

READING BOROUGH COUNCIL

HEAD OF FINANCE

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	28 JANUARY 2016	AGENDA ITEM:	5
TITLE:	STRATEGIC RISK REGISTER		
LEAD COUNCILLOR:	JO LOVELOCK	PORTFOLIO:	FINANCE
SERVICE:	FINANCE	WARDS:	N/A
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1. EXECUTIVE SUMMARY

- 1.1 The primary purpose of this report is to update the Audit & Governance Committee on the Q3 status of the Council's 2015/16 Strategic Risk Register, in line with the requirements of the Council's risk management strategy.
- 1.3 The Council Management Team (CMT) maintains the Register on behalf of the Council, with the assistance of the Council's Chief Auditor.
- 1.4 The Register is reviewed on a quarterly basis by CMT.
- 1.5 The Register is presented to the Council's Audit & Governance Committee a minimum of six monthly or quarterly in the case of any risks where the position has worsened or for residual red risks where the Audit & Governance Committee shows a particular interest. It was last presented to the Committee in July 15.
- 1.6 The following documents are appended:

Appendix 1 - 2015/16 Q3 Strategic Risk Register.

2. RECOMMENDED ACTION

- 2.1 The Audit & Governance Committee is requested to consider the Q3 status of the Council's 2015/16 Strategic Risk Register.

3. BACKGROUND

3.1 The revised Strategic Risk Register as at Dec 2015 (Q3) is reproduced at appendix 1. Arrows are used to indicate direction of change in any scores since the previous quarter.

3.2 The following key points should be noted to aid understanding:

↑↓ have been used to indicate movements in the net (residual) risk scores since the previous quarter, where a → is shown no change has occurred.

A “mitigation” column has been added for each risk so as to provide a summary of the mitigating (controls) actions in place to minimise risk.

3.3 Members are reminded that although guidance is provided to officers in relation to the scoring of risks, with a view to providing as much consistency as possible, it still remains very much a subjective process. The primary aim of this report is to identify those key vulnerabilities that the officers consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In many cases this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased. Furthermore, it is possible that the likelihood can be influenced by events outside of the Council’s control e.g. the economic climate and its impact on financial planning, or severe weather etc.

3.4 Directorate level risk registers generally only contain risks whose impact would not be felt wider than the directorate to which they belong should they materialise and are managed within the directorate.

3.5 The Strategic Register is compiled from risks identified at directorate level, which have been escalated along with high-level generic risks, which require strategic management. Entries within the Register reflect the risks identified by the Council Management Team thereby strengthening their strategic perspective, management response and controls.

3.6 The inclusion of risks within any level of risk register does not necessarily mean there is a problem. On the contrary, it reflects the fact that officers are aware of potential risks and have devised strategies for the implementation of mitigating controls.

3.7 Each entry within the register is scored to provide an assessment of the residual level of risk. All risks have been scored based on an assessment of their impact and likelihood. These assessments are made at two points, before any actions are in place (inherent risk) and after identified controls are in place (residual risk).

3.8 Whatever level of residual risk remains, it is essential that the controls identified are appropriate, working effectively and kept under review.

3.9 Plans are in place to mitigate the risks identified in the Strategic Risk Register.

4.0 CONTRIBUTION TO STRATEGIC AIMS

- 4.1 Risk management underpins all aspects of the council strategic aims.
- 4.2 The risks within the risk registers are directly linked to the projects and work streams that are in place to deliver the strategic aims.
- 4.3 Budget risks directly influence all strategic aims.

5.0 COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 Risk management is an internal management process that is open to scrutiny from councillors and the public at the Councils Audit and Governance Committee meetings.

6.0 LEGAL IMPLICATIONS

- 6.1 Local Government Acts 1999 and 2000 established a requirement of performance improvement in modernised local government. Risk management is an important element in ensuring that service delivery objectives are achieved.

7.0 FINANCIAL IMPLICATIONS

- 7.1 There are none associated with the recommendations in this report. The work recommended will be met from existing budgets.

8.0 BACKGROUND PAPERS

- 8.1 Council's Risk Management Strategy.
- 8.2 Delivering Good Governance in Local Government - Framework, CIPFA/ Solace 2012.
- 8.3 The Accounts and Audit Regulations.

