

Agenda Item No 4(g)

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

27 May 2020

Report of the Director of Finance and ICT

Annual Strategic Risk Register Review

1 Purpose of the Report

To advise Members of the outcome of the Strategic Risk Register review and the updated 2020-21 Risk Strategy together with the implementation plan.

2 Information and Analysis

Strategic Risk Register

The Council undertakes regular reviews of risks and the latest detailed assessment of the highest ranking risks forms the Council's Strategic Risk Register.

The Risk Register is a means by which the Council identifies, monitors and manages risks, and it is also used to inform the budget process. Risk mitigation measures do not always involve a financial requirement, but many do, and budgetary provision, financial reserves and provisions are made accordingly, taking account of Council priorities and available funding.

The Risk Register is designed to capture strategic risk which by its nature has a long time span.

The Risk and Insurance Manager undertook a wholesale review into the Strategic Risk Register with regards to appearance and content with the Strategic Risk Management Group on 30 January 2020.

It was agreed that some of the content needed to be reviewed to align with the current Council Plan and that the format could be improved to provide greater ease of understanding of the mitigations that the Council is undertaking. This work is currently ongoing.

The Coronavirus has widespread implications across Derbyshire and will affect the ability to provide services to our citizens. Detailed actions with

regards to the Covid-19 is encompassed within the section on Business Continuity risk mitigations.

A new format was suggested which is attached in Appendix B for the Audit Committee's consideration and agreement. The register has been updated and reflects current strategic risks. The risks noted require a further workshop to identify the mitigations and owner of each risk. This work will be carried out in the coming few months by the new Senior Risk Officer following appointment to that post.

The register highlights the Council's ongoing business continuity arrangements in responding to the Coronavirus outbreak.

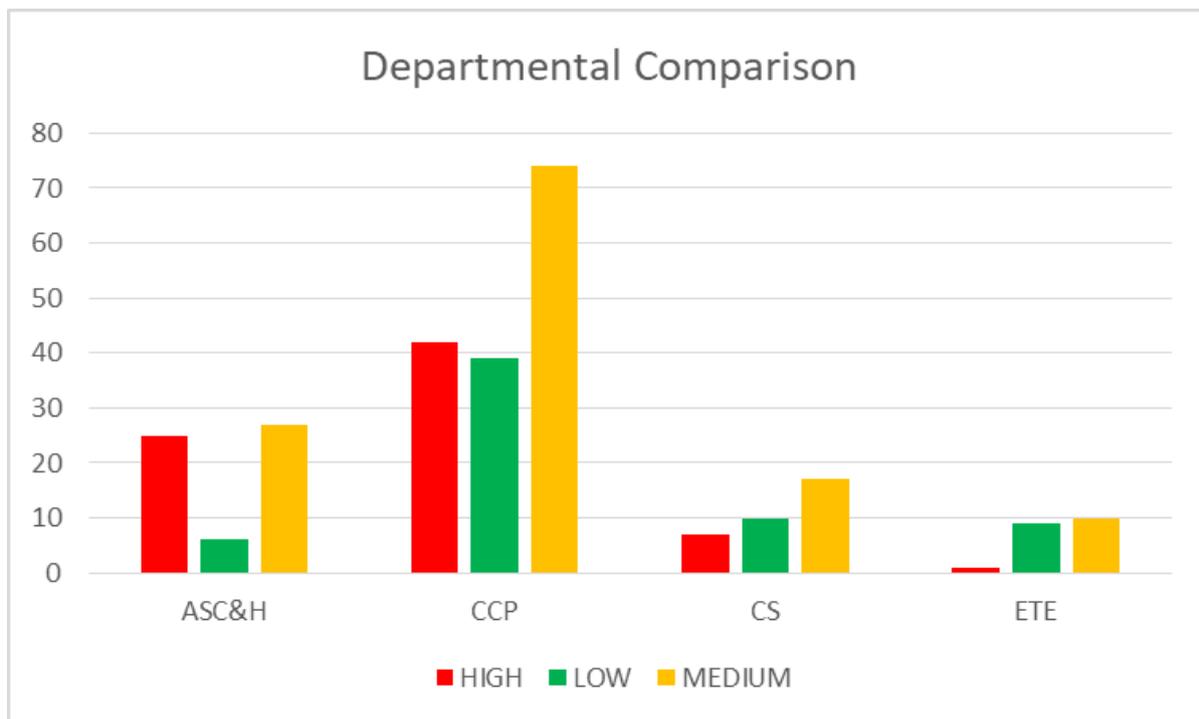
Appendix C shows the Strategic Risk Register in its previous format but is provided as a reference point to demonstrate the mitigations that are in place for the risks identified in Appendix B. A summary of changes is shown at Appendix A.

