

Annual report on
Risk Management
2017-2018



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Executive Summary

Background

It has always been important for organisations to identify and manage their risks. This view has been reinforced by public sector legislation i.e. Accounts and Audit Regulations 2015 and National Standards i.e. ISO31000:2018 Risk Management Principles and Guidance, which explicitly references to authorities' risk management arrangements.

Risk Management is the systematic identification, analysis and economic control of opportunities and risks that challenge the assets, reputation and objectives of an organisation.

It enables the Council to effectively manage strategic decision making, service planning and delivery to safeguard the well-being of its stakeholders and increases the likelihood of achieving its outcomes.

Effective risk management is an essential element of good management and a sound internal control system, risk management being a key contributor to good governance and the Annual Governance Statement.

The Council has responded to the above by including Financial Regulation C: Risk Management and Internal Control within the Council's Constitution which states:

C.1 Directors are responsible for ensuring the development and monitoring of effective and comprehensive systems for identifying, evaluating and controlling significant business risks in their service areas.

C.2 The Chief Financial Officer (Director: Strategic Finance and Enabling Services) is responsible for the development, monitoring and review of the Council's risk management policy statement and strategy, which is approved by Cabinet and for reviewing the effectiveness of risk management. The Chief Financial Officer is also the Council's principal risk management adviser and co-ordinator.

C.3 The Chief Financial Officer will assess the Council's overall insurance requirements and will be responsible for arranging all insurance cover. The Chief Financial Officer will review insurance cover on an annual basis and will consult with Directors prior to arranging cover where appropriate.

C.4 Each Director shall be responsible for identifying, assessing and controlling risks within his or her service area taking into account any advice that the Chief Financial Officer may have issued.

Audit Risk Assurance (ARA), within Strategic Finance support the implementation of effective risk management arrangements across the Authority.

Key Outcomes in 2017-2018



Frameworks

Full details of the Risk Management framework are available on the ARA website at <https://staffnet.gloucestershire.gov.uk/internal-services/strategic-finance/risk-management/>.

In summary, key responsibilities are as follows:-

- **Lead Committee for Risk Management** - The Audit and Governance Committee.
- **Senior Management responsibilities** – During 2017-2018 the Corporate Management Team (CoMT) continued to take ownership of Strategic Risk Management with each of the strategic risks being owned by a CoMT member. Quarterly strategic risk management reports are provided to Cabinet, Overview and Scrutiny Management Committee and CoMT to enable them to gain assurance that the Council's strategic risks are being effectively managed. The Director of Strategic Finance is the CoMT lead overseeing the risk management activities during 2017-18.
- **Lead Member responsible for Risk Management** – Cabinet Member for Finance and Change.
- **Operational Risk Management.** The strategy requires that all staff have a role to play in managing risk, with risk management principles embedded into all key business processes, including financial / performance / programme / contract and project management arrangements. There are risk champions within the Council who work alongside ARA who help to embed risk management into GCC's culture.
- In addition, ARA works closely with other key specialist areas of risk such as Health and Safety, Strategy and Challenge, Insurance Services, Asset Management and Property Services and the Civil Protection Team.

Risk Management and links to Good Governance and the Annual Governance Statement

The Council acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that defines the principles and practices that underpin the governance arrangements operating within the Council.

The Code is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) guidance “Delivering Good Governance in Local Government Framework – 2016 Edition”. One of the seven core principles of good governance states:

“Managing risks and performance through robust internal control and strong public financial management.”

In order to gauge the effectiveness of the risk management arrangements operating within the Council, an assurance framework is in operation, which underpins the statements made within the Annual Governance Statement. The process requires all Directors and Service Heads to provide high level examples of compliance against these seven principles including the core principle above, via an assurance statement, to demonstrate that risk management is being effectively applied within their service areas. The Directors Assurance Statements are also reviewed, challenged and countersigned by the Chief Executive and relevant Lead Cabinet Member(s).

As part of the annual review of the effectiveness of the governance arrangements operating within the Council, it was noted that the key governance matters identified have all been recorded and monitored within the Council’s Strategic Risk Register, with the exception of contracting and commissioning care services. This area has been highlighted as an improvement activity within the Council’s Annual Governance Statement 2017/2018 Action Plan and has now been added to the Council’s current Strategic Risk Register.

In addition, the *three lines of defence assurance model* was introduced during 2016/2017 which helps Members and Senior Management to understand where risk assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance, enabling the application of relevant risk mitigation measures and/or controls accordingly.

What is the Three Lines of Defence Assurance Model?

Assurance can come from many sources within the Council. The Three Lines of Defence is a concept for helping to identify and understand the different sources of assurance. By defining these sources into three categories as below, helps the Council understand how each contributes to the overall level of assurance and how best they can be integrated and supported.

- **First line of defence** (functions that own and manage risks e.g. management and supervisory controls);

- **Second line of defence** (functions that oversee risks e.g. Governance structures and processes such as Audit and Governance Committee, Scrutiny, Boards that monitor the implementation of effective risk management practices by operational management and assesses the risk owners in reporting adequate risk related information throughout the organisation); and
- **Third line of defence** (functions that provide independent assurance on the management of risks e.g. OFSTED, Internal/External Audit).

Please see [Appendix 1](#) below which summarises the risk assurance framework, which is based on the three lines of defence model.

