

2022/23 Year-end review of assurance on Strategic Risks

The summary presented below should be read alongside the position reported to the Committee in January 2023.

RISK REF	RISK DESCRIPTION	2022/23 Q4 RISK SCORE	CHANGES IN THE LAST SIX MONTHS	ASSURANCE OVERVIEW
SR3_ CR3	Vulnerability to cyber attacks	16	Risk score remains unchanged from the mid-year position	<p>Controls remain in place and actions taken have mitigated this risk, with lessons learnt from local and national activities.</p> <p>There are seven controls to mitigate, which have remained in place throughout the year.</p>
SR6_ CR19	Variable approaches across the Council in the management and delivery of major capital projects to agreed objectives and budget	9	Risk score remains unchanged from the mid-year position	<p>An update on Programme Management Office (PMO) activities was considered by the Audit and Governance Committee in January 2023.</p> <p>Work has continued to strengthen our current programme and project arrangements...</p> <ul style="list-style-type: none"> • A Delivery Board is in place to oversee programmes and projects • Revised PMO Board Terms of Reference have been agreed • The supporting Assurance and Development Group has been further embedded • A Project Manager Network continues meeting regularly • Derby's Project Management Platform is well used by all programmes and projects, with summary dashboards in development • There are strengthening risk assurance activities in relation to our priority programmes and projects <p>Seven controls have been in place throughout the year. There are a further two actions in place, where activities remain on-going both of which have been impacted by capacity with 'some slippage' reported at the end of 2022/23 (these will be appropriately carried forward to 2023/24)</p> <p>Going forward, guidance documents are scheduled to be refreshed, in line with the developments that have been made in our programme and project governance.</p>
SR7_ CR6	Inconsistent and/or poor contract management arrangements that are not in line with good contract management practice	6	The risk score has been reduced from '12' in quarter two, to the current position of '6' due to the launch of the new Procurement and Contract Management Platform, publication of improved guidance and delivery of in-house surgeries and mentoring	<p>Contract reviews remain on-going with a focus on achieving savings, with spend controlled through the Spending Review and Resourcing Panel.</p> <p>The contract management programme has delivered controls including in-house surgeries and mentoring, promotion of external training, improved iDerby guidance, and a systematic reduction in off-contract spend.</p> <p>A new Procurement and Contract Management Platform (featuring a named contract manager for all contracts in the register) was launched in quarter three and work remains on-going to embed and maximise this tool. Management</p>

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				<p>accountabilities have also been launched, with Contract Management featuring at all levels.</p> <p>Two controls have been in place throughout the year, and one action remains on-going to review the Contract Procedure Rules, with six mitigating actions reported as completed at the end of quarter four, which has aided the reduce threat level of this risk.</p>
SR8_ CR7	Poorly defined, inconsistent records management systems and processes	12	Risk score remains unchanged from the mid-year position	<p>A 2-year plan for implementing records management practice across areas of the Council's data estate continues with a revised completion date of summer 2024.</p> <p>Five established controls have been in place throughout the year. There are a further three actions in place where activities remain on-going, however due to competing pressures services continue to find it difficult to resource and carry out reviews in targeted areas, which impacts on the limited reduction in this risk score.</p>
SR14_ CP1	Adverse outcome to estimated fair value (EFV) determination of Long-Term Waste Management Contract	16	Risk score remains unchanged from the mid-year position	The team of advisers remain in place and continue to provide guidance and advice on all aspects of the EFV requirements and processes. There remains no changes in the risk mitigations.
SR15_ CR16	Changes in Government Funding frameworks, alongside increasing local budget pressures impacting on the Medium-Term Financial Plan (MTFP)	16	Risk score remains unchanged from the mid-year position as future financial pressures are a risk for future financial planning	<p>The Medium-Term Financial Plan was agreed at Full Council in March 2023. The budget is a balanced position for 2023/24. There is a significant budget gap in future years of approximately £25.6 million to 2025/26.</p> <p>Council reserves are monitored on an on-going basis and reported to Cabinet quarterly.</p> <p>Four controls are established and have been in place throughout 2022/23, with a further control added in quarter four. One new action, to review impact on capital programme, has been incorporated into monthly monitoring at the end of March 2023.</p>
SR16_ CR17	Resources to meet our in-year planned expenditure; external impacts, which may impact on long-term financial resilience such as Covid-19	16	Risk score remains unchanged from the mid-year position.	<p>Budget monitoring takes place monthly. At the end of the year the assessment of the final outcome specified the below.</p> <p><i>"The general fund revenue outturn position is a balanced position when compared to the revenue budget for 2022/23. The balanced position is achieved after utilising the £1.2m Pay and Inflation reserve established at the 2021/22 out-turn to fund anticipated emerging pressures and the remainder of the COVID reserve £2.265m. The remaining shortfall at outturn of £10.200m has been funded from the budget risk reserve".</i></p> <p>External audit will assess Derby's financial statements to ensure compliance with accounting standards, laws and regulations; however the delay in the publication of historical statements is noted.</p>