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner	
		IMP	LH	SCORE				IMP	LH	SCORE			
1	Budget risk: Unable to deliver services within the resources available to the Council to meet obligations and service standards, including keeping the current year's budget within the approved budget framework	5	5	25	<p>Development of a budget strategy and budget options to reduce spending by around £40m over the 4 years to 2020/21, with a draft "efficiency plan" (as required by Government) to Policy Committee by July 2016</p> <p>Set Lawful Budget for 2016/17 at Council & keep under review</p> <p>Directorates are required by the budget framework to bring forward mitigating measures where practical to address adverse budget variances - at each budget monitoring. The 2016/17 budget report will set out a range of measures that need implementing over a c. 2 year period to reduce the council's "back office" and administrative support. A detailed implementation plan will be brought forward shortly thereafter.</p>	Jul-16	IW						
						2016	AC	5	4	20	→	IW/AC	
						2016	CMT						
2	Data Protection: Risk of breach of data by inadequate data handling and not adequately preventing and minimising security incidents, including ICT incidents, resulting in loss of data, unlawful sharing of data, reputational damage and significant financial penalties levied by the Information Commissioner's Office.	5	4	20	<p>Ongoing corporate training programme for data protection, raising awareness with staff groups of the need to handle personal data securely and properly during 2015/16</p> <p>Roll out training corporately and introduce e-learning refresher training module</p> <p>Need to test application of training by officers</p> <p>Incident management procedures mitigate loss or breach of data</p> <p>Need identified to update data protection suite of policies</p> <p>Need identified to provide for an information governance officer reporting to SK (legal) to assist with implementation of new policies and ongoing work advising officers</p> <p>Corporate ICT Security Policy implemented with clear audit trail</p> <p>BeCrypt Implementation and encrypted USB Stick Introduction provide seamless encryption on Council ICT equipment</p> <p>Increased Secure Email roll-out</p> <p>Policy Revision to be agreed</p>	Mar-16	CB/SK						
						Mar-16	AW/JB /SK						
						Mar-16	AW/CB /SK						
						Mar-16	AW/JB /SK	3	4	12	→	CB	
						Mar-16	CB/SK						
						Mar-16	AW/JB /SK						
						Complete	JB/SK						
						Mar-16	AW/JB						
						Mar-16	AW/JB /SK						

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner	
		IMP	LH	SCORE				IMP	LH	SCORE			
3	Property Risk - Failure to maintain the fabric and services of buildings resulting in injury to individuals and/or non-compliance with relevant legislation or unavailability of asset.	4	4	16	<p>The comprehensive review of assets has included a rolling program of condition surveys that has informed a prioritised program of works approved and implemented in July. Proactive planning monitored on a monthly basis by Land and Property Group.</p> <p>Review of Building Management responsibilities to ensure that responsibilities are clear and adequate. Action Plan developed and overseen by Corporate Risk Group.</p> <p>Training is in place in relation to FLASH responsibilities.</p> <p>Annual audit of FLASH items in high risk properties</p> <p>A number of Business Continuity plans have been updated. Timetable agreed for the review of plans.</p> <p>Project commenced looking a RBC staff accommodation in order to best utilise assets and project plan agreed.</p> <p>Health and Safety project team reviewing 19 Bennet Road and Darwin Close parking</p>	Ongoing	GF/RP / JS						
						Ongoing	JS/PE						
						Ongoing	RP	4	3	12	➔	AB/GF	
						Ongoing	RP						
						Ongoing	WF						
						Ongoing	JS						
						Complete	JS						
4	Safeguarding (children). Risk of death or injury to children, through inappropriate care or attention.	5	4	20	<p>Routine audit process underway, reviewed monthly by HoS</p> <p>Deliver Children's Social Care Improvement plan with focus on improved record keeping, compliance with procedures and acting on poor performance indicators. Monitored monthly.</p> <p>New Notification process for top ten high profile cases</p> <p>Ensure that Assessments are recorded, timely and accurate</p> <p>External audit of case work, leading to practice improvements.</p>	Ongoing	CP						
						Mar-16	CP	5	3	15	⬆	WF	
						Mar-16	CP						
						Ongoing	CP						
						Jun-16	CP						

