

## **AUDIT AND GOVERNANCE COMMITTEE**

### **20 SEPTEMBER 2019**

## **CORPORATE RISK REPORT**

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### **Recommendation**

- 1. The Committee is requested to note the latest update of the Corporate Risk Register (Appendix) including mitigating actions identified in respect of red risks.**

### **Background**

2. The Corporate Risk Register provides a mechanism for collating and reporting risks that could affect the delivery of corporate objectives. In April 2017 the Council adopted an electronic risk register tool to hold in one place all the major risks identified by individual Directorates and major projects. A scoring system is used to rate individual risks. This allows risks to be ranked and provides a view of the highest risks identified across the organisation.

3. The Council's approach to risk monitoring and risk management continues to develop, and over the next 12 months the Corporate Risk Management Group (CRMG) will review the system and reporting requirements for risk management (including, for example, an assessment of the suitability of Pentana, the Council's new internal audit system, as a potential replacement for the corporate risk register tool). In the last 12 months, CRMG has implemented the following changes:

- a) Reviewed the data quality of the corporate risk register (removing duplicate or obsolete risks) and reduced the number of risks on the register from 187 in 2018/19 to 124 at the end of quarter one 2019/20;
- b) Updated the Terms of Reference to include the Transformation and Performance Board as a governing board and increasing CRMG membership to include cross-cutting support service areas;
- c) Developed a monthly risk dashboard and a monthly report for SLT and Transformation and Performance board; and
- d) Increased reporting of risk to Cabinet and Audit and Governance Committee to once per quarter from 2019/20 (previously once every six months).

4. At the end of Quarter One 2019/20 there were 124 individual risks entered in the risk register of which 15 were identified as high / "red" risks.

5. The Appendix provides an overview of risks identified at the end of Quarter One 2019/20, and more detail about the highest risks. Individual risks have been grouped for the purposes of reporting here. The highest risks have been grouped into five risk areas, following discussion by the Corporate Risk Management Group (CRMG) and

the Performance and Transformation Board, and are included below with a brief summary of mitigating activity:

- a) **Safeguarding vulnerable children** – delivery of the service improvement plan for Children's Social Care and the implementation of Worcestershire Children's First. Dedicated team to support implementation of new social care case management system.
- b) **Education** – review of schools with budget deficits, agreement and implementation of the Special Educational Needs and Disability (SEND) Improvement Plan, supporting schools to the propose of any school organisation change
- c) **Demand for Adult Social Care** – roll out of the Three Conversations model by Adult Social Care, monitoring of care market and workforce availability to identify areas of risk, monthly monitoring of service and directorate budgets
- d) **Compliance management of the council's estate** – capital investment of £1m agreed to carry out survey, assessment and remedial works, all risk assessments and surveys for asbestos, fire and water carried out and up to date for 2018/19
- e) **Business continuity response to major event** – business continuity portal (part of Resilience Direct) established and updated with all critical business continuity plans. Review of critical service business continuity plans underway and a review of the corporate business continuity plan agreed for spring 2020 including a planned exercise to test key elements. Agreement with NHS England for supply of face masks for front line workers in the event of pandemic. New responsibilities for councils to plan for no-deal EU exit scenario.

Two further risk areas that have previously been reported as high / "red" are highlighted as medium / "amber" following significant mitigating activity during 2018/19:

- f) **Financial control** – program of rapid cost saving measures delivered in 2018/19 significantly reduced overspend projected mid-year, review of reserves and financial standing undertaken by Director of Finance, new financial and budget monitoring system ready for roll out in 2019/20, rationalisation of cost codes to simplify budget monitoring and promote further accountability, commercial review of contract review, tail-spend and payment terms initiated. Overspend at end of 2018/19 was approximately £2m (compared with the 2018/19 mid-year projected overspend of over £15m).
- g) **Staff capacity, capability and productivity** – dedicated social work recruitment team for children's and adult social care, organisational redesign underway including staff engagement around performance and productivity. Permanent staffing in social work posts was at a high of 83% at the end of 2018/19 (compared with 59% in February 2018).

6. The Appendix provides more detail about these risks and details of the steps in place to mitigate them.

## **Contact Points**

### County Council Contact Points

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### Specific Contact Points for this report

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## **Supporting Information**

- Appendix – Corporate Risk Update

## **Background Papers**

In the opinion of the proper officer (in this case the Management Information, Analytics and Research Manager) the following are the background papers relating to the subject matter of this report:

WCC Corporate Risk Register