

Risk Management Strategy Assurance Review - December 2021

The purpose of this summary is to present a six-monthly overview of the status of the delivery of our Corporate Risk Management Strategy and Risk Management Handbook.

Key themes within our Strategy and Handbook	2020 RAG status	Current RAG status	Supporting information		
			Areas that remain in place since 2020	Developments in 2021	Development priorities for 2022
Roles and responsibilities in the Risk Management Strategy and Handbook	GREEN	GREEN	<ul style="list-style-type: none"> The Risk Management Strategy and supporting Handbook were updated and approved in November 2020, to ensure that there are clear roles and responsibilities identified supporting an effective and robust risk management framework. Each Directorate has at least one Risk Management Champion that attends the Corporate Risk Management Group regularly. The Corporate Risk Management Group meets in line with its terms of reference, with good attendance from Risk Champions and Subject Matter Experts. All actions agreed through the group are documented and followed-up as part of the groups action control process. Highlight reports are requested from service leads to ensure appropriate identification and consideration of issues and risks; alongside the quarterly risk management reports. There is regular reporting on risks to identified leads, as set out within our risk management roles and responsibilities. 	<ul style="list-style-type: none"> An item on risk management was delivered at the April 2021 Managers Conference, to reinforce roles and provide an update on the changes in the 2020 Risk Management Strategy. Work remains on-going to identify more Risk Champions. Development of the Accountabilities Framework (Led by Organisational Development, OD). 	<ul style="list-style-type: none"> Risk management refresh training to be delivered by the end of March 2022, with a training plan to be developed for 2022/23. On-going communication of risk management roles and responsibilities, raising the profile of risk management. Implementation of the Accountabilities Framework, led by OD, which includes risk management. Review the Risk Champion / Assurance Advocate role. A complete review of the Strategy and Handbook to inform a refresh by the end of 2022, which will address recommendations from the 2021 internal audit.

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Risk Management Process					
Risk and opportunity identification	AMBER	AMBER	<ul style="list-style-type: none">All directorate and strategic risks are reviewed by the Assurance Team, at least every quarter, with the routine identification of new risks and emerging issues.There are new risks appropriately added to risk registers, as they become known or are escalated.All priority projects have risk registers in place, which are subject to routine review by the Assurance Team and the Programme Management Office, as part of Gateway processes.There are emerging risk and issues logs in place, 'held' by the Assurance Team to support strategic risk identification.	<ul style="list-style-type: none">Development and implementation of the Project Management Platform to inform a wider oversight of project risks by the Assurance Team.Department risks and opportunities identified through development of business plans.Mid-year review of department risks delivered limited results – the process of department risk development and review requires consideration as part of strategic planning processes for 2022/23 and a review of monitoring systems.The emerging risk log is a standard item for discussion at the Corporate Risk Management Group (CRMG).Introduction of risk indicators as a standard item for consideration by the CRMG, aligning to wider monitoring activities (<i>Audit recommendation</i>).	<ul style="list-style-type: none">Strengthening department risk management arrangements, through revised processes and templates and targeted engagement with services.Review risk recording and reporting options, in line with the Insight Led Council programme.
Risk and opportunity analysis	AMBER	GREEN	<ul style="list-style-type: none">Derby's risk matrix requests analysis of threats and opportunities, in line with the latest edition of the Risk Strategy.All risks in strategic, directorate, department and project risks registers are scored in line with the 4x4 risk matrix.	<ul style="list-style-type: none">All risks are now consistently assessed under the threat and opportunity framework, including programme and project risks.	<ul style="list-style-type: none">Risk management refresh training to be delivered by the end of March 2022, with a training plan to be developed for 2022/23.
Risk and opportunity treatment	GREEN	GREEN	<ul style="list-style-type: none">Risks treatment options are included in reporting options, for risk owners to complete and review.	<ul style="list-style-type: none">All templates updated to include opportunity options.Secondary treatment options included within registers, reflecting the complexity of risk management.Risk appetite workshops hosted to define the level of treatment requirement for key areas of risk.	<ul style="list-style-type: none">Development and communication of risk appetite statements to inform review and challenge on risk treatment proposals, alongside risk tolerances.