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				Four established controls have been in place throughout the year. There are a further two actions in place, where activities remain on-going.
SR21_CR22	Levels of emotional health and wellbeing amongst council colleagues	9	The risk score was amended from '6' assessed against the risk opportunity matrix, at the end of December 2022, due to the risk being reclassified as a threat risk and assessed against the threat risk criteria	<p>Following a review, the risk was updated from an Opportunity risk to a Threat risk at the end of March 2023. This was because of increased absence during the last financial year, the continuing cost of living pressure and on-going MTFP challenges; all recognised as having possible impacts on the health and wellbeing of our colleagues.</p> <p>Signposting to well-being support and tools continue as part of our business as usual communication activities, and the offer is refreshed regularly with a recent focus on financial wellbeing and Cost of Living support.</p> <p>There are six controls in place, with three additional continuing actions including the sharing of headline data with CLT on a monthly basis as part of the Corporate Health Dashboard.</p> <p>It is proposed that this risk is reviewed by the Assurance Team by the end of September 2023, to ensure that the risk is appropriately defined.</p>
SR22_CR24	Capacity within some teams to deliver core services, and in some instances meet statutory duties	Risk Closed	The risk score remained unchanged at the end of December 2022; however the risk was closed in quarter four as it was redefined and combined into a wider strategic risk 'SR35_CR35 Capacity, Recruitment and Retention'; better reflecting the current areas of threat.	
SR26_CP15	Meeting statutory duty to provide accommodation support for domestic abuse	6	The risk score remains unchanged from the mid-year position, however the risk score increased to '12' at the end of December 2022 when the risk was redefined to cover male victims, before returning to a score of '6' at the end of March 2023.	<p>A Domestic Abuse Accommodation Strategy has been published and a webpage developed and launched to host the strategy, associated plans, resources and information.</p> <p>The risk was reviewed and redefined to also represent male victims during quarter three.</p> <p>The Domestic Abuse Partnership Board continues to oversee the Council's delivery of statutory duties in this area.</p> <p>Actions to procure dedicated male provision continue to progress.</p>
SR28_PS22	Increasing complexity of need for Derby's children and young people, with insufficient services available at the 'right time' to meet this, from 'early offers of support' to placement options available for our looked after children and young people	12	Risk score remains unchanged from the mid-year position.	<p>Continuing risks identified impacting on the number of children entering care, as well as the increasing cost of placements means this risk remains significant even with effective controls in place to treat it.</p> <p>Robust senior management oversight has ensured we have worked in an insight-led, strength-based way to ensure families are receiving the right support at the right time.</p> <p>A City-wide Strategy on Place-based Risk was established in quarter three.</p>

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SR30_ PS24	Local Area is not effective in the early identification of children and young people who have special educational needs and/or disabilities, alongside a lack of sufficiency of suitable provision to meet individual needs	12	Risk score remains unchanged from the mid-year position	<p>The SEND Board governance has been reviewed and new structures are now in place. We are working with Local Area partners to ensure the vision and strategy is effectively delivered.</p> <p>There is a Dedicated School Grant (DSG) deficit management plan in place, with a SEND Transformation Lead appointed to lead the programme.</p> <p>The SEND Capital Programme is progressing to increase sufficiency.</p> <p>Four controls are in place, with one action completed in quarter four to develop the Local Area single inclusion plan.</p> <p>It is proposed that this risk is reviewed by the Assurance Team by the end of September 2023, to ensure that the risk is appropriately defined.</p>
SR31_ CR28	Fraudulent activity within the organisation (DCC)	Risk Re-defined	Risk score remains unchanged from the mid-year position	The risk was de-escalated from strategic to directorate level at the end of March 2023 based on redefinition of the risk into separate internal and external fraud risks with controls in place to mitigate.
SR32_ CR29	FOI requests are not dealt with in the correct way or within the defined timescales as set out in the act	12	Risk score remains unchanged from the mid-year position	<p>There is an Information Governance Board in place that is well established; however due to competing pressures services continue to find it difficult to resource and carry out reviews in targeted areas.</p> <p>There has been 'some slippage' in the progression of the Content Management System (CMS), which is under development to manage internal FOI request flows, with work progressing to rescope.</p> <p>Five established controls have been in place throughout the year. There are a further two actions in place, where activities remain on-going.</p>
SR33_ CR30	Data is not managed in line with the relevant data protection legislation	12	Risk score remains unchanged from the mid-year position	<p>Annual data protection and cyber security training remains mandatory for all colleagues.</p> <p>Data protection policies and procedures in place along with published online guidance.</p> <p>Twelve established controls in place throughout the year. Slippage to four additional actions due to competing pressures to resource.</p>
SR34_ CR32	Industrial action regarding NJC pay claim	Risk Closed	This risk was terminated following ballot outcomes. A national pay award was implemented. The risk is under review based on the 2023 position.	

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SR35_ CR35	Capacity within teams and an inability to recruit and /or retain colleagues with the right skills into our roles / organisation	12	N/A	<p>New risk reported in quarter four combined from 'SR22 Capacity', 'CR23 Recruitment and Retention', and 'CP2 unable to recruit/retain specialised skills'.</p> <p>Targeted recruitment campaigns remain in place, with HR colleagues working with specific teams to address identified service needs.</p> <p>Flexible workstyles continue to be considered, with a hybrid working statement due for publication in summer 2023.</p> <p>Service Directors and Heads of Service consider the use of agency colleagues as required, informed by appropriate considered at Spending Panels.</p> <p>The risk is treated via the nine controls and one action in place.</p>