Subject to agreement of the revised format by Audit Committee, the updated format will be presented to the next meeting, together with completed mitigations for each of the identified Strategic Risks.

COVID-19 Risk Register

The Council has compiled a risk register specific to the COVID-19 pandemic in order to actively manage the risks that this has presented. The COVID specific risk register is contained in Appendix E, however, a summary is detailed in the tables below.

Rating	ASC&H	CCP	CS	ETE	DCC Wide Grand Total
HIGH	25	42	7	1	75
LOW	6	39	10	9	64
MEDIUM	27	74	17	10	128
Grand Total of Risks	58	155	34	20	267



Risk Management Strategy

The Risk and Insurance Manager has updated the Risk Strategy and implementation plan which was approved by Cabinet on 16 March 2020.

The Strategy has been comprehensively reviewed to ensure that the Risk Strategy supports the aims of the Council and provides a framework for departments to produce considered decisions that are based upon awareness of the risks involved rather than being risk adverse.

The Strategy will assist the Council in practising good corporate governance by reducing risk, stimulating performance throughout the Council, enhancing services, Value for Money and improving leadership, transparency and social accountability.

How successful the Council is in dealing with the risks it faces can have a major impact on the achievement of our key objectives and service delivery to the community. This Strategy will help support the corporate agenda and underpin the key Council Plan objectives.

The Risk Strategy has undergone a significant overhaul to enable the Derbyshire's transition to an enterprising model. As risk changes through the evolution of the Council Plan, it is vital to ensure that the risk model is fit for purpose and in line with these altering opportunities and hazards. This will enable the Council to be aware of the risks and opportunities that are presented within a clear framework of assessment and identification.

As the Council is committed to adopting best practice in its management of risk, the Strategy is designed to ensure risk is of an acceptable and tolerable level in order to maximise opportunities. The Strategy will also assist the Council to demonstrate it has full consideration of the implications of risk and

the mitigations required to ensure the delivery and achievement of the Council's outcomes, strategic aims and priorities.

The Council will adopt an open approach to risk and strive to be risk aware. Being prepared to accept risk at a tolerable level that can be managed and mitigated whilst ensuring that the most vulnerable are protected and there is increased collaboration with our partners, communities and residents.

The implementation plan sitting behind the strategy is ambitious and seeks to raise the Council's CIPFA benchmarking ranking from mainly at Level 1 "Engaging" to Level 4, "Embedded and Working" by 2022 which is detailed over pages 20 and 21 of the report.

The 2020-21 Risk Strategy is attached in Appendix D for information.

3 Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

4 Officer's Recommendation

That Audit Committee:

- a. notes the updated Strategic Risk Register and approves the revised format;
- b. notes the details of the revised Risk Management Strategy;
- c. notes the COVID-19 risk register.

PETER HANDFORD

Director of Finance & ICT

Strategic Risk Register – Summary of Changes

The risk register has been updated to account for the new Council Plan priorities and values.

There are a number of risks that have been re-evaluated and amalgamated or moved to an overarching risk description.

Risk Identifier	Previous Description	New Description	Comments	Link to Council Plan
2011/10	Looked after Children	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	<ul style="list-style-type: none"> • High performing Council Services
2011/12	Continuing Healthcare	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	<ul style="list-style-type: none"> • High performing Council Services
2011/22	Central Government Reform	Influence of external political influences	The risk category was widened to enable the Council to plan and mitigate for external political and policy decisions that may impact upon our services.	<ul style="list-style-type: none"> • High performing Council Services

2011/8	Implementation of Self Directed Support in line with the Personalised Care Agenda	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	<ul style="list-style-type: none"> • High performing Council Services
2012/1	Information Governance, Cyber and Social Media	Failure to comply with GDPR regulations and ICT resilience	The risk was changed to encompass the whole risks surrounding information governance and cyber protection.	<ul style="list-style-type: none"> • High performing Council Services
2011/14	Residential Care	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	<ul style="list-style-type: none"> • High performing Council Services
2011/6	ICT Infrastructure & Systems	Failure to comply with GDPR regulations and ICT resilience	Risk incorporated with 2012/1 2018/03.	<ul style="list-style-type: none"> • High performing Council Services
2013/2	Impact of Welfare Reform	Increase in demand in Council Services	The Strategic Risk Group believes that there should be an overarching risk to enable the Council as a whole to respond and manage an increase in demand for services.	<ul style="list-style-type: none"> • High performing Council Services

2018/03	GDPR	Failure to comply with GDPR regulations and ICT resilience	Risk incorporated with 2012/1 and 2011/6.	<ul style="list-style-type: none"> • High performing Council Services
2019/01	Brexit Planning	Influence of external political influences	The risk category was widened to enable the Council to plan and mitigate for external political and policy decisions that may impact upon our services.	<ul style="list-style-type: none"> • High performing Council Services