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Completing the register	GREEN	GREEN	<ul style="list-style-type: none"> Strategic and directorate risk registers are maintained with targeted support from the Assurance Team. Project Leads are responsible for maintaining project risk registers, with appropriate review through the Programme Management Office Board, as part of Gateway processes. Standardised corporate risk register templates provided for projects, directorate, and strategic risk management 	<ul style="list-style-type: none"> Development and implementation of the Project Management Platform for programmes and projects, with risk logs aligned to our Risk Management Strategy and Handbook – including increased promotion of risk opportunities. Review of risk register templates completed, with revised editions launched in December 2021 to improve efficiency of monitoring, and address the below audit recommendation: <ul style="list-style-type: none"> <i>Delivery deadline for mitigating actions included within registers</i> 	<ul style="list-style-type: none"> Review risk recording and reporting options, in line with the Insight Led Council programme.
Monitoring, reporting and reviewing risks and opportunities	GREEN	GREEN	<ul style="list-style-type: none"> Risk Owners update their risks at least every three months, to inform strategic analysis and reporting. Strategic risks are reported to the Corporate Risk Management Group, Corporate Leadership Team and Cabinet, every quarter. The Strategic Risk Register is published on iDerby. The content of risk registers is subject to challenge and scrutiny by the Assurance Team, with identified risks/issues for discussion at Directorate Leadership Teams, the Corporate Risk Management Group and the Corporate Leadership Team. There have been deep-dive risks reviews hosted in the last 12-months, evidencing effective monitoring, review and challenge of our risk identification, analysis and controls. 	<ul style="list-style-type: none"> Risks are escalated and de-escalated, as appropriate. Strengthened alignment with Internal Audit work programme. Strategic and Directorate risk registers available on MiDerby Targeted reviews of risks in complex projects – i.e. Mobility programme. Seven deep dive risk reviews completed in 2021... <ul style="list-style-type: none"> SR5/CR5 - Non-compliant condition of Council properties 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 SR6/CR19 - Ineffective project management governance SR7/CR6 - Ineffective contract management 	<ul style="list-style-type: none"> Implementation of portfolio management – aligning risks activities and the development of partnership risk registers On-going risk reviews to be completed, in line with our Risk Management Handbook.

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				<ul style="list-style-type: none"> SR15/CR16 - Inability to deliver a balanced MTFP SR16/ CR17 - Insufficient resources to meet planned expenditure; external impacts which may impact on long-term financial resilience such as Covid-19 SR17/P-R12 - Inability of Local Authority and Local Area (Local Authority and key local Health partners jointly) to implement the SEND reform 	
Our risk culture					
Risk assurance	GREEN	GREEN	<ul style="list-style-type: none"> Performance, project and risk reporting are aligned to assist in the identification of our risk control and impact measures. 	<ul style="list-style-type: none"> Over the last 12 months there have been seven targeted risk reviews completed (<i>please refer to the list above</i>) Strengthened alignment with Internal Audit work programme. 	<ul style="list-style-type: none"> Targeted review of high-risk projects. On-going risk reviews to be completed, in line with our Risk Management Handbook.
Risk appetite	N/A	N/A	N/A	<ul style="list-style-type: none"> Risk exposure and appetite surveys and workshops delivered to inform the development of a statement framework. 	<ul style="list-style-type: none"> Cabinet workshop to be hosted by the end of March 2022. Development and communication of risk appetite statements.
Risk maturity	N/A	N/A	N/A	<ul style="list-style-type: none"> Internal Audit report evidenced improvements in risk management arrangements. 	<ul style="list-style-type: none"> Self-assessment model to be developed.

Criteria for RAG ratings/status

	Ineffective
	In place, but further development is required
	Effective and embedded
N/A	New / developing area, baselines to be established to inform further assurance evaluations

Risk Assurance – Strategic Risk Register Mid-Year Assurance Review

Presented below is a summary of assurance for each of the Council's strategic risks, as at the end of September 2022. A summary of changes in strategic risks are reported to Cabinet as part of quarterly monitoring arrangements.

