
Meeting: Audit Committee
Date: 22 September 2014
Subject: Risk Update Report
Report of: Charles Warboys, Chief Finance Officer
Summary: The purpose of this report is to give an overview of the Council's risk position as at August 2014.

Contact Officer: Kathy Riches, Head of Internal Audit and Risk
Public/Exempt: Public
Wards Affected: All
Function of: Audit Committee

CORPORATE IMPLICATIONS

Council Priorities:

Good risk management enables delivery of the Council's aims and objectives. Good risk management ensures that we adopt a planned and systematic approach to the identification and control of the risks that threaten the delivery of objectives, protection of assets, or the financial wellbeing of the Council.

Financial:

1. None directly from this report.

Legal:

2. There are no direct legal implications.

Risk Management:

3. The specific strategic risks are as set out in the report below. The Audit Committee has, in its terms of reference, the responsibility to monitor the operation of risk management within the Council and to provide independent assurance on the adequacy of the risk management framework.

Staffing (including Trades Unions):

4. There are no direct staffing issues.

Equalities/Human Rights:

5. None directly from this report.

Public Health:

6. None directly from this report.

Community Safety:

7. None directly from this report.

Sustainability:

8. None directly from this report.

Procurement:

9. None directly from this report.

RECOMMENDATION:

The Committee is asked to consider and comment on the contents of the report.

Background

10. The Terms of Reference of the Audit Committee include the monitoring of the operation of the Risk Management Strategy. This report is the regular update report to assist the Committee in discharging its responsibilities.
11. The purpose of this report is to give an overview of the Council's risk position as at August 2014.

Strategic Risks

12. The March risk report is contained at Appendix A. The report contains 12 strategic risks.
13. There are 10 strategic risks with a residual risk score of 9 or more. A score of 9 or more generally represents an unacceptable risk exposure, with further mitigation required.
14. The risks have been reconsidered and the key revisions are set out below.
15. (STR0001), relating to the risks associated with significant reduction or redirection of funding has been updated to acknowledge the risks associated with the introduction of integrated budgets within the NHS and the potential for claw back. There has been no change to the residual risk score.
16. The Growth strategic risk (STR0003) has been reviewed and updated to reflect the current situation regarding the Development Strategy. The formal submission of the Strategy to the Secretary of State is now estimated to be October 2014. There has been no change to the residual risk score.

17. The ICT failure risk (STR0008) has been reviewed and updated to reflect management action to mitigate this risk. As a result, the overall residual risk score has reduced from 15 to 12.
18. The mitigating actions for the Partnership risk (STR0009) have been updated to reflect that a review of strategic priorities is planned to be undertaken at a conference next month. There has been no change to the residual risk score.
19. The description of risk STR0010 – Protecting Children – has been revised for clarity and is now recorded as “Failure to respond to caseloads and implement child protection procedures due to shortages of professional/skilled workforce”. There has been no change to the residual scores.
20. The Information Management risk (STR0013) has also been reviewed and updated to reflect management action to mitigate this risk. As a result, the residual impact score has reduced from 4 to 3, resulting in a reduction of the overall residual risk score from 15 to 12.
21. STR0019 – Failure to deliver effective and cohesive Health and Social Care to residents – has been reviewed and the residual likelihood score has been increased from 3 to 4. This reflects a number of developments including the Bedford Hospital Trust Strategic Review, the procurement of Mental Health Services, and the shifts in responsibility for service delivery. The overall residual risk score has increased from 15 to 20.
22. STR0020 – Failure to improve safeguarding practice within Adult Social Care – is no longer considered to be a strategic risk and has been removed from the register. This recognises that the service is now well established. There is a robust performance structure in place for the Safeguarding Service, with monthly reports to the directorate’s performance management board and Executive Members, quarterly reports to the Safeguarding Adults Board, and an annual report is also presented to the Social Care Health and Housing (SCHH) Overview and Scrutiny Committee.
23. The transfer of the BUPA Care Homes back into the Council’s management has been recognised as a strategic risk. This has been added to the register, referenced STR00025. The overall inherent risk score is 12. Mitigating actions were in place and the homes have now transferred. The residual risk score is 6. However, some financial risks remain.
24. Following a Supreme Court judgement concerning Deprivation of Liberty Standards a new risk has been added to the risk register. It has been reported that, following the judgement, there has been a ten fold increase in the number of requests for deprivation of liberty assessments, which has an impact on the Council, both in terms of cost and staff resources. This risk has been developed and is referenced STR00026. The overall inherent risk score is 16. Mitigating actions are in place, and the residual risk score is 9.
25. There are no revisions to the remaining strategic risks.

Operational Risks:

26. The risk report also highlights the key operational risks facing the Council. These have been drawn directly from Directorate risk registers as uploaded onto the JCAD risk management system.
27. The dashboard has listed the 7 operational risks with a risk score of 15 or above.
28. The Public Health risk registers have now been developed. There are no high scoring public health operational risks, and no strategic risks have been identified.

Emerging Risks

29. The Implementation of the Care Act will place significant pressures on the Council. Although this has not yet been recorded as strategic risk it has been recognised and the risk implications for the Council are currently being considered.
30. Although the strategic risk register captures some risks relating to Partnerships, including the failure to develop and manage effective partnerships and influence the activities of those partnerships, it is recognised that this risk is broader and increasingly complex. National changes and the financial and other pressures faced by our partners, has increased the Council's risks. Further work is currently being undertaken to review the risks associated with Partnerships and this will be reflected in future updates to the Committee.
31. As a result of a recent review of the risk register by senior management further work is also in progress to review the risks relating to the failure to deliver effective and cohesive Health and Social Care to residents and the failure to respond to caseloads and implement child protection procedures. Any revisions will also be reflected in future updates to the Committee.

Conclusion and Next Steps

32. Internal Audit and Risk will continue to coordinate and update the Strategic Risk register and an update will be presented to the January Audit Committee.

Appendices:

Appendix A – August 2014 Risk Summary Dashboard

Background Papers:

None