



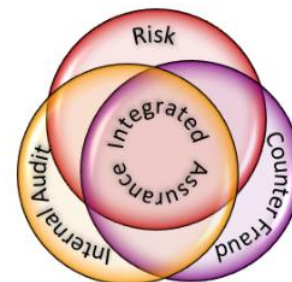
devon**audit**partnership

Risk Management

CIR Risk Management

AWARDS 2021

shortlisted



Risk Management

Update Report

February 2022



Audit Committee

**CUSTOMER
SERVICE
EXCELLENCE**



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. 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. Support has also been provided to the development of new risks related to the Strategic Plan priorities, for which further reference is included below.

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.

We have been working with the Director of Finance to ensure that the process for monitoring Budget Book risks is robust and efficient. Budget book risks are not included within these figures but they can be seen in the PowerBI Dashboard, and will be included in reporting to the Committee from 2022/23.

As of 8th February 2022, there were 129 risks recorded in the Risk Register. Of these, twenty risks were initially assessed to have an Inherent status of Very High, with mitigations reducing nine of these risks to High, five to Medium, one to Low; five risks remain as Very High. Overall, there are thirty-five risks with a Current (Mitigated) Risk Score of High or above, a small extract of which are shown in Appendix A.

We will be working over the coming months on aligning existing and new risks to the priorities set out in the recently approved DCC Strategic Plan, in addition to supporting the regular review of risks against the specified priorities as part of the existing strategic plan review framework.

A recent management review of the Adult Care and Health risk register has resulted in risk amendments. Risks are now organised by sectors and risk area and include referencing relating to areas of management responsibility. Key risk areas include delivery of Statutory duties, demand, budget, workforce pressures and market sufficiency. Details of the most up to date risk position can be seen in the [Power BI Dashboard](#).

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 and there are less than at the point of the last Audit Committee.

Risk Title	Inherent Score (Unmitigated)	Current Score (Mitigated)
Insufficient capacity of the High Needs Block to meet demand - Children's Services	20: High	24: Very High
Demand for Children's Social Work - Children's Services	16: High	24: Very 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, where the above continue to remain as exceptions, we will work with the relevant Risk Champion to restructure the risk to reflect any "new normal" circumstances.

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.

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.

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 continues to build 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.

In support of the Council's activity relating to How We Work post the Covid-19 pandemic, we have recently provided a high-level information paper relating to the risks and opportunities associated with remote working to the Chair of the Audit Committee. The paper notes that

- The current message from Leadership Group and the Council's Chief Executive remains to continue to work from home where possible, to help reduce the spread of Covid-19.
- Remote working does not apply to many of the Council's front line services, where officers have and continue to work with individuals, families and in the community to deliver Council services.
- For staff that need to work from a Council office, safe working practices and Health & Safety risk assessment requirements apply.
- Service area risks relating to service delivery, business continuity and other areas such as staff development and training will refer, and the impacts (including opportunities) resulting from remote working arrangements where these apply are taken into consideration by service leads.
- Risks are mitigated at service area and team level, in conjunction with corporate guidance and advice to line managers. Mitigations in place include measures to keep staff members connected, the provision of health and well-being support to staff, the provision of technology to enable effective communication when working remotely, and the provision of on-line training, induction and HR processes.

We are also aware of work that is underway, as part of How We Work, in consideration of identifying and managing the risks (and opportunities) associated with officers returning to Council offices, including in relation to the impacts on individuals, the environment, and financial implications for the organisation.

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. This will include alignment of risks to the Council's Strategic Plan 2021-25 priorities, and associated reporting.
- 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. In particular we are

looking to develop a Corporate Multiplier approach and will brief the committee on this at a future meeting.

- 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 reference to the [World Economic Forum Global Risks Report 2022](#)

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. The Policy will be reviewed in 2022/23 and the committee updated on any changes.

We provided a risk management training overview session to Scrutiny Committee members in September 2021 and detailed risk management training to 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	Public Health	30: Very High	24: Very High	Steve Brown	Leadership Group
Climate Change	Council-wide - 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
HR: Workforce Recruitment and Retention	Human Resources	20: High	20: High	Samantha Mullins	Leadership Group
FIN39: Failure to deliver priority services as a result of significantly reduced finances	Council Wide - Finance Services	20: High	20: High	Matthew Thorpe	Angie Sinclair
FIN05 - Failure to Prepare or Control Robust Budget	Council Wide - Finance Services	20: High	16: High	Matthew Thorpe	Angie Sinclair
Mental Health Issues and Absence	Council Wide - Human Resources	18: High	15: High	Kim Traynor	Jacky Wilson
Adult Social Care – Key Theme shows as Statutory Duties, Demand and Capacity					
CSLT-PC1 – The council fails to meet its Care Act market sufficiency duty for personal care	Adult Commissioning and Health	30: Very High	25: Very High	Nicola Tribble	Tim Golby
CSLT-CH1 - The council fails to meet its Care Act market sufficiency duty for care homes	Adult Commissioning and Health	30: Very High	25: Very High	Nicola Tribble	Tim Golby
OSLT-D4 - Insufficient financial resources to support people with eligible social care needs	Adult Care Operations and Health	25: Very High	25: Very High	Keri Storey	Jennie Stephens
CSLT-D1 - Changes in demand for services post-pandemic destabilise the market for adult social care	Adult Care Operations and Health	24: Very High	24: Very High	Nicola Tribble	Solveig Sansom
OSLT-CM5 – Challenge in recruiting appropriately qualified adult social care professionals to the in-house workforce	Adult Care Operations and Health	20: High	16: High	Tina Ramage	Keri Storey
CSLT-D2: Insufficient financial resources to meet increased demand for advocacy resulting from Liberty Protection Safeguards (LPS) legislation	Adult Commissioning and Health	20: High	16: High	Paul Giblin	Solveig Sansom
CSLT-UC1 - The council fails to meet its Care Act market sufficiency duty for Supported Living and Community Enabling Services	Adult Commissioning and Health	20: High	16: High	Nicola Tribble	Tim Golby
CSLT-CH2 - The council fails to meet its Care Act market sufficiency duty for care home places for people with dementia and complex care needs	Adult Commissioning and Health	20: High	16: High	Nicola Tribble	Tim Golby
OSLT-CM1 Failure of the Authority to meet its statutory obligations under The Deprivation of Liberty Safeguards (DoLS)	Adult Care Operations and Health	18: High	15: High	Sandra Geary	Gary Patch

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
Children's Social Care – Key Theme shows as Demand and Capacity					
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	20: High	20: 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
Failure to adhere to the statutory SEND Code of Practice: 0 to 25 Years	Education and Early Help	16: High	16: High	Julia Foster	Dawn Stabb

Impact Assessment Guide

	Health & Wellbeing	Service Users	Stakeholders	Reputation	Performance / quality standards	Legal	Financial	Pensions & Investments
1 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
2 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
3 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
4 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
5 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

Please note that the data contained within the above pdf extract is representational. Please view the Power BI link for full risk information.