Strategic risks	Latest risk score, treatment & direction of travel*	Do we have controls in place that are assessed by the risk owner as effective?	Progress with additional actions & their effectiveness?	Has the risk been subject to any review activities in the last 12 months?	Is this risk regularly reviewed by a Strategic Board/Group?
SR3/CR3 - Cyber threats to our systems <i>Vulnerability of the Council's IT estate to cyber attacks</i>	12 – risk is being treated with controls, with a secondary option to tolerate the level of current risk <i>No change in the score from Q1</i>	Seven established controls in place at the end of September 2021	No additional actions identified	Yes Internal audit – <i>Microsoft 365 security</i> (reasonable control assurance) and <i>IT contingency audit planned</i>	Yes Information Security Working Group (ISWG) Information Governance Board
SR5/CR5 - Non-compliant condition of Council properties <i>Ineffective compliance activity that could result in the non-compliant condition of Council properties</i>	8 – risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Two established controls in place at the end of September 2021	Three additional actions , with one 'completed' at the end of quarter 2	Yes Risk reviewed by the Corporate Risk Management Group in February 2021 Consultancy review completed by Internal Audit in 2021	Yes Corporate Health & Safety Committee
SR6/CR19 - Ineffective project management governance <i>Variable approaches across the Council in the management and delivery of major capital projects to agreed objectives and budget</i>	12 – risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Four established controls in place at the end of September 2021	Four additional actions identified. One was reported as 'completed' at the end of quarter 2, with 'some slippage' reported in two areas (' <i>Scoping of project management training programme</i> ' and ' <i>Implement Portfolio Management approach across DCC (including major Partnership working)</i> ')	Yes Risk reviewed by the Corporate Risk Management Group in September 2021 Internal audit scheduled on <i>project management</i>	Yes Programme Management Office (PMO) Board Strategic Leadership Team (SLT)

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SR7/CR6 - Ineffective contract management <i>Inconsistent and/or poor contract management arrangements that are not in line with good contract management practice</i>	12- risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Two established controls in place at the end of September 2021	Two additions actions identified. 'Some slippage' has been reported in one of these ('Review of Contract Procedure Rules every two years to ensure they are up to date and fit for purpose')	Yes Risk reviewed by the Corporate Risk Management Group in September 2021 Internal audit scheduled on <i>contract management</i> Working Smarter programme project	Yes Working Smarter Board
SR8/CR7 - Data and records management <i>Poorly defined, inconsistent records management systems and processes for approximate 40% of the Council's data that falls outside the formal line of business applications</i>	9 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Eight established controls in place at the end of September 2021	One additional action in place, that is reported as 'on track'	Yes Internal audit currently underway <i>SIRO/Information Governance</i> , with an audit also schedule on <i>records management</i> Risk proposed for a deep-dive review by the end of 2021/22	Yes Information Governance Working group (IGWG) Information Governance Board
SR10/P-R1 - Budget overspend due to high numbers of children in care <i>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</i>	N/A – risk redefined			Yes N/A – risk redefined Risk subject to a targeted review completed by the Risk Owner and Assurance Team. Findings considered by the Corporate Risk Management Group in September 2021	Yes Demand Management Programme Board Children in Care Commissioning Group Safeguarding Assurance Meetings Safeguarding Board / Partnership
SR14/C&P-R1 - Adverse Outcome to estimated fair value determination <i>Adverse outcome to estimated fair value determination of Long Term Waste Management Contract</i>	16 - risk is being treated with the identified controls <i>No change in the score from Q1</i>	Two established controls in place at the end of September 2021	No additional actions identified	Yes Risks reviewed through project management activities On-going Internal Audit work to provide assurance at stage boundaries/key decision (embedded assurance) points of the project.	Yes Project Board

