Telford & Wrekin
C O U N C I L

a co-operative council

Addenbrooke House   Ironmasters Way   Telford   TF3 4NT

AUDIT COMMITTEE

Date	**Tuesday, 23 July 2019**	Time	**6.00 pm**
Venue	**Meeting Rooms G3/G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**		

I am now able to enclose, for consideration at next Tuesday, 23 July 2019 meeting of the Audit Committee the following reports that were unavailable when the agenda was printed.

AGENDA No.

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TELFORD & WREKIN COUNCIL
AUDIT COMMITTEE 23 JULY 2019
REVIEW OF STRATEGIC RISK REGISTER
REPORT OF THE MANAGING DIRECTOR – LEAD OFFICER FOR GOVERNANCE

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1. For the Audit Committee to note the latest Strategic Risk Register. The Register enables the Council to meet it statutory requirements under the Accounts and Audit Regulations 2015 Part 2 paragraph 3. "*A relevant authority must ensure that it has a sound system of internal control which – (c) includes effective arrangements for the management of risk*".

1.2. The Register is a means for the Council to identify and manage the substantive issues which could impact negatively on delivery of the Council's priorities. As part of the Council's governance arrangements the Register is presented twice a year to Cabinet to demonstrate that the Council understands its key risks and how they are being mitigated. Appendix A sets out the key ongoing risks which have been identified for 2019/20 and the controls in place to manage these risks. The Register was presented to Cabinet in February 2019 as part of the Council's Service and Financial Planning 2019/20 – 2021/22. Since the approval of that budget, the investment into children and adult safeguarding has been updated within the Register's controls, as have partnership safeguarding arrangements and progress with the independent inquiry into child sexual exploitation.

1.3. The Register is subject to detail review by SMT twice each year to ensure appropriate management of these risks and to ensure sure they are current. This will next take place as part of "6 month performance monitoring" after the summer.

1. RECOMMENDATIONS

1.1. That the Audit Committee note the strategic risks in Appendix A.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priority objective(s)?
Yes	*All Priorities*
Will the proposals impact on specific groups of people?	
Yes	*The Council's priorities impact across all communities*
TARGET COMPLETION/DELIVERY DATE	*This is part of the on-going monitoring of delivery of the Council's priorities.*

FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Strategic risks are considered as part of the budget setting process and the effective management of risks helps to maximise the financial resources available to deliver services to the community.PH – 04/07/2019
LEGAL ISSUES	Yes	The Council has statutory responsibilities to undertake functions which are, in many cases, subject to Regulations and central government guidance. As mentioned in the report, the attached risk register is a strategic one and therefore will not provide all of the details for each statutory responsibility (although some are referred to in the appendix attached to this report). However, the strategic risk register must continue to comply both with the Council's statutory duties and generally for instances where the Council has a duty of care to the public and its employees. Accordingly, this should be a consideration if/when any changes to the register are made. Reference to how the register attached to this report assists the Council in meeting its responsibilities contained in The Accounts and Audit Regulations 2015/234 is set out in paragraph 1.1 of this report. AL 4/7/2019
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The report identifies key risks to the delivery of the Council's priorities
IMPACT ON SPECIFIC WARDS	No	Borough-wide impact

PART B) – ADDITIONAL INFORMATION

2. **PREVIOUS MINUTES**

   2.1. Audit Committee 29th May 2018.

3. **BACKGROUND PAPERS**

   3.1. "Service & Financial Planning Strategy" – presented to Council on 28th February 2019.

Report prepared by Jon Power, Organisational Delivery & Development Manager. Tel: 01952 380141

Appendix A

Telford & Wrekin Council
Strategic Risk Register updated January 2019

Definitions used in the risk register:

Likelihood of Risk Occurring

Occurrence	Description
Unlikely	Unlikely to ever occur
Rare	May occur only in exceptional circumstances
Likely	Will probably occur at some time
Almost certain	Is expected to occur in the foreseeable future

Impact of Risk if it does Occur

Descriptor	Financial	Reputation	Physical	Environ-mental	Service
Insignificant	Low	No damage	None	None/ insignificant	No loss of service
Minor	<£50K	Minimal/ minimal media/ social media	Minor	Minor locally	Internal disruption only, no loss of service
Moderate	£50K to £1m	Extensive local media/social media	Violence or threats of serious injury requiring medical treatment	Moderate locally	Disruption/ loss of service less than 48 hours
Significant	£1m to £5m	National media/social media	Extensive/ multiple injuries	Major local impact	Disruption/ loss of service less than 7 days
Major	>£5m	Extensive national media (lead item)/social media	Extensive multiple injuries/ death	Major national/inter national	Severe disruption/ loss of service more than 7 days.

