

Risk Management Progress Report

Contents

	Page
Introduction	1
Key Messages	1
Update on the Strategic Risk Register	2-4
Assisting the Council to develop a culture of being “creative & aware of risk”	4-7
Looking forward in risk management	7
Appendices	8-10
Appendix 1 – Directorate top 5 risks as at 31.05.2015	
Appendix 2 – Strategic risk register	

Contact Details:
Debbie Bowring



County Offices, Newland, Lincoln, LN1 1YG
☎:01522 553772 📧 debbie.bowring@lincolnshire.gov.uk

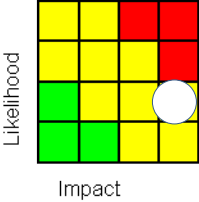
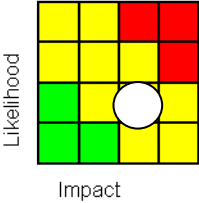
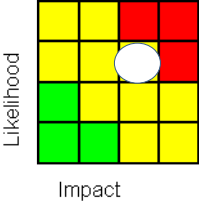
Introduction

- The purpose of this report is to provide an update on:
 - the key strategic risks facing the Council
 - the activities being undertaken to support the Council in developing a culture of being 'Creative & Aware of Risk'¹.

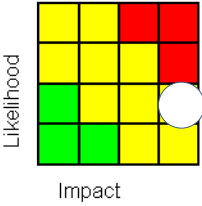
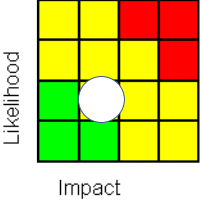
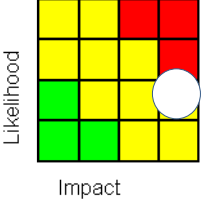
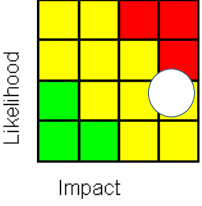
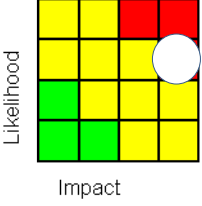
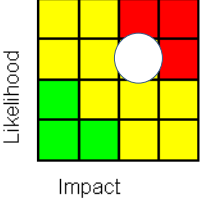
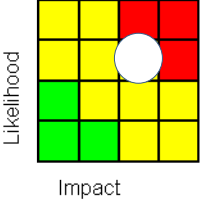
Key Messages

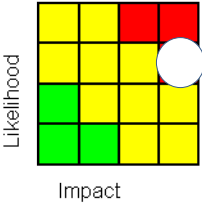
Our Strategic Risks

- Over the past couple of months, we have undertaken updates from the various risk owners against the strategic risks to gain an assurance that these are being managed effectively.
- Our Strategic Risk Register includes 11 risks – these are

Risk	Current Risk	Assurance
Safeguarding – Safeguarding Children		Substantial
Safeguarding – Safeguarding Adults		Limited
Resilience (Business Continuity) – Capacity & resilience to responding to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery		Limited

¹ The Council wishes to be creative and open to considering all potential delivery options, with well measured risk taking whilst being aware of the impact of its key decisions.

Market Supply Adult Care – Adequacy of market supply to live within budget		Limited
Projects – Ability to deliver our major designated projects		Substantial
Budget – LCC – Funding and maintaining financial resilience		Substantial
Governance – Maintenance of effective governance arrangements including the way we implement transformational change and decisions affecting service delivery		Substantial
Recruitment / Staffing –Ability to recruit & retain staff in high level areas		Limited
Strategic contracts – Ensuring contracts are fit for purpose in the Commissioning Agenda		Limited
Governance – Effective implementation of the Agresso system to ensure good Financial and HR systems		Limited

<p>Cyber Security – A broad spectrum of internal and external threats, which seek to negatively impact the confidentiality, integrity or availability of an information system and/or the information residing therein.</p>		<p>Limited</p>
--	--	----------------