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SR15/CR16 - Inability to deliver a balanced MTFP <i>Changes in Government Funding frameworks alongside increasing local budget pressures</i>	16 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Five established controls in place at the end of September 2021	Three additional actions identified. 'Major slippage' was reported in one of these areas at the end of quarter 2 ('Review of current MTFP' and 'preparation of new rolling MTFP')	Yes .Risk subject to a targeted review completed by the Risk Owner and Assurance Team. Findings to be considered by the Corporate Risk Management Group in early 2022 Internal audit on <i>budget management</i> that reported reasonable control assurance, with further audit activity scheduled on our <i>financial controls</i>	Yes Strategic Leadership Team (SLT)
SR16/CR17 - Inability to deliver against our annual revenue budget <i>Insufficient resources to meet planned expenditure; external impacts which may impact on long-term financial resilience such as Covid-19</i>	16 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Five established controls in place at the end of September 2021	<i>NB – please refer to SR7/CR6 for the action and controls on Working Smarter portfolio</i>		
SR17/P-R12 - Inability of Local Authority and Local Area (Local Authority and key local Health partners jointly) to implement the SEND reform <i>Inability to make sufficient progress against the WSoA before next OFSTED inspection</i>	N/A – risk placed on hold due to Ofsted re-inspection Ofsted re-visit in 2021, which reported appropriate progress across all areas of the Written Statement of Action. Risk subject to a targeted review completed by the Risk Owner and Assurance Team. Findings to be considered by the Corporate Risk Management Group in early 2022. Internal audit scheduled on “ <i>SEND</i> ”				Yes SEND Local Area Board
SR18/P-R13- Increase in number of individuals / households 'in need' following COVID <i>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</i>	12 - risk is being treated with controls and actions, with a secondary option to tolerate the level of current risk <i>No change in the score from Q1</i>	Five established controls in place at the end of September 2021 Additional control identified at the end of quarter 2 as not in place ('(C/YP) Specific Social Care meetings planned with schools - managed demand and teacher's anxiety')	Two additional actions identified. One was 'completed' at the end of quarter 2, and 'some slippage' reported in the other area ('(C/YP) Implement the action plan devised to address unmet threshold')	Yes Risks reviewed through programme and project management activities	Yes COVID Programme Board Strategic Leadership Team (SLT) Safeguarding Assurance Meetings Safeguarding Board / Partnership

Strategic risks	Latest risk score, treatment & direction of travel*	Do we have controls in place that are assessed by the risk owner as effective?	Progress with additional actions & their effectiveness?	Has the risk been subject to any review activities in the last 12 months?	Is this risk regularly reviewed by a Strategic Board/Group?
SR19/C&P-R12 - Reduction of Business Resilience <i>Business resilience in Derby is impacted by Covid19</i> <i>Its recognised that we cannot control all of the things that will have a negative impact. The mitigations and actions describe the contribution and interventions we are making locally - alongside the national effort/strategy</i>	6 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Three established controls in place at the end of September 2021 In addition, two previously identified controls assessed as no longer in place / relevant ('Redundancy Working Group supporting affected employees become productive again as quickly as possible' and 'Working with local businesses to create a safe, Covid secure environment')	Two additional action in place, both reported as 'on track'	Yes Risks reviewed through programme and project management activities Internal audit scheduled on <i>economic recovery</i> to review the governance around the Council's involvement in the economic recovery of the City Centre	Yes COVID Programme Board Derby Economic Recovery Steering Group Derby Economic Taskforce
SR22/CR24 – Capacity <i>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)</i>	6 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Three established controls in place at the end of September 2021	Three additional action in place, all reported as 'on track'	Yes <i>Please also to SR24/C&P-R13</i>	Yes Strategic Leadership Team (SLT)
SR23/P-R16 (COVID Risk 27) - Localised outbreak of COVID-19 <i>Outbreak of COVID-19 in Derby</i>	12 - risk is being treated with the identified controls and actions <i>No change in the score from Q1</i>	Thirteen controls in place at the end of September 2021	One additional action in place, that is reported as 'on track'	Yes Risks reviewed through programme and project management activities	Yes COVID Programme Board Strategic Leadership Team (SLT)

