

Regulation, Audit and Accounts Committee

22 July 2019

Quarterly Review of the Corporate Risk Register

Report by Director of Finance, Performance and Procurement

Executive Summary

This Committee has responsibility for oversight of the Council's risk management arrangements.

One risk has been removed and four risks included; one of which was escalated from a directorate risk register. In addition, the risk severity surrounding financial sustainability has increased and failure of social care provisions has decreased.

The Council's risk governance has been amended to reflect the changes resulting from the recent organisational restructure. Risk will continue to be considered and discussed as part of a performance review by ELT; with a report capturing risks with a severity above the tolerance threshold, submitted monthly to Cabinet (via ELT).

The Risk Management in Practice course is now in the design phase, with the first delivery of the course aiming to be delivered by October.

Internal Audit conducted a review of risk management and the Council were found to be 'Adequate'. All observations have been completed, with any amendments to the risk management strategy completed as part of the annual review.

Recommendations

The Committee is asked to review the information detailed in the report, the current Corporate Risk Register and revised risk management strategy, and provide comment as necessary.

1. Introduction

- 1.1 The Committee has responsibility 'to monitor the effective development and operation of risk management in the County Council'. That role, together with a description of the Council's approach to risk management, is set out in the Constitution at Part 4 Section 4. It covers the allocation of responsibilities, including the quarterly review of risk management activity.

2. Background and Context

2.1 At the Jan 2019 meeting this committee reviewed the corporate risk register and risk management processes. The committee were informed of changes to the corporate register from the previous quarter and approved the inclusion of a table in the report highlighting the most significant directorate risks across the Council. The committee were also made aware of the current status of risk training and education.

2.2 During the preceding quarter there have been the following changes to the corporate risk register.

- Corporate risk #60 – HMIC FRS Improvement Plan
 - New risk
 - Risk owner – Chief Fire Officer
- Corporate risk #61 – Death/serious injury of a child (Council failing in their duty)
 - New risk
 - Risk owner – Director of Children and Family Services
- Corporate risk #62 – WSCC lose operational control of Children’s Services
 - New risk
 - Risk owner – Director of Children and Family Services
- Corporate risk #63 – Highways procurement litigation
 - New risk
 - Risk owner – Director Law and Assurance
- Corporate risk #54 – Child safeguarding
 - Removed from CRR – Closed (BAU)
- Corporate risk #22 – Financial sustainability of council services
 - Impact and likelihood increased from 4 to 5 due to financial implications resulting from the Ofsted report
- Corporate risk #58 – Failure of social care provisions
 - Likelihood decreased from 5 to 4 due to completed actions

2.3 As a result of the recent organisational restructure, the following risk governance changes have taken place.

- Economy, Planning and Place risk register archived
- Property & Assets risk register created
- Chief Executives Office risk register created
- Commissioning risk register created

2.4 The following table summaries risks on the corporate risk register with a severity graded above the tolerance threshold (15) are as follows:

Risk No	Risk	Score - Prev Qtr	Score
CR22	Financial sustainability	20	25
CR61	Death/serious injury of a child (Council failing in their duty)	New	25
CR62	WSCC lose operational control of Childrens Services	New	25
CR39a	Cyber-security	20	20
CR58	Failure of social care provisions	25	20
CR60	HMIC FRS Improvement Plan	New	20

CR1	Non orderly Brexit	16	16
CR11	Recruit and retain staff	16	16
CR36	Third party suppliers failure to ensure that contractors perform or operate safely, or to ensure compliance with contract terms and prices	16	16
CR50	Insufficient health & safety governance	16	16
CR59	Transformational pace and cultural change	16	16

2.5 The risks with a severity of 25 on directorate risk registers are as follows:

Risk	Directorate	Reason for Directorate Ownership
Reduction in Adult Services annual budget	Adult Social Care	Manageable within directorate. Monitored and reported to People Services DLT monthly.
Excessive caseloads	Children and Family Services	Manageable within directorate. Risk exposure expected to decrease below threshold within reasonable timeframe. Monitored by the Childrens Improvement Board.
High turnover of staff and use of agency staff	Children and Family Services	Manageable within directorate with communication across other business areas. Resourcing theme captured within CR11. Monitored by the Childrens Improvement Board.
Availability and affordability of accommodation-based services purchased from the external market	Children and Family Services	Manageable within directorate. Risk exposure expected to decrease below threshold within reasonable timeframe.
CLA service performance and outcomes are below expectation	Children and Family Services	Manageable within directorate with communication across other business areas. Monitored by the Childrens Improvement Board.
Meal price increases above the national funding level.	Education and Skills	Transferred to individual schools to manage. Robust support and monitoring to be carried out.
NFF (Block DSG) implementation will result in an increased number of schools with financial difficulties	Education and Skills	Manageable within directorate. Risk exposure expected to decrease below threshold within reasonable timeframe.