Operational (Tactical) risks

5. The Corporate Risk & Safety Steering Group met on 3rd March 2016 and an update was provided on the operational risks via the chairs of the various groups.
6. The dashboard approach enables the Council to maintain an oversight of its Directorates risk and safety performance. It recognises that there is no single reliable measure of risk and safety performance, opting instead to use a 'basket' of measures to provide information on a range of key risk and safety activities which can be tracked over time to assess overall performance.
7. The 'Risk' element of each dashboard focuses purely on what are considered to be the - biggest (tactical) risks for the 'Directorates'. It also acts as an early warning mechanism for any emerging big risks requiring escalation to the Strategic Risk Register.
8. A summary of each Directorates 'Top 5' risks can be seen in *Appendix 1* from which the following key messages can be drawn:
 - Almost all areas have identified having a tactical risk around 'people', e.g. Inability to retain/recruit skilled & motivated staff, a risk which is echoed within the Strategic Risk Register;
 - Almost all areas have identified having a tactical risk around 'budget and lack of future finances to deliver services', a risk which is echoed within the Strategic Risk Register;
 - There are no tactical risks requiring escalation to the Strategic Risk Register or CMB at the present time.
 - There are no risks with 'No Assurance' from a management perspective.
 - It has been agreed that Information & Commissioning will note their own top 5 biggest 'tactical' risks and these will be noted at the next update.

Risk Management – Internal Audit Report – Issued July 2014

9. Following on from the internal risk audit report that was concluded in 2014, there remains one outstanding action from this report;

- **Risk in decision making**

This has yet to be completed due to the involvement of other services and the inclusion of other areas within the template. We are currently awaiting a status update from Democratic Services as to when the template shall be updated.

- In view of the above, we shall look at alternative methods in moving this forward such as communication via internal comms, briefing papers to authors of reports and general awareness raising via the directorate groups.

Risk Management strategy and toolkit

10. We have updated our risk management toolkit to help support effective risk management practice and decision making. We have been working with Learning & Development in producing two risk management e-learning modules, one strategic and one operational. These are due to be launched mid/end June 2016.

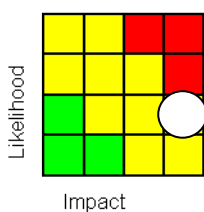
11. We are also looking to work with Democratic Services in launching some bespoke awareness sessions and training programme for both councillors and members on risk management.

Our Strategic Risks

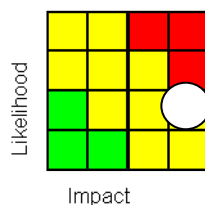
Our strategic risks are as follows;

12. Key areas/ risks to note are as follows;

Risk 1: Safeguarding Children – *Substantial assurance*



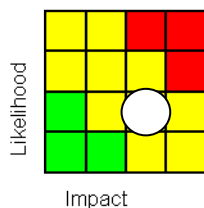
Current risk score



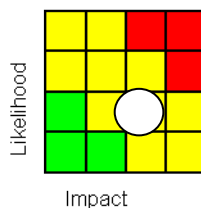
Target risk score

The level of assurance over this risk remains at 'substantial' with the direction of travel continuing at 'improving'.

Risk 2: Safeguarding Adults – *Limited assurance*



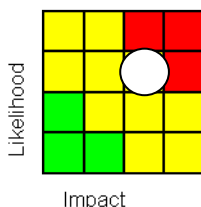
Current risk score



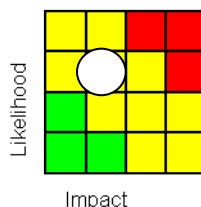
Target risk score

Following the limited audit result from Dolves work and the peer review due in June 2016 – making safeguarding personal, the level of assurance is 'limited' at this time, however this risk continues to be at target score.

Risk 3: Good Business Continuity & Resilience – *Limited assurance*



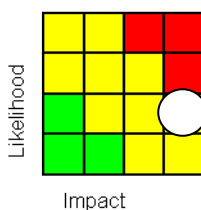
Current risk score



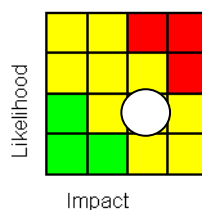
Target risk score

Following a recent audit report, the level of assurance has reduced to 'limited' however; outstanding issues from the audit report are being reviewed.

