

RISK MANAGEMENT REPORT

To: Audit and Accounts Committee

Date: 15th March 2016

From: Sue Grace, Director, Customer Services and Transformation

Electoral division(s): All

Forward Plan ref: N/A

Key decision: N/A

Purpose:

- To provide the Audit and Accounts Committee with the profile of Corporate risks faced by the Council
- To provide details of significant changes to the Corporate Risk Register (CRR) since the last report to the Committee in January 2016
- To provide the Audit and Accounts Committee with the profile of risks faced by corporate and executive directorates

Recommendation: Audit and Accounts Committee comments on and notes the latest Risk Management Report.

<i>Officer contact:</i>	
Name:	Neil Hunter
Post:	LGSS Head of Internal Audit
Email:	neil.hunter@cambridgeshire.gov.uk
Tel:	01223 715317

1. BACKGROUND

1.1 In accordance with best practice, the Council operates a risk management approach at corporate and service levels across the Council, seeking to identify key risks which might prevent the Council's priorities, as stated in the Business Plan, from being successfully achieved.

1.2 The risk management approach is encapsulated in 2 key documents:

- Risk Management Policy

This document sets out the Council's Policy on the management of risk, including the Council's approach to the level of risk it is prepared to countenance as expressed as a maximum risk appetite. The Risk Management Policy is owned by the General Purposes Committee.

The Risk Management Policy states that the Council aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers, although this must be within the Council's risk appetite. Audit and Accounts Committee members are therefore reminded that accepting a residual risk score of amber is appropriate provided that an objective risk assessment has been undertaken.

- Risk Management Procedures

This document details the procedures through which the Council will identify, assess, monitor and report key risks. The Risk Management Procedures document is owned by the Strategic Management Team (SMT).

1.3 The respective roles of the Audit and Accounts Committee and General Purposes Committee in the management of risk are:

- The Audit and Accounts Committee provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.
- The General Purposes Committee has an executive role in the management of risk across the Council in its role of ensuring the delivery of customer outcomes.

1.4 Risk Identification

The Council's approach to risk identification is described in the following extract from the Council's Risk Management Policy as approved by General Purposes Committee:

- Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively;
- Risk management should be embedded in everyday business processes;
- Officers of the Council should be aware of, and operate, the Council's risk management approach where appropriate;
- Councillors should be aware of the Council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with General Purposes Committee members being involved in the identification of risk on an annual basis.

Ownership of the Corporate Risk Register (CRR) lies with SMT which reviews the Register on a quarterly basis, following an initial review by the Corporate Risk Group (CRG), chaired by the LGSS Head of Internal Audit.

Significant changes to the CRR are reported to General Purposes Committee and Group Leaders on a quarterly basis. On an annual basis General Purposes Committee and SMT will review the CRR to seek to ensure that all significant risks faced by the Council are reflected. This annual review is undertaken in co-ordination with the annual business planning process.

- 1.5 The CRR will be reviewed by SMT on 14th March 2016 and a verbal update will be given to the Audit and Accounts Committee. A report detailing significant changes to the CRR will be presented to the General Purposes Committee at its meeting of 31st May 2016.
- 1.6 This report is supported by:
 - The Corporate Risk Profile (Appendix 1)
 - The Corporate Risk Register (Appendix 2)

2. CORPORATE RISK REGISTER UPDATE

- 2.1 Following the review of the CRR by SMT on 14th March, a verbal update will be given to the Committee confirming if SMT are confident that the CRR is a comprehensive expression of the main risks faced by the Council and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

Appendix 1 shows the profile of Corporate Risk against the Council's risk scoring matrix.

2.2 **Risk 15: Failure of the Council's arrangements for safeguarding vulnerable children and adults**

One of the issues of concern when receiving the last Corporate Risk Register was in relation to the above corporate risk. The Committee raised concerns that there was not any real detail provided on the actions being taken. While it was explained that the key controls / mitigations were already in place, as shown by the names of the strategies and processes listed under that heading, the Committee wished to receive assurance from Children and Young People and Adults Committees that they were satisfied that the key controls / mitigations in place were considered to be effective, and to ask them to consider whether any other actions needed to be considered.

As an initial response, the Executive Director for Children, Families and Adults (CFA) indicated that the CFA Management Team reviewed the CFA risk register and recognised that it required updating. As a result, it was agreed that a thorough refresh of the risk register should be undertaken, with the aim of making the content more dynamic in response to emerging/changing risks and issues. This would include looking at the mitigating actions, as some of these were recognised as being too generic and some were out of date.

Timescales for the review that they are currently working to for the CFA risk register are shown below:

- CFA Management Team review CFA risk register - 20-01-16 (due to discuss in November but delayed so risk register could take account of business plan proposals) - complete
- Risk owners review and amend - w/c 15-02-16 and w/c 22-02 - complete
- CFA Management Team signed off amended register - 02-03-16 - complete
- Corporate Risk Register updated to take account of CFA review - 03-03-16 - complete
- Audit and Accounts Committee reviews Corporate Risk Register (including updates signed off on 02-03-16) at meeting on 15-03-16
- Spokes review CFA risk register in preparation for service committees - 25-05-16 and 26-05-16
- GPC reviews Corporate Risk Register 31-05-16
- Adult Service Committee reviews register 07-07-16
- CYP Service Committee reviews register 12-07-16
- Audit and Accounts Committee review of CFA Risk Register 20-09-16

This risk will then be completely revised.

