



Report to Audit Committee

Meeting Date – 17 September 2024
Key Decision – No
Public/Private – Public

Portfolio – Governance & Thriving Communities
Directorate – Resources
Lead Officer – Risk Manager

Risk Management Progress Report - August 2024/25

Summary

To provide an overview of the risk management work undertaken by Internal Audit and Risk Management since the previous update to the committee on 23rd July 2024.

Recommendations:

Members are requested to:

- (i) Note the updates to the Strategic Risk Register (as at 30th August 2024) for Cumberland Council.
- (ii) Note the Deep Dive activity for Strategic Risk 01 Cyber Security Arrangements.
- (iii) Agree the Deep Dive activity for the January committee meeting.

Tracking

Executive:	
Scrutiny:	
Council:	

1. Background

- 1.1. Delivery of robust risk management is essential to ensure the Council can meet stated objectives. Effective treatment of risk is the responsibility of management. Internal Audit and Risk Management provide an independent advocacy role in developing, embedding and continuously improving an appropriate framework to ensure risk is managed within the Council's risk appetite.
- 1.2. Integrated assurance supports the Risk Management Framework by enabling the organisation to maximise the coverage of assurance in a coherent and coordinated manner, avoiding duplication and identifying gaps across control functions, based on the three lines model, and improving the understanding of accountability and responsibility for the assurance activities for all Council services.

2. Proposals

Strategic Risk Register

- 2.1. Since the previous committee, the Strategic Risk Register has been reviewed and updated. The full registers are included at **Appendix 2** and are supplemented by a risk profile summary at **Appendix 1**. Amendments to the registers are highlighted in **red text** for ease of reference for Committee members.
- 2.2. The register content has been reviewed and approved by Senior Leadership Team (SLT) on 28th August 2024, excluding the current updates to Strategic Risks 03 Adult Safeguarding, 06 Workforce Capacity, 08 Financial Sustainability, 12 Adult Social Care Demand and 16 Children's Services Demand. Review meetings for these risks were after the SLT report deadline but the updates are included in Appendix 2.
- 2.3. There have been two amendments to risk scores during this review period. The risk profile summary (Appendix 1) shows that 80% of the risk areas have maintained their control environments at their target scores and work to continue to embed further controls. The amended risk scores are:
 - **Strategic Risk 12 – Adult Social Care Demand**
Risk rating has improved from 20 to 15 due to a reduction in the likelihood score, from 4 to 3 (target 15). Adult Social Care continues to face continued demand for services but the actions undertaken during the year have mitigated the risk of the service being overwhelmed.
 - **Strategic Risk 22 – Hosted Services**
Risk rating has improved from 16 back to 12 due to a reduction in the likelihood score, from 4 to 3 (target 12). The register has been reviewed and updated by the Programme Management Office (PMO) Programme Manager.
- 2.4. A new strategic risk relating to ICT infrastructure is in development with the AD of Digital Innovation and ICT and the Information Security Manager. The wording of the risk has been agreed:

There is a risk that the Council is unable meet its corporate priorities and objectives due to a failure to harmonise the legacy authority ICT infrastructure, network and applications.

Further work will be undertaken to finalise the causes and to establish the control environment and risk scores.