The Register

Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				Organisational Risks			
1	Death or serious harm of a vulnerable child or vulnerable adult (Breach of duty of care)	Likely	Major: physical + reputation + financial	• Safeguarding Partnership, Community Safety Partnership and Youth Offending Service Management Board scrutinise performance, call partners to account and drive practice improvement in the light of learning (e.g. from Serious Case, Safeguarding Adult & Domestic Homicide Reviews) • Following a review of existing arrangements, a new Safeguarding Partnership has been created to drive both children and adult safeguarding to develop systematic working across the children and adult landscape. • Ongoing investment in services: o £4.893m additional funding into Children's Safeguarding & Family Support in 2019/20, which includes £0.847m contingency specifically to address any further cost pressures o £0.842m investment in 2019/20 in Adult Social Care services ***Children:*** • Work completed to develop new safeguarding arrangements for children and adults following new statutory requirements. • Workforce development strategy – recruitment and retention, learning and development including Systemic Practice across the council's children's workforce	CJ	Rare	Major: physical + reputation + financial

Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
Page 7				- Children's Services - systematic quality assurance role for all managers from frontline team manager through to MD and DCS - No staff savings target for Children's Social Workers - Work to national inspection standards and respond to actions required from inspections. OFSTED inspection of Children's Safeguarding June/July 2016 achieved "requires improvement". "Getting to good" action plan being delivered to respond to recommendations. - Children & Young People Scrutiny Board review of children at risk of sexual exploitation report completed. Recommendations being overseen and co-ordinated by Children Safeguarding Board. - The commissioning body for the Independent Review of Child Sexual Exploitation (CSE) has appointed a Chair with TORs to be published in July 2019. - Essential learning training for all employees includes both child protection and CSE. ***Adults:*** - Safeguarding partnership arrangements have been reviewed with the introduction of a new Safeguarding Partnership which is compliant with Care Act requirements and new Adult Safeguarding Guidance & Regulations. The Partnership has an independent chair. - Adult Safeguarding – following review, new multi-agency strategy agreed, regional procedures are now operational and additional adult safeguarding capacity put in place within Council.			

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Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• Quality Surveillance Group chaired by Chief Officer of NHS England Area Team ensures co-ordination of quality & safeguarding issues across health & social care. • Essential learning training for all employees includes adult safeguarding.			
2	Inability to: - match available resources (both financial , people and assets) with statutory obligations, agreed priorities and service standards - deliver financial strategy including capital receipts, savings and commercial income.	Almost certain	Major physical + reputation + service	• Rigorous service and financial planning and regular monitoring and active management through S&FPG, SMT and Policy Review. • Efficiency Plan in place to secure 4 year funding from Government to enable more informed medium-term budget strategy • Savings programme, service reviews and restructuring. • Staffing, economic and environmental impact assessments. • In-year savings exercise as necessary • Rationalisation of Council assets and accommodation • Delivery of capital receipts/rigorous monitoring of capital receipts realisation and impact on the budget • A large proportion of future funding for Adult Social Care will come via the STP (Sustainable Transformation Partnership) this is a Shropshire-wide partnership and the financial pressures facing Shropshire CCG present a risk, mitigating factors are that we are represented at all levels and an agreed governance structure in place. • Understanding the impact of the potential loss of any European Union funding.	RP	Rare	Major: physical + reputation + service

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Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• If necessary contingency plans reviewing phasing of planned capital expenditure, schemes included in capital programme, alternative potential disposals and further revenue budget cuts would be prepared • Review of reserves and balances against risk exposure and available contingency • Review of financial policies • Safeguarding Children Cost Improvement Plan • Adult Social Care Cost Improvement Plan • Commercial project(s) for additional income generation • Housing Investment Programme • Commercial Strategy • "Culture Change" to budget management by managers • Specialist legal advice as required • Cabinet Members regularly briefed			
3	The impact of organisational and cultural change in the Council and partner organisations within the constraints of the public sector economy	Almost certain	Major: reputation + service	• "Being the Change" sets out organisational focus to manage on-going funding cuts. • Engagement and communication with all staff through structured sessions and interactive sessions with Cabinet to support Co-operative working • Regular meetings with Trade Union representatives • Loss of service delivery performance and risk exposure monitored through SMT • Implementing the new Workforce Development Strategy (see 8 below)	RP	Rare	Major: reputation + service

Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• Constitution – assurance by AD's, Finance, Legal, Internal Audit and external reviews (i.e. External audit and government bodies) • Transparency agenda • Codes of conduct • Maintaining communication channels with appropriate senior executives and LSP Executive as a public sector leader forum. • Partnership working though Safeguarding Boards, Health & Wellbeing Board, Community Safety Partnership, Children & Family Partnership, Corporate Parenting Strategic Group and Armed Forces Covenant. • Programme to deliver Single Status			