A verbal update will be given following SMT on 14th March if risk 15, Failure of the Council's arrangements for safeguarding vulnerable children and adults contains up to date key controls and actions.

2.3 Risk 28: Lack of capacity to respond to rising demand for service provision

CFA Management Team agreed to remove this risk following the review of the register as it was too wide and it has been replaced with their two urgent demand issues LAC and Care.

A verbal update will be given following SMT on 14th March if risk 28, Lack of capacity to respond to rising demand for service provision can be removed from the Corporate Risk Register

2.4 New risk 31: Insufficient availability of affordable Looked After Children (LAC) placements

This new risk has been agreed by the CFA Management Team as an urgent demand issue and is currently included in the CFA Risk Register. CFA Management Team agreed that this risk should be included on the Corporate Risk Register.

A verbal update will be given following SMT on 14th March if risk 31, Insufficient availability of affordable Looked After Children (LAC) placements is added to the Corporate Risk Register

2.5 New risk 32: Insufficient availability of care services at affordable rates

This new risk has been agreed by the CFA Management Team as another urgent demand issue and is currently included in the CFA Risk Register. CFA Management Team agreed that this risk should be included on the Corporate Risk Register.

A verbal update will be given following SMT on 14th March if risk 31, Insufficient availability of care services at affordable rates is added to the Corporate Risk Register

2.6 Risk 29: Failure to address inequalities in the county

This new risk was agreed at A&AC, GPC and Group Leaders. Following a comprehensive review of the corporate risk register at the recent CRG Officers raised the concern that this risk was more of an outcome than an actual risk and the group felt that this may not be a risk for the Corporate Risk Register.

A verbal update will be given following SMT on 14th March if risk 29, Failure to address inequalities in the county is removed from the Corporate Risk Register

2.7 Details in respect of Risks 15, 28, 29, 31 and 32 are included in Appendix 2 which has also been provided separately in Colour on A3 for Committee members.

2.8 Following the review of the CRR by Group Leaders on 7th January the following changes were proposed.

2.9 Risk 9: Failure to secure funding for infrastructure

Action 9. [Councillor](#) Steve Count had raised at GPC meeting a question around the New Communities and that the CFA led document was disconnected from the new communities work on the 'harder' infrastructure side and that we needed these linking together and to be a whole council response.

Response from CFA – This has been discussed with Economy Transport and Environment (ETE) and they do not think they conflict as they consulted each other during the development of both strategies and both strategies reference each other within the documents. CFA will be placing the Supporting New Communities strategy on the public website on planning pages so that all strategies regarding growth are available in one place.

2.10 Risk 21: Business Disruption.

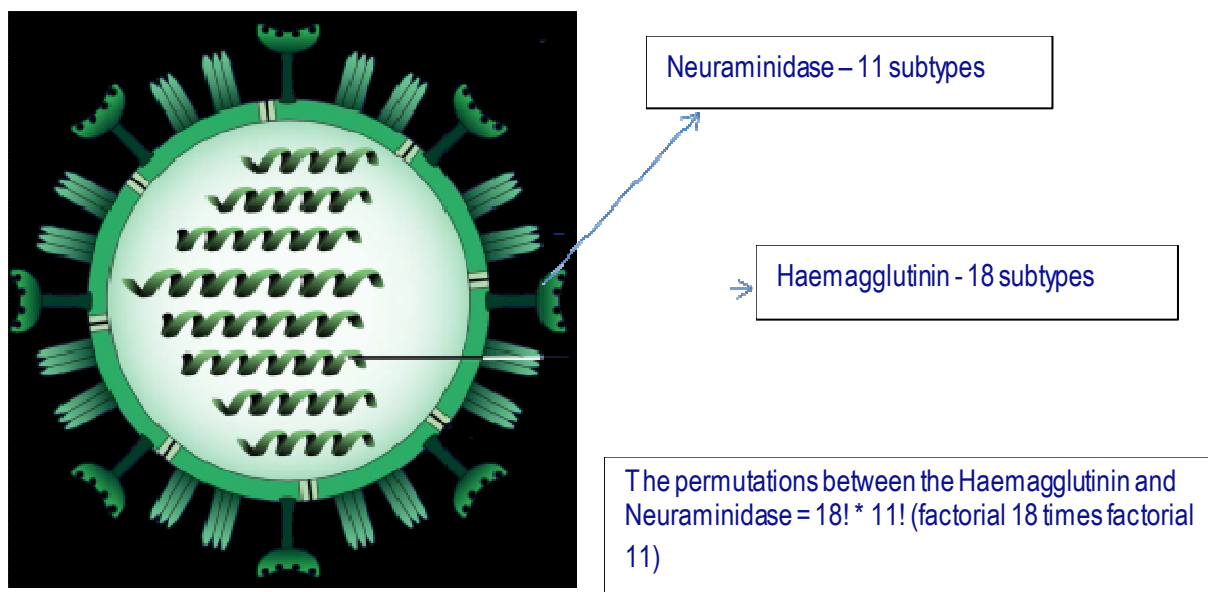
Group Leaders had a concern over trigger 6 'Flu pandemic' as they were concerned with any local epidemic and that pandemic was not the right terminology. Also they stated that this is not just restricted to flu but any epidemic and that there were no subsequent actions.

