Risk Management

Services

Lincolnshire County Council

Risk Management Progress Report

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COUNTY COUNCIL
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Already working extensively with the not-for-profit and third

Contents

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Introduction

1. 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]

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[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.

Key messages

Our Strategic risks

2. 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.

3. Our Strategic Risk Register includes 11 risk – these are;

Risk	Current Risk score	Assurance level	Risk	Current Risk score	Assurance level
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	**Market Supply Adult Care** Adequacy of market supply to live within budget		Limited

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Risk	Current Risk score	Assurance level	Risk	Current Risk score	Assurance level
Projects Ability to deliver our major designated projects		Please see narrative within page 10	**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

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| Cyber Security		Limited			
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	Likelihood — Impact				

Operational (Tactical) risks

4. As ongoing practice, the relevant 'directorate' groups or equivalent, manage and update the 'tactical / operational' risks at their various meetings throughout the year.

5. The dashboard approach enables the Council to have an oversight of its Directorates risk and safety performance. It recognises that there is no single reliable measure of risk and 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.

6. 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.

- A summary of each Directorates 'Top 5' risks can be seen in *Appendix 1*. The risks identified are consistent with risks identified within the strategic risk register with no areas for concern or a need for escalation.
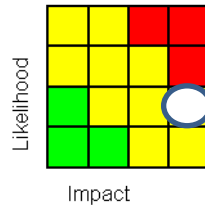
Our Strategic Risks

7. Key areas / risks to note as follows;

Risk 1: **Safeguarding Children – *Substantial assurance***
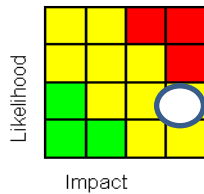
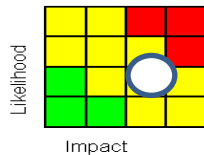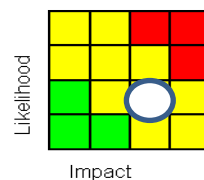**Current risk score**   **Target risk score**   **Static, no changes since June 2016**

The level of assurance over this risk remains unaltered at 'substantial'. There are controls in place that are working effectively.

Risk 2: **Safeguarding Adults – *Limited assurance***

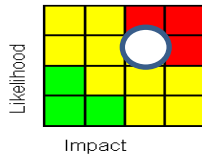**Current risk score**   **Target risk score**   **Static, no changes since June 2016**
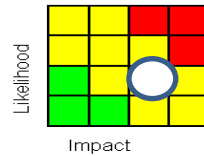
This risk remains at an assurance level of 'limited'. Once there is successful implementation of Mosaic, it is hoped that a level of 'substantial' will be able to be reported.

RISK MANAGEMENT

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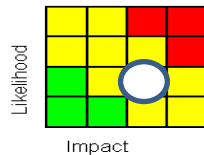

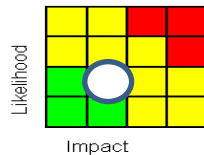**Current risk score**   **Target risk score**   **Static, no changes since June 2016**

Even though this risk remains at 'limited' assurance, there is work being undertaken, looking at redesigning a 3 year programme which reflects and review impacts of organisational change. Once this is rolled out, the assurance level can be revisited.

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

**Current risk score**   **Target risk score**   **Reduction in risk scores since June 2016**

The Homecare market is looking a lot stronger at present with the business model working well. The current and target scores have been reduced to reflect this. However, there will be renegotiating about price in 2017 which may have an effect on this risk. At present, it is to remain as 'limited'.

Risk 5:   Ability to deliver our programme of designated projects –

No assurance status

No current or target score available

Changes made on identification of level of assurance since June 2016
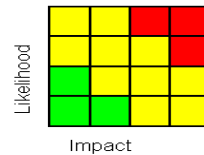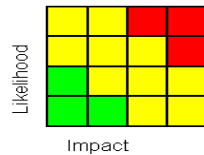
With respect to projects, each scheme has a risk management process in place, but it is a case of ensuring that at programme level, risks are managed effectively. In order that we do this, a piece of work is being undertaken to work with the relevant programme / project leads to establish how risk management is applied and ensure that the risks have been identified and in place.

Each project has its own risk profile and timescales with different implications which could have a knock on effect to the assurance level of the programme overall. At this time, it is felt that we are not in a position to provide an overall assurance or risk score on this strategic risk due to the complexity of the interactions of each project, however, once this piece of work is completed, we shall be able to report back to the committee on our findings.

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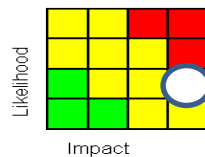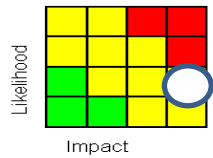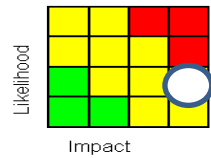

Current score   **Target score**
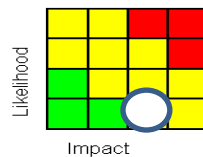
There have been no movements on the assurance level, direction of travel or scoring of this risk since our last report.