Strategic Risk Register (SRR)

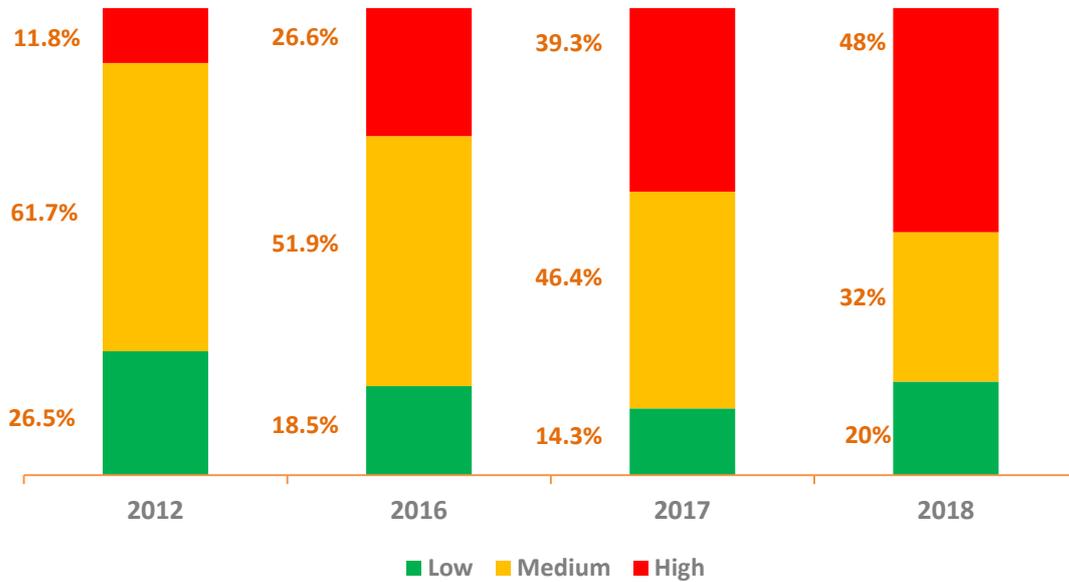
During 2017-2018, three strategic risks were identified and added to the SRR, these being:

- Uncertainties of Central Government policy relating to the Council's responsibilities and operating environment with the potential implications across multiple services;
- Sufficient resources are not available to transform services resulting in failure to recover performance in Children's Services from the current Ofsted rated 'inadequate' level; and
- Failure to prepare for the implementation of the General Data Protection Regulation. Failure to safeguard born-digital records.

The SRR is reviewed quarterly and updated in line with the corporate performance monitoring and reporting frameworks, which is compliant with the Corporate Risk Management Strategy.

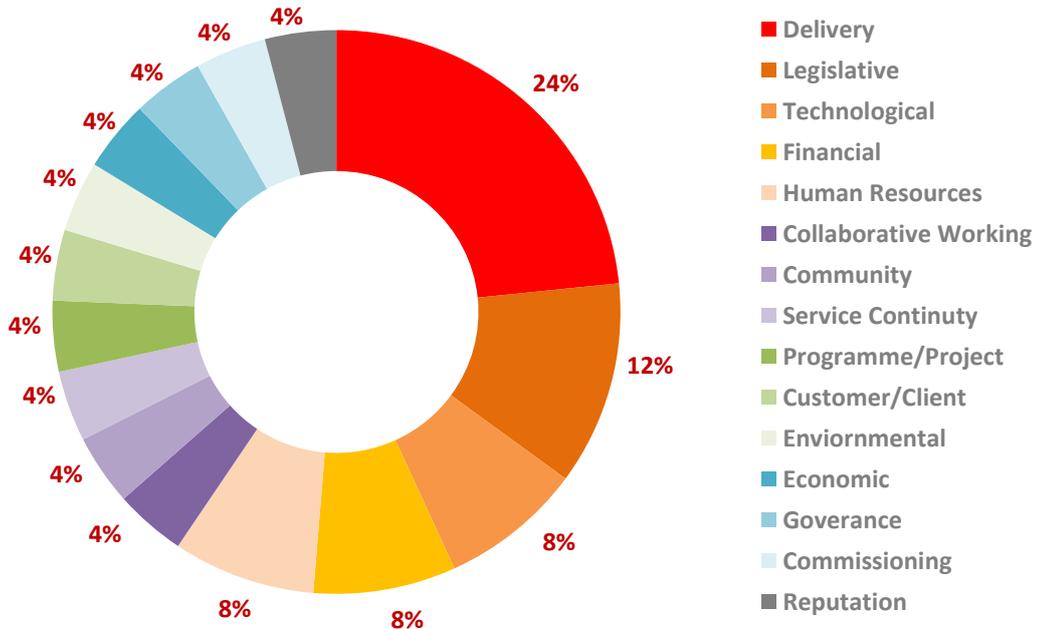
Analysis of the residual risk ratings recorded on the SRR over the last five years demonstrates that more focus, enhanced transparency and openness is given to identifying the key risks facing the Council i.e. 11.8% residual high risks identified in 2012 rising to 48% in 2018 with a reduction in low residual risks from 26.5% in 2012 to 20% in 2018.

Residual Risk Ratings



Analysis of the categories or types of risk recorded within the Strategic Risk Register 2017/2018 was undertaken to evaluate whether the Council had considered and captured all key types of risks associated with delivering the Council’s objectives.

Category / Type of Risk and Opportunities



As demonstrated above, this review highlighted that each key category of risk has been considered and monitored accordingly. A summary of the Council’s current SRR is attached in [Appendix 2](#).

Risk Management links to Internal Audit

Whilst the responsibility for identifying and managing risks belongs to management, one of the key roles of Internal Audit (IA) is to provide independent assurance that those risks have been properly managed. In order to achieve this, Internal Audit within GCC, positions its work in the context of the Council's own risk management framework. This approach is known as Risk Based Internal Auditing (RBIA). Further detail of how these two service areas have further enhanced these links to enable more effective contributions to the corporate governance framework can be found within the paragraphs below.