2.6 Transformation and Capital Programme risks are reported through their respective programme boards. There is ELT representation on each of these boards; ensuring that significant concerns to the successful delivery of the programmes and/or associated projects are discussed, communicated to ELT and reflected in the corporate risk register if required. Any significant concerns regarding the successful completion of the Transformation Programme will be captured within CR59.

2.7 The directorate risk registers have been reviewed at least monthly by each Director and their management team, with support from the Corporate Risk Manager where required. The Corporate Risk Manager has continued to engage monthly with CLT members to discuss owned corporate risks, and quarterly to provide assurance on directorate risks and governance.

- 2.8 The risk management eLearning course is embedded in the induction module for new staff, and annual refresher training. Risk management Lunch 'n' Learn sessions continue to receive positive feedback and has been extended to March 2020. The Corporate Risk Manager is currently designing the package of training for the 'Risk Management in Practice' course. Once completed, a pilot course will be conducted with the first delivery of the course aiming to be delivered by October 2019 (depending on feedback/amendments).
- 2.9 The quality and currency of information contained in the corporate and directorate risk registers will continue to be reviewed and updated. Ensuring risk owners identify specific action owners and completion dates is encouraging risk discussion, awareness and ownership; providing assurance of proactive management of risk. This is being supported by the current risk training being delivered, and enhanced further by the Corporate Risk Manager facilitating risk workshops across service areas.
- 2.10 Internal Audit conducted a review of Risk Management in order to seek assurances on the culture and embeddedness of risk management processes. The Council were found to be 'Adequate'. The table below summarises their observations and the current status of each.

Observation/Risk	Action	Action Target Date	Status
The authority may not have full oversight of risk across all services / operations	EPP risk register archived. Temporary risk governance framework in the EIE until the Property and Assets directorate is formed.	25 Mar 2019	Complete
	Corporate Risk Manager attends all SMT's quarterly.	31 May 2019	Complete
	Corporate Risk Manager attends all DLT's monthly.	21 Mar 2019	Complete
The authorities full risk portfolio is not reported in its entirety	RAAC report will now include the key directorate risks. ELT will now review key Transformation and Capital programme risks regularly.	31 Jul 2019	Complete
The authority may be unable to demonstrate it has considered risk sufficiently in the decision making process	The Risk Management Strategy will be revised to incorporate reference to the decision making guidance.	31 Jul 2019	Complete
	The Corporate Risk Manager will discuss decision making governance with Democratic Services, with a view to ensuring that guidance clearly captures the requirements to identify risks and mitigations within the decision report.	31 Jul 2019	Complete. Recommendations passed to Democratic Services and signed off by Director of Law and Assurance.

- 2.11 An annual review of the WSCC Risk Management Strategy (Appendix 2) has been conducted, with several amendments carried out. These changes can be seen on page iv of the strategy (Documents Amendments History). The committee are requested to review and provide comment as necessary.

2.12 Activities the Corporate Risk Manager is going to carry out/continue with this quarter, to ensure continuous improvement and alignment with best practice.

- Continue to attend the Sussex Resilience Forum Risk Group to maintain visibility on National Risks that may impact WSCC and require inclusion on Corporate Risk Register
- Attend the South East Risk Managers Group to share best practice of risk management in the public sector across various local authorities
- Attend appropriate seminars held by professional bodies e.g. Alarm
- Support projects and programmes to provide assurance and support on robust governance
- Engage and support service managers and their teams on capturing and communicating risk
- Continue to engage with Transformation and Capital Programme to ensure and support consistent organisational risk governance

2.13 The Committee is asked to consider the Corporate Risk Register and future actions and provide comment as necessary.

3. **Equality Impact Report**

3.1 An Equality Impact Report is not required for this decision as it is a report dealing with internal and procedural matters only, although the Council's responsibilities in relation to the public sector equality duty will be one element of the approach to risk management.

4. **Resource Implications and Value for Money**

4.1 At this stage, there will be no additional resources required to facilitate the embedding of risk and future actions as current support within the organisation is sufficient. The Corporate Risk Manager is conducting risk workshops in existing management meetings, and delivering risk training sessions during lunch periods to mitigate resource and scheduling conflicts.

5. **Risk Management Implications**

5.1 The subject of the report is the CRR. It would be contrary to the interests of the Council not to ensure that its risk management processes and registers were not aligned to Risk Management Strategy.

6. **Crime and Disorder Act Implications**

6.1 None.

7. **Human Rights Act Implications**

7.1 None.

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Appendices

Appendix 1 - Corporate Risk Register

Appendix 2 - WSCC Risk Management Strategy

Background Papers

None