

2020/21 Year-end review of assurance on Strategic Risks

The summary presented below should be read alongside the position reported to the Committee in January 2021.

RISK REF	RISK DESCRIPTION	Q4 RISK SCORE	DEVELOPMENTS IN THE LAST 6 MONTHS	ASSURANCE OVERVIEW
SR3/ CR3	Vulnerability of the Council's IT estate to cyber attacks	12	No change in the risk.	Seven identified controls remain in place to mitigate this risk.
SR5/ CR5	Ineffective compliance activity that could result in the non-compliant condition of Council properties	8	Risk score reduced from '12' to '8'.	<p>The risk likelihood has been re-assessed as 'possible' (downgraded from 'probable'), as a result of Internal Audit activity and the provision of information to the auditor.</p> <p>Two controls are assessed as in place. Major slippage was reported on one action at the end of Q4 (<i>Property Projects and Technical Services' to lead on development and approval of policies on key areas</i>), a comprehensive overview of activity was however provided on progress.</p> <p>Two new actions were identified at the end of Q4 added to support future mitigations.</p>
SR6/ CR19	Variable approaches across the Council in the management and delivery of major capital projects	9	Whilst there has been no change in the risk score, there has been significant progress in the controls of this risk over the last 6 months, with the implementation of the PMO Roadmap and strengthening oversight of project activity through the PMO Board.	<p>The risk is proposed for a deep-dive review by the Corporate Risk Management Group in September 2021, to inform a re-assessment of the risk score.</p> <p>At the end of quarter 4, the risk remains a medium threat, and continues to be treated via the controls in place and the ongoing actions. One new action was added, linked to the PMO Roadmap.</p>
SR7/ CR6	Inconsistent and/or poor contract management arrangements that are not in line with our agreed standards	12	Risk score increased at the end of Q3.	<p>This risk remains a significant threat with the likelihood increasing at the end of quarter 3, as recommended by the Directorate Leadership Team and considered/challenged by the Corporate Risk Management Group and Corporate Leadership Team.</p> <p>It should also be noted that an emerging risk on <i>'unavailability of Procurement eLearning and a Contract Management training'</i> has been recorded with a Lead identified, as this is a key control for this risk that is not in place at present.</p>
SR8/ CR7	Risk of poorly defined, inconsistent records management systems and processes	9	No change in the risk.	<p>Five controls are in place to mitigate this risk. One control has however been re-evaluated as no-longer in place as a consequence of COVID-19 implications <i>"Audits of key systems: IG team support process reviews and audits of key systems after a data breach or rectification request"</i>.</p> <p>It is proposed that this risk should be considered by the Corporate Risk Management Group in 2021/22, to understand the impact of the new actions proposed.</p>

RISK REF	RISK DESCRIPTION	Q4 RISK SCORE	DEVELOPMENTS IN THE LAST 6 MONTHS	ASSURANCE OVERVIEW
SR10/ P-R1	Continued high demand for statutory children's social care services, with insufficient numbers of Derby Foster Carers to reduce our spend on external IFA placements	16	<p>Risk score remains unchanged</p> <p>A review of our demand management priorities to review the need to place young people in external placements has been completed.</p>	<p>There are nine identified controls in place for this risk. Two additional actions were completed at the end of Q4, and three new actions identified.</p> <p>It should be noted that the service hosted Ofsted for a focused visit in June/July 2021, who looked at the experiences of our children in care, which will provide a further overview of assurances on controls when the letter is published in August 2021.</p> <p>It is proposed that this risk is reviewed by the Assurance Team in September 2021, to assess whether it would benefit from re-definition given the profile and context for the risk has changed over the last year.</p>
SR11/ CR21	BREXIT transition impacting the delivery of council services and wider outcomes for the city	3	<p>Risk score increased to 9 from a position of 6 at the end of Q2. The risk score was subsequently reduced to the current assessment of 3 at the end of Q4. The risk has been approved for closure from Q4 onwards.</p>	<p>The risk has been closed and all outstanding risks from the project risk register have been appropriately transferred to service risk registers, overseen by the Assurance Team.</p>
SR14/ C&P-R1	Adverse outcome to estimated fair value determination of Long-Term Waste Management Contract	16	<p>No change in the risk score.</p>	<p>No change in controls / assurance overview. The risk was considered via a Risk Surgery in July 2020.</p>
SR15/ CR16	Changes in Government Funding frameworks alongside increasing local budget pressures	16	<p>No change in the risk score.</p> <p>The budget setting report was approved at March Council. The budget shows a balanced position in year one. A residual budget gap of 13.7m remains to 2023/24.</p>	<p>Five identified controls are in place for this risk and an additional three actions are on-going.</p>
SR16/ CR17	Insufficient resources to meet planned expenditure; external impacts which may impact on long-term financial resilience such as Covid-19	12	<p>No change in the assessment of this risk at the end of Q4.</p>	<p>Three controls are in place; however it is recommended that given the change in the budget position between Q3 and Q4 in 2020/21 that this risk is considered in a 'deep-dive' risk assessment by the Corporate Risk Management Group in 2021/22, to seek further assurances on the effectiveness of controls.</p>