Summary of Risks Which Will No Longer Appear on the Register

Risk Identifier	Description	Impact
2011/18	Provision of services to schools	This risk was reclassified as a Departmental risk
2011/21	Collective Challenge under Judicial	This risk was reclassified as a Departmental risk
2015/03	D2N2	This risk was reclassified as a Departmental risk

Departmental Risk Registers

New Risks on Departmental Registers scoring over 12

Dept	Dept Risk Identifier	Description	Impact	Score	Link to Strategic Risk	Impact on Council Plan
ASC&H	20	Shortfall in community transport to maintain services	Potential of increased injury to stakeholders through insufficiently trained staff/stakeholders unable to access services	15	2011/9 Protection of Children and Vulnerable Adults	<ul style="list-style-type: none"> High quality personalised services
ASC&H	21	Increased financial liability for LA as a result of review of S117 of the MH Act		12		<ul style="list-style-type: none"> Good use of public money
ASC&H	22	Expansion of non-regulated PA workforce increases exposure of service users to risk		12		<ul style="list-style-type: none"> High quality personalised services
ASC&H	23	Failure to deliver the programme of work leading to increased cost, risk and insufficient capacity		15		<ul style="list-style-type: none"> Good use of public money
ASC&H	24	Failure to learn from events where something went wrong resulting in loss of public trust on processes and political		15		<ul style="list-style-type: none"> High quality personalised services

		trust in ASC				
ASC&H	25	Failure to manage money effectively in Derbyshire Deputyship service		15		<ul style="list-style-type: none"> • Good use of public money
ASC&H	26	Failure to pursue making people safe where people appear to have capacity to choose not to engage		15		<ul style="list-style-type: none"> • High quality personalised services
ASC&H	27	Failure to respond to need in a timely way		15		<ul style="list-style-type: none"> • High quality personalised services
ASC&H	28	Failure to comply with all regulatory requirements		20		<ul style="list-style-type: none"> • High quality personalised services
ASC&H	29	Failure to enact good safe practice in P&P and safeguarding (audits and supervision)		15		<ul style="list-style-type: none"> • High quality personalised services
ASC&H	30	Failure to respond to carers needs		12		<ul style="list-style-type: none"> • High quality personalised services

Risks on Departmental Registers Increasing scoring above 12

Dept	Dep't Risk Identifier	Description	Impact	Old Score	New Score	Link to Strategic Risk	Impact on Council Plan
Public Health	PH8/18	Lack of signed contract with Northamptonshire County Council to provide Ocitgo IT solution. System will no longer be available after 31.03.19	DCC will not be indemnified in respect of a breach of data; system cannot be used for reporting.	15	25	2012/1 Information Governance, Cyber and Social Media	<ul style="list-style-type: none"> High performing Council Services
Public Health	PH05/15	Difficulties in accessing NHS and public health information due to new organisational arrangements and information governance barriers	Potentially resulting in inappropriate resource allocation or commissioning decisions based on incomplete data.	9	12	2012/1 Information Governance, Cyber and Social Media	<ul style="list-style-type: none"> High performing Council Services
ETE	2017/7	Failure to meet waste management targets following delays in completion of the Household Waste Recycling Centers in Derbyshire	Financial and potentially reputational should the centre fail to be commissioned	12	25	2011/2 Failure to meet waste management targets	<ul style="list-style-type: none"> High performing Council Services.
CCP	01	Maintaining (including servicing) and providing property in safe, adequate and suitable	Risk of breach of Duty of Care under the Health & Safety at Work Act 1974 leading to prosecution of	16	20	2012/2 Maintenance of Assets	<ul style="list-style-type: none"> High performing Council

		condition.	Officers under the Corporate Manslaughter and Homicide Act 2007 to employees and others working for us, occupiers of premises owned by us and the wider public. High risk that damage to property or injury death to service users/public/staff will be uninsured.				Services.
CCP	28	Traded Services non-Schools: All services fully or partly trading are under pressure to continue to achieve reductions in costs as well maintain or increase income	The reduction in resource will lead to impaired service delivery and a potential reduction in traded income.	9	12	2011/18 Provision of services to schools	<ul style="list-style-type: none"> High performing Council Services
CCP	29	Traded Services Schools: All services fully or partly trading are under pressure to continue to achieve reductions in costs as well maintain or increase income	The reduction in resource will lead to impaired service delivery and a potential reduction in traded income.	12	16	2011/18 Provision of services to schools	<ul style="list-style-type: none"> High performing Council Services