Opinion on Risk

The Public Sector Internal Audit Standards (PSIAS) 2017 requires Internal Audit to provide an independent opinion on the adequacy and effectiveness of the risk management processes which management have put in place within the area under review, and that a sound framework of controls is in place to sufficiently mitigate those risks.

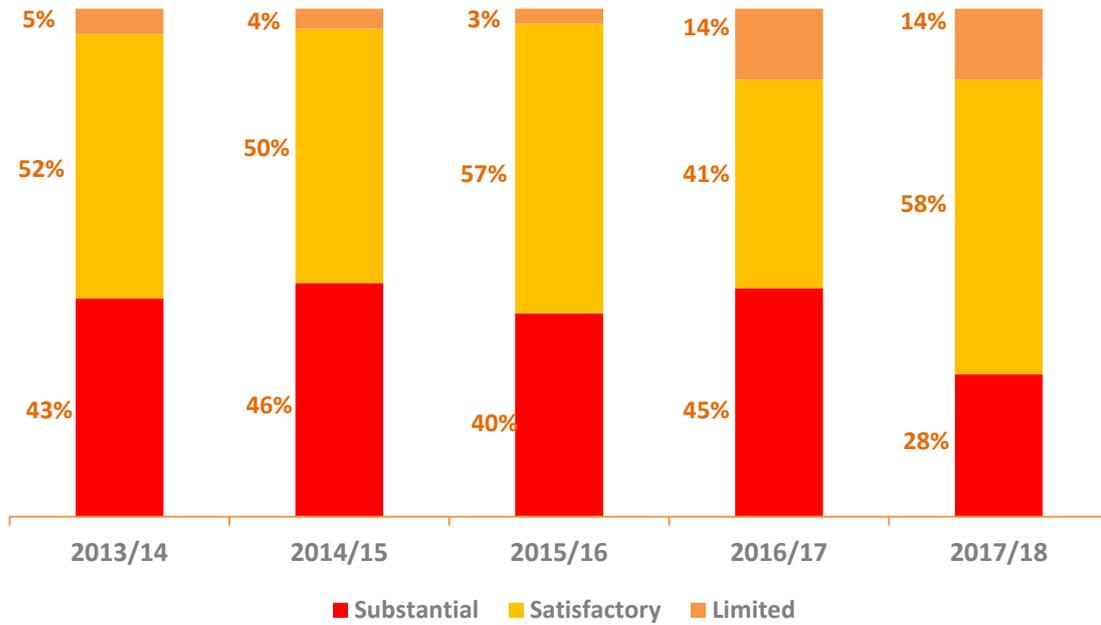
These opinions feed into the Chief Internal Auditor's annual opinion on the overall adequacy and effectiveness of the Council's control environment comprising risk management, control and governance, which supports the Annual Governance Statement. Therefore, on each internal audit report, an opinion is provided as to the adequacy of the controls operating within the area under review (which is also fully compliant with the Accounts and Audit Regulations 2015).

However, in order to further embed risk management and identify and implement innovative practice, the risk management team within ARA continues to work alongside the Chief Internal Auditor where it was agreed that each internal audit report would, in addition to providing an opinion on control, also provide an opinion as to the effectiveness of the risk management arrangements operating within the area under review.

Therefore, a statement continues to be provided on the levels of assurance (Substantial, Satisfactory, Limited) within these two areas.

Analysis during 2017/2018 demonstrates that, **86%** of the audited areas rated the effectiveness of the risk management arrangements as satisfactory or substantial, with 28% rated as substantial and 58% satisfactory, with the remaining 14% obtaining a limited assurance opinion. This evidences that risk management continues to be embedded into the Council's business activities.

Risk Assurance



Limited Assurance Risk Opinions

Where limited assurance opinions are given on audits deemed to be of strategic importance, these are reported to the Audit and Governance Committee. The monitoring of the implementation of the recommendations is owned by the relevant manager. These opinions also help to inform the work priorities of ARA.

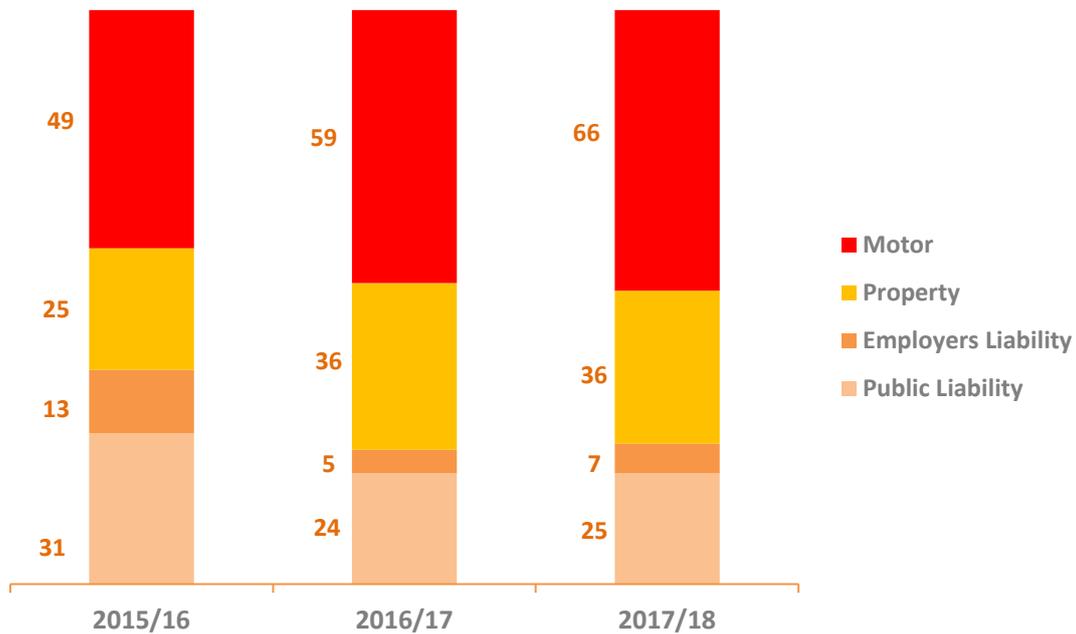
There were seven audits where a limited assurance opinion was given on risk during 2017-2018, this related to School 1, School 2, School 3, School 4, School 5 (all to be reported to Audit and Governance Committee 27th July 2018), an exempt report and Section 20 - Children's Act (both reported to Audit and Governance Committee 6th October 2017).