RISK REF	RISK DESCRIPTION	Q4 RISK SCORE	DEVELOPMENTS IN THE LAST 6 MONTHS	ASSURANCE OVERVIEW
SR17/ P-R12	Inability to make sufficient progress against the WSoA before next OFSTED inspection (a year to 18 months from when the Written Statement of Action (WSoA) was agreed – Dec 2019)	Threat 8 Opportunity 12	The risk scores remain unchanged.	<p>There are nine controls in place to ensure that the threat of this risk is minimised, and any risk opportunities are maximised.</p> <p>It should be noted that there have been a number of external deep-dive reviews on progress against the Written Statement of Action, with the Department for Education and NHS England, which has provided independent assurances on the controls and mitigations, evidencing that appropriate progress is being made.</p> <p>A formal review of this risk will be completed when the local area is re-inspected in the autumn 2021.</p> <p>It should be noted that monthly monitoring of this risks ceased at the end of 2020/21 in line with external assurance activities.</p>
SR18/ P-R13 (COVID Risk 10)	Increase in the numbers of individuals and families in the city identified as 'in need' following COVID-19, which may include 'unmet' need during that pandemic	12	Risk score reduced from 16 at the end of Q3, with service leads noting that <i>"While referrals have increased across both Adult and Children's Social Care during 2020/21, we are better sighted on the emerging needs ensuring that we can meet them, as appropriate"</i> .	<p>Seven controls are in place.</p> <p>It is recommended that this risk is reviewed in the autumn by the Assurance Team, as the COVID-19 Roadmap continued, and demand becomes more 'business as usual' (in line with SR10). If demands continued to be high, this risk should be re-defined to better specify the threat.</p>
SR19/ C&P-R12 (COVID Risk 11)	Business resilience and loss of jobs in light of COVID-19	8	Risk score reduced in Q3.	There are four established controls in place to treat this risk, alongside a further three actions 'in progress'. There are also a number of key activities identified within the 2021/22 Recovery Plan, which will aid in the mitigation of this risk. It remains under close scrutiny by council and local area leaders.
SR21/ CR22	Perceived low levels of emotional health and wellbeing amongst council colleagues	Opportunity 6	Opportunity score remains unchanged.	<p>There are five controls in place to 'take' this opportunity.</p> <p>There has been an improvement in the total number of working days lost due to sickness absence in 2020/21 compared to 2019/20. Furthermore, a targeted measure on absences due to 'stress/anxiety' will be added for 2021/22 to ensure appropriate insight is available on the impact of controls.</p>
SR22/ CR24	Lack of capacity within some teams to deliver core service offers, and in some instances meet statutory duties (also refer to SR24/C&P-R13)	6	Risk score remains unchanged.	Targeted risk analysis has been completed by the risk owners, following assessments of the themes from Department Risk Registers, with the Assurance Team appropriately engaged.

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SR23/ P-R16 (COVID Risk 27)	Outbreak of COVID-19 in Derby	12	Risk score has reduced from 16.	<p>The majority of our most vulnerable have been vaccinated and plans are in place to mitigate variants of concern. Additional plans remain in place with businesses to ensure they are COVID secure.</p> <p>The risk continues to be overseen and managed by the local area and internally through the COVID Programme Board.</p>
SR24/ C&P-R13 (COVID Risk 9)	Inability to meet statutory duties in key service areas (Adults, CYP, Environmental Health, Trading Standards etc.) due to COVID	12	Risk score has reduced from 16, following an increase between Q2 and Q3.	<p>An assessment of this risk during the final quarter of 2020/21 confirmed that we have not needed to stop any statutory service delivery, although there may have been delays experienced. Mitigations are reducing the likelihood of this happening.</p> <p>The risk continues to be overseen by the COVID Programme Board.</p>
SR25/ C&P-R14 (COVID Risk 22)	Covid-19 exit plans are not sufficiently robust to support the long-term response to rough sleeping and those at risk of becoming homeless in the city (including any extension plans in line with on-going lockdown measures)	12	No change in the risk score due to no control on the short-term funding nature of this risk. Until MHCLG agrees a mainstream funding the risk will stay the same. Risk is being tolerated through the current measures in place.	<p>Risk is proposed for a deep-dive review in 2021/22 by the Corporate Risk Management Group, as the implications of the pandemic become clearer.</p> <p>Six controls remain in place to mitigate this risk.</p>

Q3 – Quarter 3

Q4 – Quarter 4