health	15: High	16: High

Additional mitigations may well be required to manage the risks and, in some cases, where there is a permanent change in context, the unmitigated score will also need to be reviewed and updated.

The management and reporting of risk continues to evolve and build on the positive culture of expectation around risk information. This leads to greater interaction and requests for enhancements, further growing levels of reporting, expectation, and an overall improvement in risk management. Risks are now being linked to the Council's objectives (five pillar themes) and prevention/early intervention theme. This information will be used to inform future PowerBI Dashboard reporting.

The [Power Bi Dashboard](#) displays the change in risk scores and overall risk profile for the Council and shows where risks have both increased and decreased, this should provide both insight and assurance to the Committee that the risk management process is continuing to capture and update risks linked to current activities.

Over the coming months and years, the challenging future financial position for the wider UK economy and Public Sector will exert a strong influence on many, if not most, risks that the Council is managing, both existing and those that are yet to emerge. This pressure is already seen in the risk linked to the Council's capacity to deliver services within the existing financial envelope (demonstrated in Appendix A) with a number of risks being linked to increased demand; this is not just in areas such as social care, but also, for example, in the cost of dealing with increased flows of waste.

**Audit Committee Risk Dashboard** - Further information on the current position for existing risks can be found using this [link to Power BI reporting](#). The information within this dashboard is updated from the Risk Register every 7-14 days, providing the most up to date view of data. The Dashboard is evolving to ensure that the information held is presented in a clear and useable format.

## Risk Management 2021/22

Further consolidation and development of Risk Management activity will continue building on the progress made to date. As we move through 2021/22 and beyond the key areas of challenge continue to be ***Demand for Services, Finances, Public Health and Climate Change***. The Council will need to tackle these areas, both in terms of the risks that they pose, and the opportunities that the changing UK context could present in an era of post Covid-19 recovery. Risk Management activity across the Council continues to be focused on these and other emerging areas with planned activity including:

- New Risks (Internal) – Supporting in the prompt and accurate identification of new / emerging risks, as well as determining the impact of such risks and scoring as such.
- New Risks (External) – Gaining insight from other organisations to risks not yet affecting the Council.
- Risk Mitigation – Identification and recording of mitigating controls.
- Risk Reporting – Clear presentation of residual risks to senior management to enable effective and timely decision making to manage risk to acceptable levels.
- Risk Scoring – Continuing work to ensure that there is consistency of risk scoring across all areas, in turn allowing easier comparison and prioritisation of risks and response actions.
- Risk Scoring – The Corporate Risk Management Group met to discuss the consistency of risk scoring and how to improve it further.
- Consideration of global, national, and regional 'external' risks and their impact on the Council, it's service and population. Including with reference to the Institute of Internal Auditors [Risk in Focus 2022 report](#).

## Background – Policy and Process

The [Risk Management Policy](#) includes a description of the Roles and Responsibilities in relation to risk management. In practical terms this results in the submission of Risk Management reports to Members via the Audit Committees, and periodic sharing of risk information to Scrutiny Committees, including where risks cross over different scrutiny functions. To support the reporting to members and to comply with the

Risk Management Policy and best practice, Leadership Group are provided with updates throughout the year.

We provided a risk management training overview session to Scrutiny Committee members in September 2021 and will provide detailed risk management training which is open to all new and existing DCC Members in November 2021.

## **Supporting Appendices**

Appendix A – Extract of a Sample of the Highest Rated Risks (Based on Current Risk Score).

Appendix B – DCC Impact Scoring Guide.

Appendix C – Power BI Extract.

**Appendix A – An extract of a sample of some of the Highest Rated Risks Based on Current (Mitigated) Risk Score.**

Risk Title	Linked Service Area	Inherent Rating	Current Rating	Risk Owner	Accountable Officer
Covid-19 Pandemic	Council-wide - Public Health	30: Very High	24: Very High	Steve Brown	Leadership Group
Climate Change	Planning, Transport and Environment	30: Very High	20: High	Dough Eltham	Dave Black
BI21 - Successful Cyber Attack	Council Wide – Digital Transformation & Business Support	30: Very High	20: High	Martin Lawrence	Gary Dempster
HTM2: Lack of capacity or capability to respond effectively to highway safety related issues	Highways, Infrastructure, Development and Waste	24: Very High	20: High	Ian James	Meg Booth
HTM3: Lack of capacity or capability to effectively respond to extreme weather events	Highways, Infrastructure, Development and Waste	24: Very High	20: High	Joe Deasy	Meg Booth
HR: Health and Safety	Legal Services and Communications	30: Very High	16: High	Simon Bates	Jacky Wilson
HTM1: Deterioration of minor road network due to insufficient maintenance.	Highways, Infrastructure, Development and Waste	25: Very High	16: High	Joe Deasy	Meg Booth
FIN05 - Failure to Prepare or Control Robust Budget	Council Wide - Finance Services	20: High	16: High	Angie Sinclair	Angie Sinclair
FIN39: Failure to deliver priority services as a result of significantly reduced finances	Council Wide - Finance Services	20: High	16: High	Angie Sinclair	Angie Sinclair
Data Protection Breaches	Council Wide – Digital Transformation & Business Support	24: Very High	15: High	Martin Lawrence	Gary Dempster
<b>Children's Social Care</b>					
Insufficient capacity of the High Needs Block to meet demand	Children's Social Care	20: High	24: Very High	Julia Foster	Dawn Stabb
Demand for Children's Social Work	Children's Social Care	16: High	24: Very High	Lisa Bursill	Melissa Caslake
Weaknesses to the current (Multi Agency Safeguarding Hub) MASH IT system and referral form	Children's Social Care	25: Very High	20: High	Lisa Bursill	Melissa Caslake
SC1: Education and Learning Services budget availability	Education and Early Help	18: High	24: Very High	Damien Jones	Dawn Stabb
Insufficient staffing capacity to deliver full Public Health Nursing service offer	Public Health Nursing	25: Very High	16: High	Victoria Howard	Kate Stephens
Demand for Children's Services exceeds the financial provision	Children's Social Care	24: Very High	16: High	Lisa Bursill	Melissa Caslake
<b>Adult Social Care</b>					
KS30: Investment in workforce capacity and skills mix is insufficient to meet the changing nature and intensity of demand	Adult Care and Health	20: High	16: High	Tina Ramage	Keri Storey