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner	
		IMP	LH	SCORE				IMP	LH	SCORE			
5	Safeguarding (Adults) - Risk of death or injury to young people or adults through inappropriate care or attention.	5	4	20	<p>Safeguarding team to deliver a knowledge management package/ e learning and brief/present as required. Complete for Safeguarding Level 1 training inc refresher training (refreshed for MSP and Care Act compliance). Available across care and health sector. Levels 2 & 3 face to face training is offered.</p> <p>Safeguarding Adults Board to agree programme to embed Care Act duties - workshop Jun 15, action plan completed by Nov 15. Workshop complete - actions taken to SAB output = revision of Pan Berkshire Safeguarding Procedures. Ongoing work to adapt new Pan Berkshire procedures (due for implementation February 2016) across all Berkshire authorities. New procedures are based on Pan London procedures - permission granted by pan London group for adaption and publication on website - Tri.X web hosts (Berks on-line procedures) tasked with adapting procedure for Berkshire - Local implementation groups being managed via SAB - updated safeguarding forms being finalised by performance team - new Roles and Responsibilities document explaining process SAT and QPM roles including Organisational Enquiry process updated and circulated to managers in anticipation of implementation. Incoming SAT manager is prepared for coordinating further implementation with local partners (minimal and very practical guidance for staff to be agreed across participating authorities.</p> <p>Audit of procedures and compliance and staff trained. Applied to existing action plan, which incorporates Peer review recommendations</p> <p>Monthly scrutiny of all high risk cases</p> <p>Case file audit to test rigour of recording practice and accessibility of records. Implemented and ongoing. Utilising revised, proportionate and MSP compliant audit tool.</p> <p>Workload management process and analysis kept up to date to ensure staff capacity to respond.</p> <p>Making Safeguarding Personal is now fully implemented. A learning lunch is planned for 13.01.16 to discuss cases and its implementation with front line workers.</p>	Ongoing	SMcG/ EMcI						
						complete	SMcG	5	3	15	↓	WF	
						Complete	WF						
						Ongoing	MOR						
						Ongoing	MOR						
						Complete	MOR						
						Complete	MOR						

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner
		IMP	LH	SCORE				IMP	LH	SCORE		
	Risk 5 continued				<p>Further work identified for Mental Health Services regarding reporting through the statutory safeguarding process as well as the trusts internal service. (DATEX). New MH locality Manager and MH Transformation lead to scope out the issues and provide awareness training.</p> <p>A further risk has transpired related to fire related deaths. This has been both a local and national issue. We are working with the fire service to provide awareness training for those who provide care both internally and through agencies.</p>	Mar-16	MOR					
6	Failure to close the gap in school attainment for pupil premium groups	4	5	20	<p>Deliver targets within the Raising Attainment Strategy</p> <p>Develop a partnership with schools which enables the delivery of school to school support during academic year 2015/16</p>	Sep-16	AMcN	3	4	12	➔	WF
7	Impact on staff resilience (stress and motivation) of organisational change & budget reductions.	4	5	20	<p>'Take the Temperature' through staff surveys and focus groups</p> <p>Ensure that managers are carrying out 1:1's, appraisal and team meetings at a local level</p> <p>Ensure that managers know how to measure stress and carry out surveys of staff</p>	Jan-16	WK	3	4	12	➔	CB
						Ongoing	AMcN					
						Ongoing	CMT					
						Mar-16	WK					

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner
		IMP	LH	SCORE				IMP	LH	SCORE		
8	Impact of the Better Care Fund on health and social care economy, including the Council's savings plans and overall integration agenda	4	4	16	<p>The Better Care Fund is about to enter a second year. Technical guidance has not been issued at the time of updating this report, however NHS England have issued timescales for completion. (08.02.16). Due to the lack of technical guidance the plans for the year ahead are at risk of being completed fully, in a timely way.</p> <p>Evaluation and workshop completed using National guidance tool, and has identified a recommendation to continue with the Discharge to Assess service which has met initial expectations and targets. The allocation of funds through the CCG is at the moment being negotiated. The CCG have made assumptions on the allocation to Local Authorities for the 'Protecting Social Care' element which will severely compromise the ability for ASC to achieve savings. This is being worked up through the Berkshire West Delivery Group and the Berkshire West Finance Sub Group. Plans will need to be concluded by the second BCF submission in Mid-March 2016 (date of submission not yet provided by NHSE)</p>	Feb-16	WF	4	3	12	→	WF
9	Increasing number of people becoming homeless and placing additional financial pressure on the Council to provide temporary accommodation (including B&B).	4	5	20	<p>Develop business case for council owned housing company to acquire homes to rent including a proportion at sub-market rent</p> <p>Subject to Planning agreement develop temporary modular homes at Lowfield Rd</p> <p>Refurbish and re-let units at Dee Park as Temporary accommodation</p> <p>Develop training for staff cross sector and make 'every contact count'.</p>	Feb-16	SG	3	4	12	→	SG
						July-16	NB					
						Mar-16	ZW					
						Ongoing	BH					

Ref No.	Risk Description	Inherent Risk			Mitigation	Due Date	Action Owner	Residual Risk			DoT	Risk Owner
		IMP	LH	SCORE				IMP	LH	SCORE		
10	Health & Safety Training has not been completed by staff and managers leading to a risk of injury and litigation.	4	4	16	<p>Audit of health and safety training to identify gaps. Review of numbers who have completed Level 1 to ensure accuracy and programme of training to be agreed. Discussions with Learning and Development Team to agree a system to monitor training and refreshers.</p> <p>Training action point on Corp H&S Action Plan</p> <p>Audit template updated to gather training data from services - will require on going monitoring throughout the year</p>	Ongoing	LD/RP	4	3	12	→	CMT