Static, no changes since June 2016

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

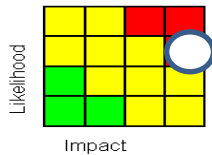**Current risk score** **Target risk score**

Static, no changes since June 2016

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

Further evidence as to why this risk has maintained an assurance level of 'substantial' is the recently agreed review of the scrutiny arrangements which have been reported to full council.

Risk 8: **Ability to recruit and retain staff in high risk areas –**
Limited assurance
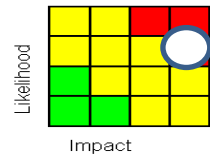
Current risk score **Target risk score** **Static, no changes since June 2016**

Pro-active work is continuing in this area; however there are still a number of actions to implement to reduce the risk any further.

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

Current risk score   **Target risk score**   **Static, no changes since June 2016**
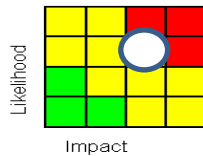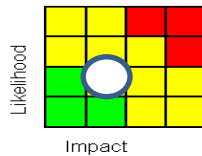
It has been suggested that the wording of this risk could be expanded to include the names of the 'significant' contracts. This would enable assurances on the actions / controls for each of the individual contracts rather than as a whole. This risk will be reviewed as part of the strategic risk register refresh, due to take place during 2017.

Risk 10: **Effective implementation of the Agresso system to ensure good Governance in respect of key financial and HR systems –** *Limited assurance*
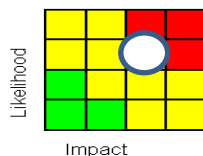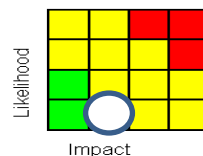
Current risk score   **Target risk score**   **Static, no changes since June 2016**

This continues to be a significant risk. The continued 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***
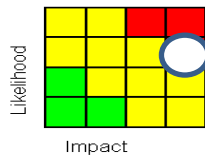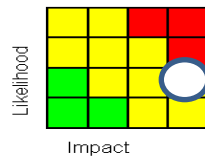

Current risk score

Target risk score

Static, no changes since June 2016

Since the last report back in June 2016, the Council has successfully gained ISO/IEC 27001:13 certification. This is good news for the authority, however there is still actions / controls to be implemented and therefore the assurance status remains unaltered at 'limited'.

A copy of the updated Strategic Risk Register can be seen in Appendix 3.

Progress against Risk Management Action Plan

8. Following on from the risk management report that was taken to the Audit Committee in November 2016, we can confirm that the actions are progressing and are all on track. We shall report back to the Committee over the coming months, once we have a further update to report.

Appendix 1 – Directorate Top 5 Risks – as at 31st December 2016

Adult Care

No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Staff resilience and business continuity in light of significant change e.g. ICT & Agresso	Limited	No
2	Budget	Substantial	No
3	Adequacy of market supply and ability to manage demand for services to meet eligible needs of adults	Limited	No
4	Safeguarding of adults including Deprivation of Liberty Safeguards (DOL)	Limited	No

Public Health

No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Lack of reliable assurance and governance in respect of the procurement of new services and contract management of existing services	Substantial	No
2	Reduction in staff wellbeing and motivation due to continuing changes together with ensuring right skills in place to continue the service provided	Limited	No
3	Lack of appropriate data to support Health Improvement & Health Protection assurance activities from third parties that could impact on ability to do business to the expected standard and to meet statutory duties upon the DPH	Substantial	No

Economy and Environment

No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Effective resourcing and governance of major projects	Substantial	No
2	Workforce and successful planning, impacting upon resilience and business continuity	Limited	No
3	Insufficient (financial or human) resources potentially leading to: • Failure of critical services • Radical impact on routine services • Non-compliance with policy • Legal challenges • Inability to secure funding opportunities • Inability to deliver strategic projects	Limited	No
4	Ongoing impact of issues with IT systems on carrying out business as usual (efficiency, effectiveness, cost, financial management)	Limited	No
5	Health & Safety risks as recorded though the E&E H&S group risk register.	Limited	No

Finance & Public Protection

No.	RISK	Level of Mgnt Assurance	Escalation Req'd?
1	Inability to recruit and retain skilled staff in certain areas within the directorate	Limited	No
2	Insufficient budget to deliver acceptable level of service	Substantial	No
3	Safeguarding of adults in and out of County	Substantial	No
4	Compliance with statutory legislation within various services	Substantial	No
5	Reputational risk around relationships with external clients	Limited	No

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

Appendix 2 – Risk matrix

Likelihood		1 Negligible	2 Minor	3 Major	4 Critical	Description of occurrence	
	4 Almost certain	Yellow	Yellow	Red	Red		Occurs several times per year. It will happen.
	3 Probable	Yellow	Yellow	Yellow	Red		It has happened before and could happen again.
	2 Possible	Green	Yellow	Yellow	Yellow		It may happen but it would be unusual.
	1 Hardly ever	Green	Green	Yellow	Yellow		Never heard of it occurring. We can't imagine it occurring.
		1 Negligible	**2 Minor**	**3 Major**	**4 Critical**		
			Impact				

Appendix 3 – Strategic risk register

See attached separate document

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