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SR24/C&P-R13 (COVID Risk 9) - Inability to meet statutory duties in key service areas due to COVID-19 <i>Inability to meet statutory duties in key service areas (Adults, CYP, Environmental Health, Trading Standards etc.) due to COVID-19</i>	6 - risk is being treated with controls, with a secondary option to tolerate the level of current risk <i>No change in the score from Q1</i>	Three controls assessed as in place at the end of September 2021, with two further controls evaluated at the end of quarter 2 as no longer in place / relevant (<i>'Priority services agreed (by CLT) for re-deployment during COVID-19 (Social Care control only)'</i> and <i>'Prioritisation of delivery, and communicating this to manage expectations of residents/ customers, Councillors, colleagues, external and partnership organisations (Social Care control only)'</i>)	No further actions were identified at the end of quarter 2	Yes Risks reviewed through programme and project management activities Internal audit scheduled on <i>Trading Standards / Environmental Health</i> in line with this risk	Yes COVID Programme Board Strategic Leadership Team (SLT)
SR26/C&P-R15 - Inability to meet statutory duties for accommodation-based support for domestic abuse <i>Domestic Abuse Act 2021 introduced a statutory definition of domestic abuse based on existing cross government definition</i>	8 – risk is currently being tolerated with a secondary option to share this risk with key partners <i>Reduced risk rating from Q1</i>	Three controls assessed as in place at the end of September 2021, with two further controls evaluated at the end of quarter 2 as no longer in place / relevant (<i>'Funding of Drive Perpetrator programme'</i> and <i>'To establish a Domestic Abuse Partnership Board to oversee our delivery of the DA duty'</i>)	Three additional actions have been identified, with one reporting 'some slippage' at the end of quarter 2 (<i>'Develop a revised Partnership Domestic Abuse Strategy'</i>)	No <i>New risk from September 2021 onwards</i>	Yes Derby Partnership Board DA/SV Governance Board

Strategic risks	Latest risk score, treatment & direction of travel*	Do we have controls in place that are assessed by the risk owner as effective?	Progress with additional actions & their effectiveness?	Has the risk been subject to any review activities in the last 12 months?	Is this risk regularly reviewed by a Strategic Board/Group?
SR27/P-R20 - Diminishment of outcomes for Derby's children and young people <i>Outcomes for Derby's children and young people could be negatively impacted by the inconsistencies of schooling caused by Covid</i>	9 - risk is being treated with the identified controls and actions <i>New risk for Q2</i>	Thirteen controls identified and assessed as in place at the end of September 2021	Two additional action in place, both reported as 'on track'	Yes Risks reviewed through programme and project management activities Internal audits scheduled on <i>stronger families</i> and <i>tackling child poverty</i> – both of which relate to this risk Focused visit completed by Ofsted in June/July 2021	Yes COVID Programme Board Strategic Leadership Team (SLT) Safeguarding Assurance Meetings Safeguarding Partnership Children, Families and Learner's Board
SR28/P-R22 - 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	16 - risk is being treated with the identified controls and actions <i>New risk for Q2 (replacing SR10)</i>	Nine controls identified and evaluated as in place at the end of September 2021	Three additional actions in place, all reported as 'on track'	Yes <i>Please refer to SR10 – new risk following deep-dive review and re-definition</i> Focused visit completed by Ofsted in June/July 2021 Internal audits scheduled on <i>demand management</i> , <i>stronger families</i> and <i>tackling child poverty</i>	Yes Demand Management Programme Board Children in Care Commissioning Group Safeguarding Assurance Meetings Safeguarding Partnership Children, Families and Learner's Board
SR21/CR22 – Colleague health and wellbeing (opportunity)	6 – we are seeking to take this opportunity risk <i>No change in the score from Q1</i>	Six controls in place to mitigate any threats from this opportunity risk	Three additional actions identified to assist in 'taking' the opportunity, one action was reported as 'complete' at the end of quarter 2	Yes Internal audit on <i>health and wellbeing</i> , which reported substantial control assurance	Yes Strategic Leadership Team (SLT)

* The risk scores are those last presented to Cabinet in November 2021, as part of the Quarter 2 Performance Monitoring Report. The Q3 position will be reported to Cabinet in February 2021.