

# **Regulation, Audit and Accounts Committee**

**5 November 2018**

## **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.

A new risk regarding failure of social care provision has been added to the corporate risk register. In addition, the risk severity surrounding compliance with new data protection legislation has reduced due to the completion of planned mitigating actions. The partnership risk of operating essential services and interfaces has been de-escalated to the CAFHE directorates.

Risk will now be considered and discussed as part of a performance review by Executive Leadership Team (ELT). This report highlights the mitigating actions that have been completed, current and target risk exposure by severity, and their progress; and risk subjects for consideration.

The risk management eLearning course is progressing and a completion date of December 18 has been agreed. Risk management Lunch 'n' Learn sessions have been designed and will be delivered at four locations across the county, every quarter. These events will run for a year; however it is anticipated that they will remain on the risk management course programme as an introductory course once the foundation course has launched. Two bespoke risk workshops have been conducted this quarter; to a directorate management team and a complete directorate as part of their away day.

An amendment/addition was made to the County Council Risk Management Strategy to provide guidance on escalation and de-escalation of directorate risks.

#### **Recommendations**

The Committee is asked to review the information detailed in the report, the current Corporate Risk Register 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 July 2018 meeting this committee reviewed the corporate risk register and risk management processes. The Corporate Risk Manager presented the new format risk register which was recently introduced and is now being used throughout the Council. The committee were also informed of the developments regarding risk information management and 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.

- New Corporate risk #58 – Social care failure
- Corporate risk #34 – Operating essential services and interfaces with partners
  - De-escalated from corporate risk register to CAFHE directorate risk registers
- Corporate risk #12 – Demographic needs and demands for social care
  - De-escalated from corporate risk register to CAFHE directorate risk registers
- Corporate risk #9a – Organisational restructuring
  - De-escalated from corporate risk register to HR & OC directorate risk register
- Corporate risk #9b – Governance of internal partners and contractors
  - De-escalated from corporate risk register to HR & OC directorate risk register
- Corporate risk #9c – Governance of external partners and contractors
  - Removed from corporate risk register as CR36 captures concerns
- Corporate risk #39b – Non-compliance with new data protection legislation
  - Current score reduced from 16 to 12 (Likelihood reduced from 4 to 3)
- Corporate risk #55 – Adult safeguarding failure
  - Current score reduced from 20 to 15 (Likelihood reduced from 4 to 3)
- Corporate risk #53 – Asset management
  - Risk ownership changed from Director of Economy, Planning and Place to Director of Energy, Waste and Environment

2.3 Since the last committee meeting the corporate risk register has been reviewed once by ELT. In addition a risk report has been included within the performance pack, which is reviewed monthly at ELT. This report highlights the mitigating actions that have been completed, current and target risk exposure by severity, and their progress; and risk subjects for consideration. The risks on the corporate risk register with a severity graded above 15 (above tolerance threshold) are as follows:

<b>Risk No</b>	<b>Risk</b>	<b>Score</b>
CR56	LGA Peer Review of Adults' Services	25
CR57	Backlog of Deprivation of Liberty Safeguards (DoLS) assessments	25
CR58	Failure of social care provisions	25
CR14	Lack of capacity or competition	20
CR39a	Cyber-security	20
CR1	Brexit	16
CR11	Recruit and retain staff	16
CR18	Limited cost consciousness and immaturity in benchmarking and trend analysis in social care	16
CR36	Third party suppliers failure to ensure that contractors perform or operate safely, or to ensure compliance with contract terms and prices	16
CR42	Ageing IT infrastructure	16
CR50	Insufficient health & safety governance	16
CR53	Asset management	16
CR54	Child safeguarding failure	16
CR55	Adult safeguarding failure	15

2.4 Recent events have brought to the fore the need for the Authority to more actively manage our relationship with suppliers. Officers are currently working with our credit reference agency (Creditsafe) to develop a report that will give early notice of changes in our suppliers credit rating. Whilst, at the margins, these indicators can be volatile continued monitoring will establish any trends in the deterioration of a suppliers credit worthiness and allow early interventions and contingency plans to be put in place. Any issues that arise from the analysis of this data will be reviewed monthly and reported as part of a standing item at Procurement Board. The financial review of suppliers can be found at Appendix B.

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

2.6 A completion date for the risk management e-learning course has been agreed for December 18. Risk management Lunch 'n' Learn sessions have been designed and will be delivered at four locations across the county every quarter. The first session took place in October. These events will run for a year; however it is anticipated that they will remain on the risk management course programme as an introductory course once the foundation course has launched. Two bespoke risk workshops have been conducted this quarter; to a directorate management team and a complete directorate as part of their away day.

2.7 An amendment/addition was made to the County Council Risk Management Strategy which provides guidance on escalation and de-escalation of directorate

risks. At present risks are discussed at directorate monthly management team meetings; however this amendment provides further direction on adding or removing risks from the directorate risk register, or escalating to the corporate risk register. The Corporate Risk Manager will be invited to attend these meetings to support risk discussions, provide guidance and support, and advise on escalation.

2.8 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.

2.9 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

2.10 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.

### **Katharine Eberhart**

Director of Finance, Performance  
and Procurement

**Contact:** Katharine Eberhart, 0330 2222 087

### **Appendices**

Appendix A - Corporate Risk Register

Appendix B – Financial Review of Suppliers

### **Background Papers**

None