Risk 4: Adequacy of market supply to meet eligible needs for adults - *Limited assurance*



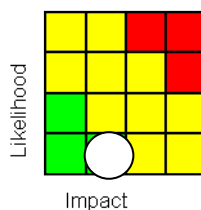
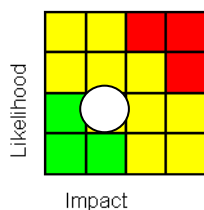
Current risk score



Target risk score

There is still a national problem with staff and recruitment in this area. The supply service is drying up with more demand on the service. Having said this, it is an improving situation in respect of homecare and re-enablement, however nursing care in the south, still a significant concern.

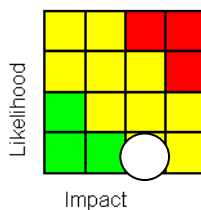
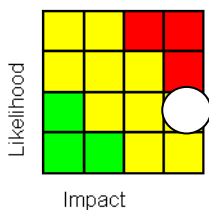
Risk 5: Ability to deliver our major designated projects – *Substantial assurance*



For the purposes of this strategic risk, we have utilised a standard template to provide us with assurances that the key projects to the organisation have adequate risk management in place. Whilst there are no major concerns with the assurance of overall projects, each specific project comes with their own risks.

Over the coming months, we shall be looking into the specific projects and what the key risks are for each project.

Risk 6: Funding and maintaining financial resilience – *Substantial assurance*

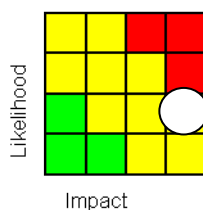
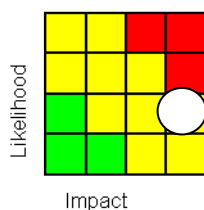


Current risk score

Target risk score

There have been no movement on the assurance level, direction of travel or scoring of this risk since our last report.

Risk 7: Maintenance of effective governance arrangements – *Substantial assurance*



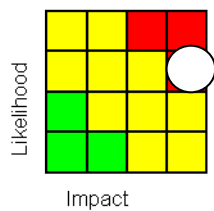
Current risk score

Target risk score

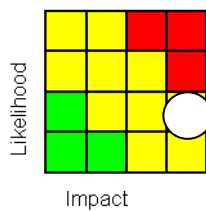
Good governance underpins everything we do as a Council and how we deliver services often comes under close scrutiny.

There have been no movement on the assurance level, direction of travel or scoring of this risk since our last report.

Risk 8: Ability to recruit & retain staff in high risk areas – *Limited assurance*



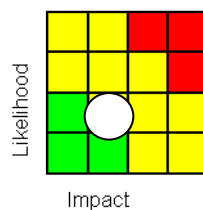
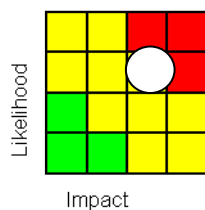
Current risk score



Target risk score

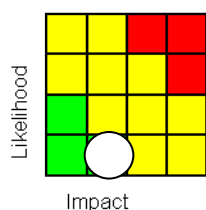
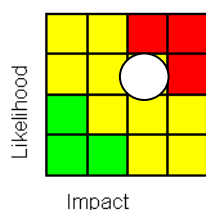
This risk still remains a high risk for the Council, however there is ongoing work to implement new actions to reduce the current risk score and provide a level of substantial assurance in the near future.

Risk 9: Ensuring contracts are fit for purpose in the Commissioning Agenda – *Limited assurance*



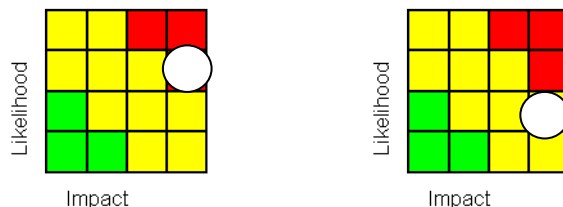
Even though the assurance level for this risk is at limited, there are a number of actions that are due to be implemented over the coming period that will bring the assurance level to substantial.