	The impact of losing skills, knowledge and experience (retention & recruitment)	Almost certain	Significant: service + reputation + financial	• Workforce Development Strategy focussing on four themes: Employer of choice; Planning for the Future; Healthy Organisation; Workforce of the Future.
				• Each AD service area has a workforce plan considering
				    - skills gap analysis and needs
				    - apprenticeships
				• Specific HR policies:
				    - use of market factor weighting for key groups (ICT software developers)
				    - flexible working policy
				    - staff benefit schemes
				• "Grow your own" scheme for social workers.
				• Lean Review of recruitment process and the development of the Council's employment "offer"
				• Council values, ethos, rewards and recognition
					RP	Likely	Significant: service + reputation + financial

Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• Implementation of Annual Personal Performance and Development discussions for all staff.			
5	Significant business interruption affecting ability to provide priority services	Almost certain	Significant: service + reputation	• Each Service Delivery Team has Business Continuity Plans to enable them to respond appropriately (people, systems etc.), these are reviewed annually and updated following team changes and or incidents. • Serious Incident Protocol been adopted. • Investment in ICT infrastructure. Data centre investment complete. • Improvement/upgrade/replacement of key ICT systems ICT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans.	JR	Rare	Significant: service + reputation
	Inability to manage the health & safety risks in delivering the council's functions (including building security and cyber security)	Almost certain	Major: physical + reputation + financial	• Reviewing, writing and monitoring of health and safety policies through SMT and Health and Safety Committee • Risk based health and safety audit process of service areas and local authority managed schools, which not only audit implementation of health and safety policies but also proactively identifies short comings, actions and controls that need to be in place to manage those risks. Significant findings of the audits are reported back though SMT and Health and Safety Committee. • Internal Health and Safety work to Health and Safety Executive (HSE) guidance and revise Policies and Procedures to ensure compliance with legal standards. Revisions reported back through SMT and Health and Safety Committee	JR	Likely	Major: physical + reputation + financial

Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• Building Security Review completed. • System in place for reporting all accidents, incidents and near misses. Non reportable accidents investigated by service area • All reportable accidents are investigated by Internal Health and Safety Team and significant findings reported to Health and Safety Committee. Other findings reported back to relevant Service area management • Training provided on Health and Safety through a mixture of e-learning and face to face. • Essential learning training for all employees includes health and safety and fire safety awareness. • Regular meetings with Trade Unions • Coordination and management of Personal Safety Precautions Risk Register to ensure safety of employees. • Appointed Cyber Security Manager to review and improve cyber security where required. • Cyber security part of essential learning for all employees.			
7	Inability to deliver effective information governance	Almost certain	Major: financial + reputation	• The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies) • Small dedicated team promoting sound Information Governance within the Council and ensuring that good practise is shared across the Council	RP	Likely	Major: financial + reputation

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Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
				• Training and awareness programme put in place annually and Information Governance modules form part of induction and essential learning programmes. • Plans in place to ensure implementation of the relevant aspects of the General Data Protection Requirements 2018 (due by May 2018).			
8	Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services (including provider financial failure)	Likely	Major: physical + reputation + service + financial + environment	• Work collaboratively with other LRF partner agencies, maintaining effective working relationships with the relevant bodies • Maintain appropriate levels of trained staff to be able to respond to an emergency. • Maintaining appropriate, risk based contingency plans (Civil Resilience Team) which are exercised and reviewed on regular basis • Gorge – Phase II at Jackfield complete. Operation 'Tangent' – multi agency plan to respond to landslide in the Gorge is in place and is reviewed and exercised regularly • Individual Service Delivery Managers are responsible for maintaining and exercising their Business Continuity Plan. These plans would be coordinated corporately and the emergency plan activated if necessary. • Provider contract monitoring in place.	JR	Rare	Major: physical + environment + reputation + service + financial

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Ref	Risk	Likelihood without controls	Impact without controls	What are we doing to manage the risk? (controls)	Lead Director	Likelihood with controls	Impact with controls
9	Inability to respond to the impact and implications of Brexit impact	Likely *(dependent on nature of Brexit)*	Major: Financial + Reputation + Environment	• Effective monitoring with regional partner organisations regarding progress and potential impact of Brexit (including Black Country Consortium, West Midlands Combined Authority…etc) - both from a local authority and key sectors of the economy point of view. • TWC is part of the West Mercia Local Resilience Forum reporting arrangements for monitoring impacts of Brexit and any community issues and tensions. This is part of the national reporting framework through the National Local Resilience Forums which reports to the Ministry of Housing, Communities and Local Government. • Risk understanding, reporting and addressing mechanism for the impact/challenges to the organisation through SMT.	RP	Rare/Likely *(dependent on nature of Brexit)*	Major: Financial + Reputation + environment