Risk Management and links to Insurance

Insurance claims statistics and insurance advice have a valuable part to play in the risk management process:-

- They can be used to demonstrate the benefits of applying risk management principles and raise awareness of both good and not so good processes, impacts and controls operating throughout the Council with the provision of 'real life examples';
- They are used to enable the setting of key performance indicators within operational business plans e.g. Employer's Liability claims;
- They highlight emerging trends and new risks to the Authority;
- Regular updates from the Insurance Brokers and the Insurers are also used to identify new risks from, for example new legislation;
- Insurance advice provided by the Insurance Manager in consultation with the insurance brokers and insurers ensures that there is adequate cover for insurable risks within contracts/agreements/partnerships for example; and
- Updates are provided to the three Statutory Officers i.e. Chief Executive Officer, Monitoring Officer and Chief Financial Officer, to keep them aware of all key claims.

Total number of Insurance Claims 2015 - 2018



Overall Insurance Services has seen a slight increase in insurance claims of 9% on last year (2016/17) mainly due to an increase in motor claims.

Public Liability Claims

In 2017/18 the Council received 25 new public liability claims. This is a minor increase from the 24 received in 2016/17. The breakdown of the claims is:-

- 5 relate to historic incidents
- 7 relate to claims from schools;
- 5 relate to pre-contract highways claims;
- 2 relate to claims from the Fire and Rescue Service;
- 4 relate to Social Services claims;
- 1 relates to cycle safety training; and
- 1 relates to corporate property.

Highways Claims

With effect from 1st April 2014 the Council entered into a highways contract with Amey. Most highways functions were outsourced through the contract which included the highways inspections. As the highways inspections are crucial to the defence of highways claims then the liability transferred to Amey via the contract together with the claims handling. Although some residual risk remains with the Council e.g. devising the strategic policies, overall, the financial risk to GCC has significantly reduced.

A new highways contract is currently being devised which will be effective from 1st April 2019. Insurance Services attend the project management team meetings to ensure that the contract clauses and level of indemnities relating to insurance are considered. It is anticipated that the liability for the highways claims and the claims handling will remain with the new contractor

This is an example of how risk can be successfully transferred to a contractor via robust contracts with the benefit of reducing financial risk to the Council.

Employers Liability Claims

The Council received seven new employers liability claims in 2017/18. No new claims for exposure to asbestos have been received in 2017/18. The majority of the employers liability claims relate to slips, trips and falls. Benchmarking exercises through CIPFA have highlighted that the Council has low numbers of employers liability claims compared with similar size authorities.

Risk Management of Liability Claims

- The Council 'bought out' the policy excess on the Public and Employers Liability for the policy years 1996 – 1999. This means that any claims relating to that period will not be subject to the excess applicable at the time (ranging over the years from £260k - £370k) and paid in full by the insurer. The total cost of the premium for buying out the excess was £57,500 (Employers Liability (EL) £21,000 and Public Liability (PL) £36,500).

Insurance Services have finalised two employee liability claims in respect of which the policy years 1996-99 form some of the exposure period. Insurance Services are currently awaiting confirmation from Insurers as to the extent of our recovery for the policy years in question but it is anticipated that the recovery will exceed the premium paid.

It should also be borne in mind that it is likely that there will be further claims where those years are relevant to the Council's liability.

- To mitigate the risk of significant third party solicitors' costs, the Council's Claims Investigator assesses the risks associated with the circumstances of each case as they arise. The mitigation process is:
 - A site visit is undertaken as soon as possible;
 - Key personnel are interviewed whilst circumstances are still fresh in their mind;
 - Identify and obtain relevant documentary evidence;
 - Be assured that potential witnesses are both available and competent to attend court if required; and
 - An early admission of liability where no robust defence is available saves the Council accumulating solicitor costs.

- Insurance Services work with the highways commissioning teams and the highways contractor, Amey, to monitor the claims experience of the highways claims that are dealt with by them and their insurers/claims handlers. It is important that the high repudiation rate and good customer service achieved by the Council in previous years is maintained. To date the contractor is achieving a 90%+ repudiation rate.
- Claims analysis is undertaken to identify emerging risks and where it is possible mitigating action is taken.
- Members of the Insurance Services team attend seminars/working groups run by insurers/brokers/solicitors.
- With robust systems in place it is difficult for any fraudulent claim to succeed as whatever the nature of the claim the Council should be able to put forward a solid defence by evidencing that it has adhered to all relevant legislation/protocols/recommendations and code of good practice.
- Whilst major suspected fraud is dealt with by the Council's insurers, any suspected fraud on a liability claim that is being dealt with in-house, is referred to the Counter Fraud Specialist (Internal Audit).
- The Council's insurers participate in the National Fraud Initiative.
- The Insurance Manager now regularly assists the Commercial Service with the levels of indemnity and insurance clauses being requested in the tendering of contracts process.
- Dissemination of relevant articles received from insurers/solicitors etc. to appropriate staff.
- Employers Liability claims statistics are provided to the Health and Safety Committee.
- Feedback on any claims paid is disseminated (subject to data protection) to appropriate service areas and schools so that lessons are learnt where possible.