Risk 10: Effective implementation of the Agresso system to ensure good governance in respect of key financial and HR systems. – *Limited assurance*



This continues to be a significant risk. The issues relating to the implementation of the Agresso system are well known with oversight by CMB, recovery board and members on a regular basis.

Risk 11: Cyber Security – A broad spectrum of internal and external threats, which seek to negatively impact the confidentiality, integrity or availability of an information system and/or the information residing therein. – *Limited assurance*



This is a new significant risk that has been included on the strategic risk register following the recent malware incident. There are a number of new and developing actions in progress and being developed, however existing practices are unclear. We are monitoring the progress of the different phases of the developing actions.

A copy of the updated Strategic Risk Register can be seen in *Appendix 2*.

Looking forward in risk management

We are aware that times are changing, the organisation is with fewer services and resources and therefore, we have to have an awareness that the way we deal with risk, also has to change.

Looking forward to the forthcoming year, our focus will be on the following;

1. Revisit the risk appetite of the Council clearly setting the level of risk the Council is willing to take and accept for its activity.
2. Undertake a fundamental review of the strategic risk register – ensuring that it is fit for purpose and we have captured the key risks facing the authority. This will align with the Council's business plans / strategies beyond 2016.
3. Independent benchmarking undertaken over the next couple of months and look to work on any areas of improvement. This work will be based on the CIPFA model risk enablers.
4. Roll out our risk management training and development including production of a comms plan.

APPENDIX 1 - Directorate Top 5 Risks – as at 31st May 2016

Adult Social Care			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
	Due to timing of the Adults operational meeting, their top 5 to be tabled at the Audit Committee meeting on 20 th June 2016		
1		Limited	No
2		Limited	No
3		Substantial	No
4		Limited	No
6		Substantial	No

Childrens			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1	Safeguarding	Substantial	No
2	Buildings (Children's Centre / Family Contact Centres and some Youth Centres	Limited	No
3	Transport	Substantial	No
4	Schools administration System	Limited	No
5	Schools in Special measures	Limited	No

Environment & Economy			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1	Effective governance of major capital projects	Substantial	No
2	Recruitment and retention of qualified and experienced staff during ongoing period of change, impacting upon reliance and business continuity when dealing with emergency (and same routine) situations.	Limited	Yes Note (1)
3	Insufficient resources to match the ambitions and expectations to ensure matched funding opportunities and delivery of major projects of significant environment, economic and infrastructure benefit. Now further stretched due to requirements to prepare for devolution.	Limited	No

Public Health			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1	Contract Management	Limited	No
2	Political - working and decision making in a political organisation	Substantial	No
3	Reduction in staff wellbeing and motivation due to continuing changes with ensuring the right skills in place to continue the service provided.	Limited	No

4	Ongoing budget reductions leading to the potential failure of critical services as well as some routine services which are being radically impacted.	Limited	Yes Note (2)
5	Ongoing impact of issues with IT systems on carrying out business as usual (efficiency, effectiveness, cost, financial management)	Limited	Yes Note (3)

4	Access to and storage/holding of information - sharing with other parties, data protection	Substantial	No
5	Overspend of Coroners Service arising from increasing long inquest payments and cost of assistant coroners	Limited	No

Finance & Public Protection			
No.	RISK	Level of Mgmt Assurance	Escalation Req'd?
1	Inability to recruit & retain skilled staff	Limited	No
2	Insufficient budget to deliver agreed acceptable level of service	Substantial	No
3	Safety of children and adults in and out of county (assessed from a local service perspective)	Substantial	No
4	Compliance with statutory legislation within various services	Substantial	No
5	Reputational risk around relationships with external clients	Limited	No

- Note 1)** Retention of qualified staff becoming more of an issue as uncertainty continues in some service areas.
- Note 2)** The impact on some services is so extensive that they are being effectively stopped, which has a major effect on public perception even though they are not statutory
- Note 3)** Business as usual is continuing to be impacted by IT speeds and issues with Agresso in particular

APPENDIX 2 – Strategic risk register – As attached with this report

This page is intentionally left blank