

# Annual Report of Risk Management Activity: 2021/22

## Summary of Key Achievements in 2021/22

- An independent review of Risk Management commissioned by Internal Audit (ARA) was completed. The recommendations, along with proposed actions are presented below.
- Completion of the updated Risk Management Policy Statement & Strategy (RMPS&S) for 2022-2025.
- Establishment of a three-year Action Plan for 2022-2025, to support both the RMPS&S 2022-2025 and the outcomes of the Review of Risk Management.
- Review of the ToR and membership of Risk Management Group (RMG), attended quarterly by Directorate representatives and specialist advisors, and now chaired by Director of Policy, Performance and Governance. Reports are provided to the Corporate Leadership Team (CLT) half-yearly by the Chair.
- Annual Review of the Strategic Risk Register (SRR) by Corporate Leadership Team (CLT), with significant changes applied for Quarter 1 (*see updates from page 4, below*).
- Provided bespoke risk management training across the business – most significantly for ICT management team and Adults Transformation Programme.
- Participation with COVID Risk Management Support Group (reporting to the Tactical Response Group (TRG) and the Health Protection Board (HPB)).
- Continuing engagement with the Business Continuity Management Assurance Board, significant programmes/projects, the Major Highway Projects Board, Adult Social Care and Children's Services transformation etc.

## Planned strategic work for 2022/23

- Reviewing and revising the Risk Maturity Model currently used in the Annual Governance Statement (AGS).
- Full review and update of the *Risk Management Toolkit* for 2022-2025.
- Work on establishing an improved method of determining *Risk Appetite* for all areas of the Council's business.
- Raising awareness of the revised Risk Management Toolkit 2022-2025, via the Risk Management page on Staffnet and training.
- Developing a regular programme of risk management training and awareness for all staff and Members.



## Review of Risk Management (undertaken by TIAA)

Areas highlighted in the report (Section 4), for further consideration; all of which have been brought to the attention of the Audit & Governance Committee (AGC) and discussed, at their April 2022 meeting:

Areas raised for further consideration	Completed or planned action
1. The Council should consider the role of the AGC and how it satisfactorily discharges its duties with regard to the AGS, the Internal Audit plan and the RMPS&S without sight of the Council's SRR.	A Members' development session is planned for 17 <sup>th</sup> June 2022 to discuss this area, and improve information and appropriate debate at AGC. AGC do have access to the SRR, but plans are in place to develop this further.
2. The Council should review its risks in the SRR and be satisfied that these are indeed risks and not something else.	A review of the SRR was undertaken with the CLT on 24 March 2022, with these comments noted; this is an annual process.
3. Members and the CLT should set the tone from the top and determine the level of risk the Council are prepared to accept on the different service delivery activities and priorities.	As part of the proposed 2022 review of the current RM Toolkit, we will be working on establishing an improved method of determining Risk Appetite for all areas of the Council's business, to be discussed and developed by the RMG and brought back to CLT.
4. The risk register should be developed to provide more meaningful data such as how the inherent risks impact the delivery of the Council's objectives, how inherent risks have been reduced to the residual risks and to clearly identify the preventative and recovery controls.	Further development of the presentation of risk information is planned, and risks are now presented within performance reports in this way. This should include better oversight of consequences and mitigations.
5. The Council should review its Terms of Reference for the Corporate Overview and Scrutiny Committee (COSC) and the AGC to enable adequate and appropriate risk management data to be presented to the AGC to enable it to carry out its duties as currently described in their ToR, CIPFA Guidance, IRM Professional Standards 2015 and IRM Standard (ISO 31000 - 2018).	(as per 1., above), a Members' development session is planned for June 2022 to discuss this area. We feel the terms of reference are currently correct but could be delivered more effectively.

*Continued overleaf*

Areas raised for further consideration	Completed or planned action
6. The Council should look to evidence all aspects of the RMPS&S to confirm that the statements made within it are being applied and undertaken in practice. (It is noted the Council is in the process of updating its RMPS&S, which had not been reviewed at this time.)	The RMPS&S has now been reviewed and revised for 2022-2025. Further work is in progress with RMG, to improve records of risk improvement activity and Directorate level registers, etc.
7. The Council should conduct a survey of managers and then all staff to understand their awareness and understanding of risk management and the part they play in assessing risk and in achieving objectives in the most efficient and effective way.	This is included in the three-year RM Action Plan (2022-2025) for Summer 2022.
8. The Council should establish ongoing training for managers and staff to better understand risk and its management.	This is included in the three-year RM Action Plan (2022-2025) for Autumn 2022.
9. The Council should develop their Risk Champions to understand the benefits of risk management, the systems involved that manage risks (risk register) and have time allocated to support others in their departments and directorates.	This has been, and continues to be, addressed within the enhanced RMG membership.
10. The Council should stress test its resilience to supporting risk management across the whole council. For example, by considering whether Risk Champions have reserved time for risk management. Also, given the size, diversity and complexity of the Council whether one ( <i>part time</i> ) person is an adequate level of resource for such an important function.	Risk Champions – This is an integral part of the RMG activity but will be tested by Audit Risk Assurance (ARA) in Autumn 2022.  Risk management resource – Skill sets are being spread across the Planning, Performance & Insight (PP&I) service, but a Medium-Term Financial Strategy (MTFS) bid is being developed, for a second specific RM-trained post for the team.
11. The Council should support the RMG to further develop and enhance risk management at the Council on its risk maturity journey by - for instance - enabling the Group members specific time for progressing risk management within their own directorates.	Each member of the RMG is of a level to be able to control their own capacity or interact with relevant Directors. Monitoring will continue at the RMG if capacity remains insufficient.

## Annual Review of the Strategic Risk Register (SRR) with the Corporate Leadership Team (CLT)

Existing Risk Amendments	Action Required	Revised/New Risk from Quarter 1 2022/23	Owner
<u>SRR 2.4a</u> Reductions and changes to funding in current financial year and any additional unplanned overspends from previous financial year, with the potential to impact Core Services.	Review wording.	Still pertinent; no further action required.	Alistair Rush
<u>SRR 2.4b</u> Reductions and changes to funding for future financial years, potentially impacting, in particular, Core Services.	Review wording.	Still pertinent; no further action required.	Alistair Rush
<u>SRR 2.8</u> The cumulative impact of service pressures, particularly the financial impact of COVID19, increased demand in Children and Adults social care and Educational High Needs, potential grant reductions and the under delivery of planned savings will result in major over spend positions in current financial year.	De-escalation to directorate level.	To be reworded to be pertinent to Strategic Finance's area of responsibility, and then to be moved from the SRR to Directorate/Management Team registers and Strategic Finance Business Plan.	Alistair Rush
<u>SRR 3.2</u> Failure to protect the council's key information and data from cyber attack.	Re-emphasis on the risk of an actual cyber attack.	Risk of a singular or multiple, cyber attack(s) on the Council's ICT systems.	Mandy Quayle
<u>SRR 5.3</u> Provider failures result in the council being unable to achieve its strategic objectives	Specify for ASC market	Provider failures in the Adult Social Care market result in the council being unable to achieve its strategic objectives.	Sarah Scott

Existing Risk Amendments	Action Required	Revised/New Risk from Quarter 1 2022/23	Owner
<p><u>SRR 7.4</u> Failure to close the gaps in educational outcomes for vulnerable learners and their peers resulting in adverse impacts for children and families, increased cost/pressures on specialist provision and damage to reputation.</p>	<p>Rewording, also incorporating SEND assessment risks.</p>	<p>The ability to meet statutory timelines for EHCP assessments, plan issue and annual amendments and the associated budgetary commitments, affecting the educational outcomes of vulnerable children, is at risk: financially, legally and reputationally through ever-increasing EHCP requests, workforce capacity to process these requests and the implications for the outcomes of future local area SEND inspections.</p>	<p>Kirsten Harrison</p>
<p><u>SRR 7.6</u> Unable to support all those who can, to live independently at home, because demand for home care services outstrips available capacity. Resulting in the reliance on temporary respite/alternative bed-based care in lieu of home care.</p>	<p>Strengthen mitigations and controls</p>	<p>No change to wording</p>	<p>Sarah Scott</p>
<p><u>SRR 8.1</u> Difficulties in recruiting and retaining experience workers in hard to fill roles leading to vacancies and/or high numbers of agency staff in some areas. This is particularly prevalent for social workers but is also increasingly a factor for other professional roles.</p>	<p>Rewording of risk</p>	<p>Difficulties in recruiting and retaining experienced workers in a wide range of roles across service areas, including some hard-to-fill professional roles.</p>	<p>Mandy Quayle</p>

Existing Risk Amendments	Action Required	Revised/New Risk from Quarter 1 2022/23	Owner
<p><u>SRR 10.1</u> Failure of the Council or a key partner to effectively respond to a major incident such as flooding that results in community disruption and failure to return to normal, within required timescales.</p>	<p>Merge with 10.4 or take down to Directorate risk register for monitoring</p>	<p>Removed from SRR. Agreed to take back to Directorate risk register for now.</p>	<p>Mark Preece</p>
<p><u>SRR 10.4</u> Due to insufficient business continuity management arrangements failure of the Council or a key partner to effectively deliver their statutory services, resulting in community disruption and failure of corporate objectives.</p>	<p>As above</p>	<p>Remains unchanged</p>	<p>Mark Preece</p>
<p><u>SRR 10.6</u> Insufficient workforce capacity and/or instability adversely impacting on pace and sustainability of improvement and contributing to increased risk to firefighter safety or capability to deliver emergency services to the community.</p>	<p>Re-word to be applicable following inspection</p>	<p>Insufficient workforce capacity and capability adversely impacting the pace and sustainability of improvement that will potentially contribute to an increased risk to firefighter safety, failure to meet our statutory obligations and/ or capability to deliver emergency services to the community'</p>	<p>Mark Preece</p>

Existing Risk Amendments	Action Required	Revised/New Risk from Quarter 1 2022/23	Owner
<p><u>SRR 12.1</u> Failure to deliver the county council's climate change strategy, impacting our ability to deliver our organisation, partnership and community activities, and to mitigate the impact of a changing climate on Gloucestershire's natural environment, communities, business and visitors.</p>	<p>Amend (create two separate risks).</p>	<p>Reworded for now as below – investigation into 2 separate risks continues: Failure to deliver the county council's climate change strategy, impacting our ability to deliver our organisation, partnership, and community activities, and to secure Government funding, and therefore limiting our ability to mitigate the impacts of a changing climate on Gloucestershire's natural environment, communities, business and visitors.</p>	<p>Colin Chick</p>
<p><u>SRR 14.1</u> Emergence of Community Infrastructure Levy (CIL)</p>	<p>Amend wording.</p>	<p>The implementation of Community Infrastructure Levy (CIL) in Gloucestershire has resulted in a decrease in the County Council's developer contributions receipts. This has placed significant additional pressures on the relevant County Council's budgets, such as education, transport and highways.</p>	<p>Colin Chick</p>

New Risks	Revised/New Risk from Quarter 1 2022/23	Owner
New risk proposed, with regard to oversight of Corporate contracts and capacity for contract management.	Inadequate oversight of Council contracts, capacity to deliver and review contract management – which could result in additional cost or lost opportunities to deliver efficient and effective services for the council.	Rob Ayliffe
New risk proposed, with regard to staff fatigue and ‘burnout’ issues.	Failure to ensure identification and understanding of staff fatigue and ‘burnout’ issues, resulting in impact on staff morale and well-being, and service delivery.	Mandy Quayle
Possible new risk around Health & Safety issues.	Failure to ensure the effective management of Health and Safety.	Rob Ayliffe
New risk proposed, with regard to contract management and provider liabilities, particularly with H&S issues.	Inadequate contract management or quality assurance arrangements result in GCC being unable to identify, control or manage risks (including health and safety risks) associated with a provider’s actions or failure to act.	Rob Ayliffe



New Risks	Revised/New Risk from Quarter 1 2022/23	Owner
New risk proposed, with regard to migration issues.	Insufficient planning and oversight of international resettlement and asylum immigration including current Ukraine, Afghan, Syrian and Hong Kong programmes, alongside other asylum seeker routes including hotel accommodation, could lead to unpredictable and unsupportable demand on county council services.	Siobhan Farmer
New risk proposed with regard to Care Act & Care Cap Reform.	Implementation of the 'Care Cap' cost of care exercise (section 18.3 of the Care Act) leads to significant resource pressures and overspend.	Sarah Scott
New risk proposed with regard to Equalities.	Failure to be able to demonstrate due regard to the Equalities Act 2010, within council decision making.	Rob Ayliffe