Response from Public Health as to why it is pandemic.

1. Why is only Pandemic a risk as opposed to other epidemics?

Epidemic spreads when a virus that **has been around before** spreads rapidly to many people (eg measles, SARS etc). When a disease has visited the UK in the past it becomes part of the routine health protection surveillance system. The surveillance of certain diseases over the others is prioritised by its prevalence in and risk factors of the local population. The council has controls to mitigate this risk (quarterly health protection meetings).

On the other hand, Pandemics occur when there is a **new** subtype of a **virus** and this means we have **no immunity** to it. Therefore, everyone is at risk and the **speed of transmission** multiples exponentially. Influenza surveillance is a challenge because of the different flu strains circulating each year.



2. Why Pandemic Influenza and not other pandemics?

To date Pandemic Influenza has taken away most number of lives in the UK for which we still have many uncertainties. If we take HIV / AIDS, for example, there has been great progress and controls are in place to break the transmission cycle. However, with the influenza we still don't know when it will happen, where or what strain of the virus will present itself. Attack rates by age and mortality depend on the circulating strains.

Vaccine efficacy in population: 70–90% in healthy adults

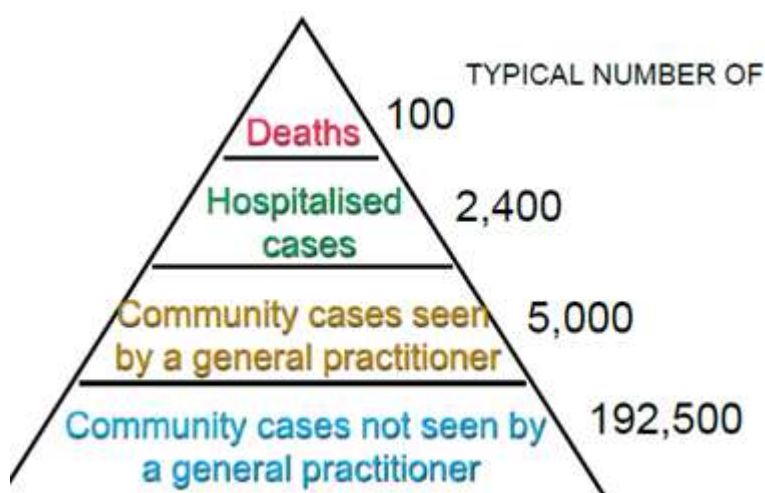
30–40% in elderly with underlying disease

3. What is the relevance of it for the Council – i.e. Cambridgeshire and / or Peterborough?

Capacity: Public Health England (PHE) carry out routine surveillance for communicable diseases (eg. c-diff, perfringens, TB, etc). There is a list of notifiable diseases. Most of these outbreaks have measures in place to respond with the current capacity (although services are stretched). However, working on such thin ice if a pandemic were to arise it will be across the region / country and PHE Health Protection Unit will probably not have capacity to deal with local issues in Cambridgeshire and Peterborough.

Financial implications

Business Continuity – This is best explained through the symptom and clinical icebergs. What we see in reports and publications is only the top of the triangle. However, disruption to the council staff and the community is the bottom end of the triangle.



Modelling of clinical iceberg for pandemic influenza

3 SERVICE RISK

CORPORATE AND EXECUTIVE DIRECTORATE RISKS

- 3.1 The following table overleaf shows the profile of directorate risk across the Red, Amber, Green (RAG) range and comparison with the previous quarter's profile.

ANALYSIS OF DIRECTORATE RESIDUAL RISKS AS AT MARCH 2016

DIRECTORATE	Green		Amber		Red		Total	
	Nov	Mar	Nov	Mar	Nov	Mar	Nov	Mar
Children, Families and Education (CFA) (Mar 16)	2	1	13	14	1	1	16	16
Economy, Transport and Environment (ETE) (Aug-15)	0	2	16	17	1	1	17	20
Corporate (Apr-15)	0	0	7	7	0	0	7	7
Public Health (PH) (Feb-16)	1	2	18	26	0	0	19	28
TOTAL	3	5	54	64	2	2	59	71

The Table illustrates that there are 71 risks recorded in service risk registers. 69 of the risks are managed within the Council's stated risk appetite of a maximum score of 15 as defined in the Risk Management Policy. Actions are planned against the previously reported red risks for ETE and CFA.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

Risk management seeks to identify and to manage any risks which might prevent the Council from achieving its 3 priorities of:

- Develop the local economy for the benefit of all
- Help people live healthy and independent lives
- Support and protect vulnerable people

Source Documents	Location
Corporate Risk Register	Box OCT1108 Shire Hall Castle Hill Cambridge, CB3 0AP