- 2.5. At the request of Audit Committee, this covering report focuses on the updates to those strategic risk registers which have either a Significant (15-16 Amber) or Severe (20-25 Red) risk exposure rating (in descending order as per Appendix 1). Appendix 2 will detail the updates for all of the other strategic risks.
- 2.6. For this review period there have been no additional controls embedded or new activities identified for risks 08 Financial Sustainability and 16 Children's Services Demand. Further planned activities continue to be implemented.
- 2.7. Key controls to manage the risk exposures have been further embedded for (sorted as per descending risk rating score):
 - **Strategic Risk 01 – Cyber Security Arrangements**
 - Work to secure Cumberland tenant, in line with NCSC best practice, has been completed (Cause 01 Inadequate technical information security arrangements).
 - Additional staffing resource capability has been added to the Information Security Team (Cause 02 Inadequate organisational measures).
 - Implemented additional safeguards within the sovereign County estate (Cause 4 Failure to adequately prevent spear phishing incidents).
 - **Strategic Risk 03 – Safeguarding of Adults**
 - An organisational safeguarding concerns procedure module is active and can be implemented for any large scale concern (Cause 03 Failure to respond to organisational safeguarding concerns).
 - Additional funding approved from MSIF and utilised to increase capacity to respond (Cause 06 Deprivation of Liberty Safeguards service fails to ensure that the individuals Human Rights are protected).
 - **Strategic Risk 06 – Workforce Capacity**
 - Recruitment to the revised HR & OD structure has been completed and appointments have been made (Cause 05 Loss of key resources within the Human Resources and Organisational Development (HR&OD) Team).
 - **Strategic Risk 12 – Adult Social Care Demand**
 - Engaging and supporting the development of prevention and demand management through the pre-front door and front door work. (Cause 01 Increasing and unsustainable numbers of individuals requiring health care and support).
 - Market development within domiciliary care (Cause 01 as above).
 - Digital pilots – Ethel Care (Cause 01 as above).
 - Reconfiguration of roles and reviewed workflow arrangements (Cause 02 Increase in demand for review and assessment activity, lack of capacity for effective integrated service delivery).
 - STEP Pilot (Cause 03 Increase level of demand on high end need/ more complex cases).

- Further development of intermediate care to reduce on-going need following a hospital stay (Cause 03 as above).
- Two implementation modules for Right Care Right Person now complete (Cause 03 as above).
- Engaged with the market and people who use services to co-produce future models of care (Cause 03 as above).
- Review of Community Catalysts undertaken (Cause 04 Increase in demand for lower-level needs, especially mental health needs).
- Robust system leadership in place (Cause 05 Increase in demand as a result of NHS winter pressures such as discharge, strike action and step up in elective programmes).
- Joint Commissioning Board established to co-ordinate and oversee system spend (Cause 06 Lack or uncertainty of future funding).
- Agreement across the system on spend in the Better Care funding for 24/25, iBCF and Winter Pressures money (Cause 06 as above).
- Engagement with residential providers being undertaken (Cause 07 Sustainability of the care market).
- New Home Care framework established with greater emphasis on quality and growing the local market (Cause 07 as above).
- **Strategic Risk 17 - Culture**
 - Employee Engagement Communications Plan (Cause 08 Lack of a clear plan to communicate the organisational goals, objectives and acceptable behaviours and work routines to services and staff).

2.8. Further planned activities continue to be implemented to establish effective control environments. Newly identified activities are:

- **Strategic Risk 01 – Cyber Security Arrangements**
 - Review the mandatory training policy and the application of the policy. (Cause 02 Inadequate organisational measures).
- **Strategic Risk 12 – Adult Social Care Demand**
 - Promote technology enabled care (Cause 01 Increasing and unsustainable numbers of individuals requiring health care and support).
- **Strategic Risk 17 – Culture**
 - Transformation programme to be undertaken to develop the embedding of the Operating Model within the culture, values and behaviours of the Council [wording of the activity to be finalised] (Cause 05 Organisational control systems, including financial, quality and performance systems, are not aligned across the whole of the Council's services and estate).
 - Establish an effective communication method, i.e. Heads Up, to provide key information for Managers (Cause 08 Lack of a clear plan to communicate the organisational goals, objectives and acceptable behaviours and work routines to services and staff).

2.9. Newly identified causes have been added to:

- **Strategic Risk 06 – Workforce Capacity**
 - **06 Current disaggregation of the Apprenticeship Team could cause loss of experienced staff with organisational knowledge, etc.**

Key Controls to manage the risk:

- Recruitment process finalising for Early Careers and Apprenticeship Manager.
- Informal agreement for knowledge sharing whilst disaggregation takes place.