Property Claims

Insurance Services operate five property policies to provide insurance for a wide range of perils for both the Council properties and the maintained schools via the Traded Service.

In 2017/18 Insurance Services dealt with 36 new property claims. There were no significant value claims. The claims arose from accidental damage (schools), theft (schools), vandalism (schools), burst pipes, water damage, a minor boiler fire and storm and lightning damage.

Risk Management of Property Claims

Insurance Services work closely with Asset Management and Property Services (AMPS), schools and the insurers to assist with managing property risks and maintain close contact with AMPS and schools in the event of a claim. Regular loss control surveys of the Council premises/schools are undertaken by insurers.

Motor Claims

Insurance Services received 66 new claims relating to motor accidents involving the Council (including Fire and Rescue) and schools vehicles in the period of this report. 68% of motor claims relate to the Council driver error with less than 1% relating to the fault of a third party.

Risk Management of Motor Claims

- Claims analysis is undertaken to identify emerging risks and action taken, where possible, to mitigate the risk;
- A supplementary Risk Management information form is completed by the driver of the vehicles to assist with proactive risk management initiatives;
- A company, DAS, undertake the recovery of the Council's uninsured losses; and
- The Council's motor claims handlers, Gallagher Bassett, undertook two motor risk management exercises of the General Fleet and the Fire and Rescue fleet. The findings demonstrated competency and efficiency in the technical administration of vehicle fleet supply risk management and whilst improvement recommendations were made, the majority of these have been implemented.

Traded Services to Schools

Insurance Services provide a Traded Service to Gloucestershire's maintained schools. (Insurance Services do not offer a service to academies because there is no an insurable risk to the Council).

These services are deemed to be efficient and effective with a large number of compliments being received from schools, which is evidenced by the fact that 100% of maintained schools within the County have purchased our service during 2017/18.

Risk Management for Schools

Risk Management information is communicated to schools via:-

- The Business Support Services webpages;
- The Traded Service e-bulletin;
- Schoolsnet bulletin board;
- What's up Gov;
- Heads Up;
- Attendance at the Traded Service Roadshows; and
- Claims feedback.

Actuarial review of Insurance Funds

Insurance Services commission regular reviews of the insurance funds to ensure that there are adequate provisions and reserves to meet the cost of known claims and those claims that have not yet been received (i.e. incurred but not reported). The actuary makes recommendations for annual contributions to the funds for the following three years and also provides recommendations for additional funds for emerging risks that have no historical data to base a calculation on.

The outcome of the last review (2017) demonstrated that the Council has adequate funds to meet its known and future claims liabilities.

Terrorism Insurance Outcomes

Terrorism

The 2017/18 renewal resulted in significant savings of £108,860 on the previous year on the terrorism to property insurance. This was obtained by insuring in a different way i.e. as an alternative to costing the premiums based on the reinstatement value of every building on the Council's portfolio, the premium was based on the highest value building i.e. Shire Hall (£85m) and this would be the maximum sum paid in one event.

Insurance Future and Emerging risks

- The Insurance Premium tax has increased from 10% to 12% with effect from 1st June 2017.
- A decrease in the injury claims discount from 2.5% to minus 0.75% means that compensation costs on high value catastrophic injury claims will significantly increase and this resulted in a 30% increase in motor and liability premiums for the 2017/18 insurance renewal. The impact of this decrease is that future claim settlements could double or even treble. This will inevitably impact on the insurers' costs and possibly have a knock on effect on the cost of future premiums. However, this decision is currently under review with the Ministry of Justice and the rate is anticipated to increase.
- Cyber risk insurance is a relatively new product to the Local Government insurance market and the Council has decided to procure a Cyber Risk Insurance policy to assist with the management of the aftermath of a cyber attack.
- General Data Protection Regulation may result in an increase in civil claims from individuals who claim to have suffered psychological injury as result of a breach of their personal information.

Future developments in 2018-2019

ARA will continue to input into the review of the strategic risk profile and the maintenance of the Corporate Risk Management Policy Statement and Strategy, support CoMT with ensuring that the Strategic Risk Register continues to reflect the Council's current risk profile and will implement various strategies designed to deliver a continuation of the outcomes detailed in this, and previous reports. In the context of this, a number of future developments are planned for 2018/2019, the key actions are outlined below.

ISO 31000 – Risk Management – Guidelines 2018

ISO 31000 helps organisations develop a risk management strategy to effectively identify and mitigate risks, thereby enhancing the likelihood of achieving their objectives and increasing the protection of their assets. Its overarching goal is to develop a risk management culture where employees and stakeholders are aware of the importance of monitoring and managing risk. Implementing ISO 31000 also helps organisations see both the positive opportunities and negative consequences associated with risk, and allows for more informed, and thus more effective, decision making, namely in the allocation of resources. In addition, it can be an active component in improving an organisation's governance and, ultimately, its performance.

A revised version of ISO 31000 was published in 2018 to take into account the new challenges faced by organisations since the Standard was first released in 2009.

ARA will lead on a self assessment against the new Standard, liaising with relevant professional disciplines, to ensure the Council continues to apply good practice risk principles. Where improvements are identified, a short, medium and long term action plan will be developed and implemented accordingly.

Risk Maturity Assessment

Effective risk management plays a key part in the success of any organisation. A key element of our evaluation should be to test out the Council's arrangements against good practice (i.e. as above ISO 31000 and a risk management maturity model).

There is a good amount of knowledge and experience to help us determine 'What good risk management looks like' as well as utilising other resources from national organisations such as Alarm – The Public Risk Management Association, The Institute of Risk Management (IRM) and the Chartered Institute of Internal Auditors (CIIA).

ARA will lead on the development of a risk maturity assessment model based on the Alarm national performance model for risk management in public services, which will test the extent to which risk management is having a positive effect on the Council and come to a conclusion of our current risk management maturity level and implement any improvement actions that may be required. Risk management maturity will be assessed as being at one of five levels:

| | |
|----------------|---|
| Level 1 | Risk management is engaging with the organisation <i>Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve</i> |
| Level 2 | Risk management is happening within the organisation <i>Board/Members and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented</i> |
| Level 3 | Risk management is working for the organisation <i>Senior managers take the lead to apply risk management thoroughly across the organisation</i> |
| Level 4 | Risk management is embedded and integrated within the organisation <i>Risk management is championed by the Chief Executive Officer</i> |
| Level 5 | Risk management is driving the organisation <i>Senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well managed risk-taking</i> |

Risk Management Training

During 2018/2019, the risk management training programme will continue to be assessed to ensure the training programme reflects the requirements of the Council. The review will aim to include risk management training into the Council's Leadership and Management Courses and the Aspiring Leaders Programme. In addition, the Risk Management e-induction training will be updated and in liaison with Human Resources (HR), incorporated into the Council's new e-induction programme.

Re-establish the Risk Management Group

To improve communications, share good practice, identify and evaluate strategic, programme/project and operational risks within the Council, ARA will re-establish the corporate Risk Management Group (previously the Operational Risk Management Group (ORMG) and subsequently a virtual group), which will include Cluster Risk Champions and other specialist risk officers within the Council to enable good risk management principles to continue to be embedded in all key business practices.

In Future

ARA will continue to play a key role within the corporate programme/project governance arrangements, particularly supporting, providing risk advice and guidance to the In Future (MtC3) programme.

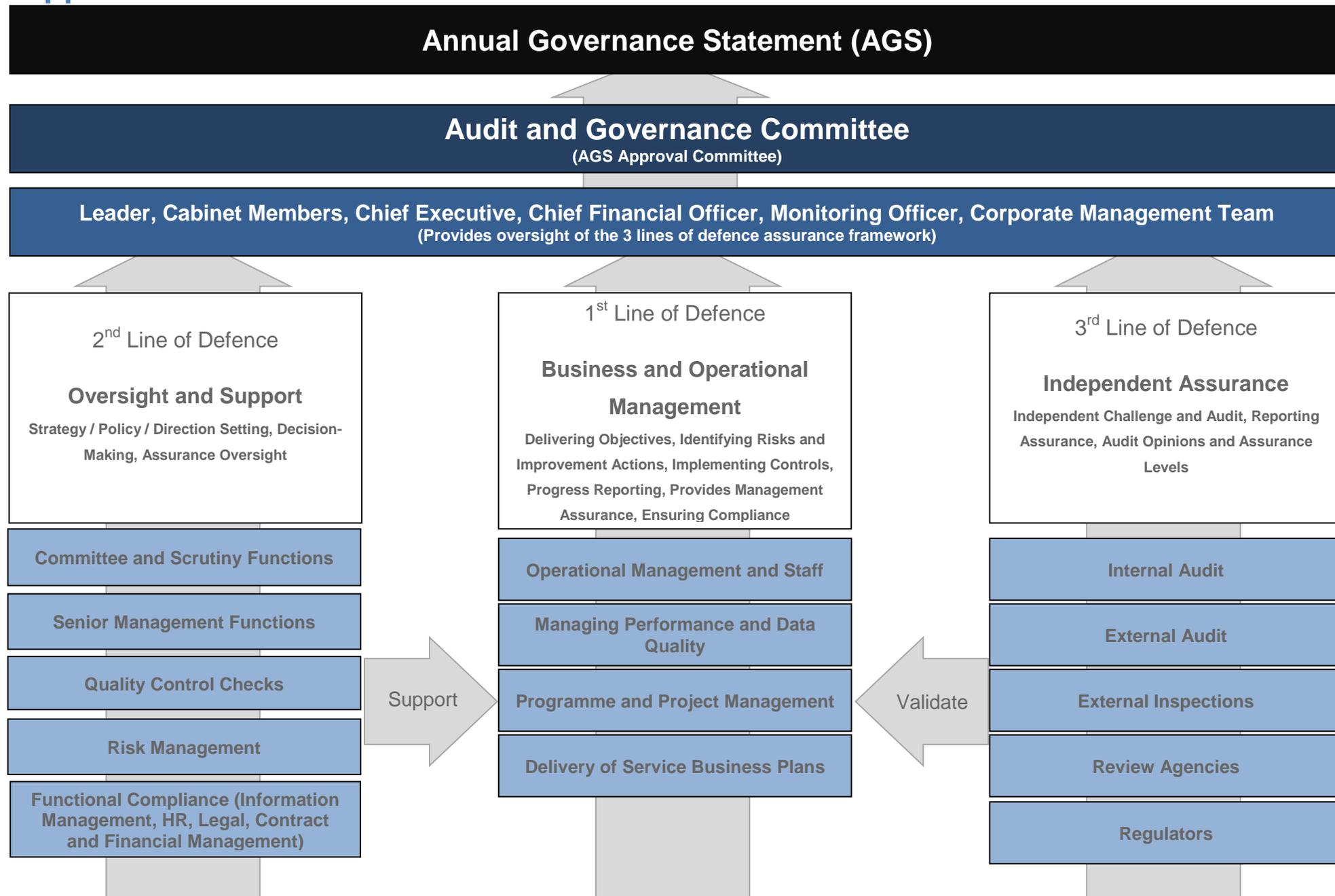
Communications Plan

A Members / Officers communications plan will be developed and implemented to reaffirm the Council's aims and objectives and promote the importance of continuing to embed risk management principles and practices into day to day activities and decision making processes.

Conclusion

On the basis of the information set out in this report, it can be concluded that arrangements for managing risk within the Council are reasonable.

Appendix 1 - What is the Council's Governance Assurance Framework?



Appendix 2 - Strategic Risk Register

| Strategic Risk 1: Corporate Governance | | | | | | | | |
|--|--|----------------|---------------|------------------------|------------------------|------------------------|------------------------|--|
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR1.1 | Failure in corporate governance which leads to service, financial or reputational damage or failure. | Bungard, Peter | High 20 | High 20 | High 20 | High 20 | High 20 | New Whistleblowing policy launched. Speak up if it's not right campaign launched, along with e-learning package for all staff. |
| SR1.2 | Failure to effectively understand, informs, consult, or engage customers, resulting in dissatisfaction, criticism or challenge. | Burns, Jane | High 20 | Low 6 | Low 6 | Low 6 | Low 6 | |
| SR1.3 | Uncertainties of Central Government policy relating to the Council's responsibilities and operating environment with the potential implications across multiple services. | Burns, Jane | High 16 | New | Moderate 9 | Moderate 9 | Moderate 9 | |
| Strategic Risk 2: Financial | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR2.2 | The cumulative impact of service pressures, particularly increased demand in relation to the care of vulnerable Children and Adults, and the under delivery of savings plans designed to address the inherent over-spend positions, result in a major over-spend in 2017/18. | Walker, Jo | High 25 | Moderate 8 | Moderate 8 | Moderate 8 | Low 4 | The provisional outturn position for 2017/18 indicates that total expenditure will be at the level of the approved budget therefore the likelihood of any significant overspend in 2017/18 has been reduced |
| SR2.4 | Reductions and changes to future funding in 2018/19, 2019/20 and 2020/21, and risks and uncertainties relating to NHS funding make it impossible to set a robust and deliverable budget without impacting significantly on Core Services. | Walker, Jo | High 25 | High 15 | High 15 | High 15 | High 15 | The Council signed a 4 year agreement with central government which gives a much higher degree of certainty about future funding flows until the end of 2019/20 however the level of risk around demand management pressures and the need to finding continuing efficiencies to fit within this funding means that setting a robust and deliverable budget into the future is a significant challenge. |

| Strategic Risk 3: Infrastructure | | | | | | | | |
|--|--|----------------|---------------|------------------------|------------------------|------------------------|------------------------|--|
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR3.1 | Failure to ensure technology managed by ICT (including communications abilities) remains fit for purpose. | Edgar, Stewart | High 25 | Moderate 10 | Moderate 10 | Moderate 10 | Moderate 10 | The ICT Service is currently reviewing the ICT Strategy & Roadmap 201318 with a view to delivering a new strategy & roadmap in consultation with business leaders and aligned to both the emerging digital business strategy and council strategy. There has been a significant investment in the implementation of modern, up to date ICT equipment and services that will continue into 2018/19 |
| SR3.2 | Failure to protect the council's key information and data from Cyber Attack. | Edgar, Stewart | High 25 | High 15 | High 15 | High 15 | High 15 | The council receives cyber attacks on a daily basis. Whilst there have been no successful attacks against the County Council data network, "ransomware" malware infections are still the most prevalent type of reported cyber security attacks in the UK. It is critically important that all parties remain vigilant in this area both from a technological as well as a user awareness perspective. |
| Strategic Risk 4: Waste Management | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR4.1 | Failure to deliver expected benefits/outcomes from the Residual waste project impacting on future budgets and the environment. | Riglar, Nigel | High 25 | Moderate 10 | Moderate 10 | Moderate 10 | Moderate 10 | |
| Strategic Risk 5: Organisational Change Programmes | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR5.1 | Failure to manage the Meeting the Challenge Portfolio effectively, impacting on service outcomes, customer satisfaction, finance and reputation. | Walker, Jo | Moderate 12 | Moderate 9 | Moderate 9 | Moderate 9 | Moderate 9 | |

| SR5.3 | Ineffective commissioning processes and capacity result in the council being unable to achieve its strategic objectives | Riglar, Nigel | High 25 | High 15 | High 15 | High 15 | High 15 | Risks are relatively well controlled. Commissioning Board oversight and Commercial Assurance Board ensures risks are identified early and managed. The Reshaping Commissioning programme is making good inroads into ensuring our commissioning processes remain robust. |
|---|--|-------------------|---------------|------------------------|------------------------|------------------------|------------------------|---|
| Strategic Risk 6: Collaborative Working | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR6.1 | Failure to maintain effective relationships with key partners and organisations impacting on our ability to meet statutory and local requirements. | Bungard, Peter | High 20 | High 15 | High 15 | Moderate 8 | Moderate 8 | |
| Strategic Risk 7: Safeguarding Children & Young People and Adults | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR7.1 | Failure to protect vulnerable adults in Gloucestershire from abuse neglect in situations that potentially could have been predicted and prevented. | Willcox, Margaret | High 20 | Moderate 10 | High 15 | High 15 | High 15 | The risk likelihood remains at 'probable' rather than 'possible' due to the promotion of a more 'positive risk taking approach' and because of the continued implementation of the principles of Making Safeguarding Personal, as required by the Care Act. Mitigating actions underway/planned <ul style="list-style-type: none"> • Safeguarding Adults roadshows undertaken this year on the theme of "Finding the Balance" between protecting adults from risk of harm and empowerment • Learning from Safeguarding Adults Reviews implemented via Workforce development sub group; multi agency themed audits undertaken by the Audit sub group • Service user engagement sub group now in place • GSAB is enhancing its challenge and assurance role |

| | | | | | | | | | by changing the focus of Board meetings, requiring partners to demonstrate how their organisations are working to safeguard people who use their services. |
|--|--|----------------|---------------|------------------------|------------------------|------------------------|------------------------|--|--|
| SR7.2 | Failure of GCC to protect CYP from abuse or neglect in situations that could have been predicted or prevented. | Spencer, Chris | High 20 | High 15 | High 20 | High 20 | High 16 | Ofsted Improvement Plan in Place. Key areas include: - Manager - Development Programme - Recruitment & Retention Strategy - Performance Data - Front Door - Quality Assurance - Section 47 Practice - CSE | |
| SR7.4 | Educational outcomes for vulnerable groups of Children & Young People worsen and the gap widens because of Schools and Academies not meeting their responsibilities to vulnerable groups and the accelerating costs of specialist provision. | Browne, Tim | High 20 | High 16 | High 20 | High 20 | Moderate 9 | "Reshaping Education" Project focusing upon vulnerable Children. Development of wide ranging High Needs Programme Implementation of Inclusion and Joint Additional Needs Strategies Establishment of Schools Partnership Board | |
| SR7.5 | Sufficient resources are not available to transform services resulting in failure to recover performance in Children's Services from the current Ofsted rated 'inadequate' level | Spencer, Chris | High 25 | New | High 25 | High 20 | High 20 | The council has provided significant additional resource in terms of cash to match 2017/18 overspend and the provision of additional social worker posts. Programmes such as "social work not paperwork" and "Improving tools for the trade" are having a significant impact on reducing workload. | |
| Strategic Risk 8: Workforce Planning & Employee Relations | | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks | |
| SR8.1 | Workforce skills and capacity gaps/challenges impacting on reduced performance, increased sickness and staff turnover and the reduction in the quality of service provision | Walker, Jo | High 20 | Low 6 | Low 6 | Low 6 | Low 6 | | |
| SR8.2 | Poor employee relations cause a disruption to services, lost productivity and increased costs | Walker, Jo | High 20 | Moderate 12 | Moderate 12 | Low 6 | Low 6 | | |

| Strategic Risk 9: Gloucestershire Prevent | | | | | | | | |
|---|--|----------------|---------------|------------------------|------------------------|------------------------|------------------------|--|
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR9.1 | Failure to deliver outcomes of the Prevent Strategy impacting on the residents and businesses of Gloucestershire | Edgar, Stewart | High 20 | High 15 | High 15 | High 15 | High 15 | Gloucestershire PREVENT Partnership Board provides oversight to ensure risks are identified early and dealt with effectively. Board is committed to proactively working with community groups in raising awareness as well as informing communities on how to recognise signs of radicalisation or extremism and how to refer. |
| SR9.2 | Failure to deliver outcomes of the Prevent Strategy impacting on the council's reputation due to exposure in national media | Edgar, Stewart | High 25 | High 15 | High 15 | High 15 | High 15 | Development of GPPB Action plan, in alignment with the Counter Terrorism Local Profile, embeds a joint understanding amongst local partners of the threats, vulnerabilities and risks relating to terrorism and nonviolent extremism within Gloucestershire. |
| Strategic Risk 10: Emergency Response & Business Continuity Threats | | | | | | | | |
| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
| SR10.1 | Inability of the Council or a key partner to effectively respond to an incident or event external to the council that results in community disruption and failure to return to normal, within required timescales. | Edgar, Stewart | High 15 | Moderate 9 | Moderate 9 | Moderate 9 | Moderate 9 | |
| SR10.3 | Implications of the Policing and Crime Bill impacting on the Fire & Rescue Service and County Council | Edgar, Stewart | High 15 | High 15 | Moderate 10 | Moderate 10 | Moderate 10 | |

Strategic Risk 11: Information Governance

| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
|--------|--|-------------|---------------|------------------------|------------------------|------------------------|------------------------|---|
| SR11.1 | Failure to protect the confidentiality, integrity and availability of information resulting in inefficient/ineffective service delivery by the Council and its partners, service interruption, harm to individuals, reputational damage, legal action or fines | Burns, Jane | High 20 | High 16 | High 16 | High 16 | High 16 | Information security breaches continue to be closely monitored. Preparations for GDPR continue. We will not be fully compliant by 25 May but have made significant progress and have a plan to address all requirements during 2018/19. |
| SR11.2 | Failure to prepare for the implementation of the General Data Protection Regulation. Failure to safeguard born-digital records. | Burns, Jane | High 20 | New | Low 6 | Low 6 | Low 6 | |

Strategic Risk 12: Climate Change

| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
|--------|---|---------------|---------------|------------------------|------------------------|------------------------|------------------------|---|
| SR12.1 | Failure of the Council/Gloucestershire to adapt to a more volatile climate, with rising temperatures, continually high and increasing energy prices and the increasing need to reduce carbon emissions. | Riglar, Nigel | High 25 | Moderate 10 | Moderate 10 | Moderate 10 | Moderate 10 | |

Strategic Risk 13: Uncertainties arising from the UK leaving the EU

| Ref. | Risk | Owner | Inherent Risk | Residual Risk Q1 17/18 | Residual Risk Q2 17/18 | Residual Risk Q3 17/18 | Residual Risk Q4 17/18 | Mitigating Actions for High or Changed Residual Risks |
|--------|---|-------------|---------------|------------------------|------------------------|------------------------|------------------------|---|
| SR13.1 | Uncertainties arising from the UK leaving the EU with the possible impact on funding and policy change affecting Gloucestershire County Council and Local Government in general | Burns, Jane | High 25 | High 16 | High 16 | High 16 | High 16 | The Economic Growth Joint Committee have taken on responsibility for looking at the implications of Brexit. The LGA have launched a new Post Brexit England Commission, chaired by the County Council's Leader. |