**Appendix A – An extract of a sample of some of the Highest Rated Risks Based on Current (Mitigated) Risk Score.**

<b>Risk Title</b>	<b>Linked Service Area</b>	<b>Inherent Rating</b>	<b>Current Rating</b>	<b>Risk Owner</b>	<b>Accountable Officer</b>
TG20: The Council fails to meet its statutory market sufficiency requirement for nursing care.	Adult Care and Health	20: High	16: High	Nicola Tribble	Tim Golby
TG11: The Council fails to meet its statutory market sufficiency requirement for personal care.	Adult Care and Health	20: High	16: High	Nicola Tribble	Tim Golby
KS29: Inability to recruit appropriately qualified adult social care professionals to the in house workforce	Adult Care and Health	20: High	16: High	Tina Ramage	Keri Storey
KS9: The health and wellbeing of working aged adults is at risk of reducing if ASC budgets to meet eligible need does not grow in line with demand	Adult Care and Health	20: High	16: High	Gary Patch	Keri Storey
KS22: Capacity challenges and systems complexity in the preparing for adulthood process	Adult Care and Health	15: High	16: High	Gary Patch	Keri Storey

## Impact Assessment Guide

	Health & Wellbeing	Service Users	Stakeholders	Reputation	Performance / quality standards	Legal	Financial	Pensions & Investments
<b>1</b> Negligible	Insignificant impact on public's health and wellbeing. Very small number of the population affected.	Minimal impact or service disruption to customers. Contained within service area.	Affects only 1 group of stakeholders	Minimal and transient loss of public trust. Contained within the individual service area.	No impact on local standards.	No legal action is anticipated.	Under £25,000	Under £100,000
<b>2</b> Minor	Minor impact on health and wellbeing affecting a small number of the population. Likelihood of fatalities is negligible.	Minor impact to customers and customer. Limited service disruption.	Affects more than 1 group of stakeholders	Slight loss of trust with no lasting impact. Little adverse publicity.	Failure to meet local standards.	Tribunal / DCC legal team involvement required (potential for claim).	£25,000-£100k	£100k - £1m
<b>3</b> Moderate	Significant impact on health and wellbeing affecting a large number of the population. Fatalities not anticipated.	Moderate impact to customers and customer. Moderate service disruption.	Affect 2-3 groups of stakeholders	Moderate loss of trust that receives significant adverse publicity locally with no lasting impact.	Failure to meet national standards.	Defensible legal action anticipated.	£100k - £1m	£1m - £10m
<b>4</b> Major	Significant impact on health and wellbeing affecting large number of the population. Fatalities are anticipated.	Significant impact to customers and customer. Threat of legal action	Affects 4-5 groups of stakeholders	Significant loss of trust and receives local media attention with potential for lasting impact.	Failure to meet professional standards / statutory requirements	Criminal prosecution anticipated and or civil litigation (1 person).	£1m - £10m	£10m - £100m
<b>5</b> Catastrophic	Large impact on health and wellbeing affecting a very large number of the population. Multiple fatalities are anticipated.	Major service disruption. Significant customer opposition. Legal action. Long term public memory	Affects more than 5 groups of stakeholders	Significant loss of trust and receives national media attention with potential for persisting impact.	Sustained failure to meet professional standards or statutory requirements.	Criminal prosecution anticipated and or civil litigation (>1 person).	>£10m	>£100m

1. Choose the relevant columns and note the closest description of potential impact.
2. Then use the score from the most relevant column. For example, if there may be a high financial impact, but the initial impact may be loss of life, choose the Health and Wellbeing Score.

See Accompanying PowerPoint document or click on the version embed below. The [Live link](#) is also in the body of the report above.

Note – This is a point in time extract, not a reflection of the data as it will be at the time of accessing via PowerBI.



Audit Committee  
Dashboard.pdf