Further planned activity around key controls:

- Effective working relationship between disaggregated Managers will be established to ensure knowledge sharing is extensive.

- **Strategic Risk 17 - Culture**

- **15 Lack of analysis and reporting on the reasons staff leave the Council's employment**

Key Controls to manage the risk:

- Leavers process in place which includes the requirement to undertake an Exit interview.

Further planned activity around key controls:

- Review the current Leavers process.
- Develop the use of existing data for reporting and analysis.
- Develop Manager training to ensure Exit interviews are routinely undertaken and reported to HR, etc.

Deep Dive Reviews

- 2.10. A deep dive review of risk **01 Cyber Security Arrangements** is scheduled for this Committee.
- 2.11. Future deep dives are to be agreed by the Committee on a rolling basis. No deep dive will be undertaken at the November 2024 Audit Committee, but an informal update of Strategic Risk 03 Safeguarding of Adults has been requested.

Risk Management Framework

- 2.12. The Risk Management Framework corporate SharePoint site is now available to officers via the Cumberland intranet (since 27th October 2023) and has been updated to reflect the annual review of the framework.
- 2.13. Presentations of the Risk Management Framework are being scheduled to provide training to one newly appointed AD Send, Education and Inclusion, so that officers responsible for completing risk registers are aware of the process.

Operational Risk Registers

- 2.14. Internal Audit and Risk Management continue to work with the Council's management team to determine progress made within each Assistant Directorate on developing Operational Risk Registers, including Significant Operational risks.
- 2.15. Advice on Operational Risk Registers have been given to four service areas.

- 2.16. The Head of Internal Audit and Risk Management has consulted on developing operational risk management in relation to the safety of staff. Discussions have been held with the Corporate Health, Safety and Business Continuity Manager and a questionnaire has been issued to assess the risk environment.

Risk Management Improvement Plan

- 2.17. The Risk Management Framework will continue to be rolled out across the Council and to assist with this process a Risk Management Improvement Plan, provided in **Appendix 3**, provides details of further improvement activity that will ensure the arrangements continue to be developed and embedded.

Ideagen Risk Management

- 2.18. Work has been completed on archiving the historical Copeland data offline and to remove that data from the Ideagen system. The system is now being developed for use by Cumberland Council for strategic risk registers initially.
- 2.19. Officers have been contacted to individually risk score the Causes within their relevant strategic risk registers, as a requirement for the new system (Causes will be treated as sub-risks on the system and an aggregated average score used for overall risk score). This will allow for the causes with the greatest level of risk exposure to be identified.
- 2.20. An initial draft Ideagen Strategic Risk Register report format is in development. This will be included in the Risk Management workshop for discussion, as per the Effectiveness Review of the Audit Committee.

3. Alternative options considered

- 3.1. None.

4. Conclusion and reasons for recommendations

- 4.1. The Audit Committee is responsible for overseeing the implementation of the Council's Risk Management Framework. This reports an update of the progress made in implementing this framework, including the content of the Council's Strategic Risk Register.

Implications:

Contribution to the Cumberland Plan Priorities - Risk Management ensures the Council has mitigating strategies in place to prevent risks to the achievement of all strategic business objectives.

Relevant Risks – Stated in the report

Consultation / Engagement –

Legal – None

Finance – None

Information Governance – None

Impact Assessments –

Have you screened the decision for impacts using the Impact Assessment?

If you have not screened the decision using the Impact Assessment, please explain your reason

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Appendices attached to report:

- Appendix 1 - 2024-25 Strategic Risk Register Review Period 03 Summary Profile - Risk Rating Order
- Appendix 2 - 2024-25 Strategic Risk Register Review Period 03
- Appendix 3 - 2024-25 Risk Management Improvement Plan - Review Period 03

Background papers:

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers: