

The background of the slide features a large, light blue watermark of the University of Toronto crest. The crest is a shield divided into four quadrants: top-left shows a building, top-right shows a stag's head with a cross, bottom-left shows a sailing ship, and bottom-right shows an eagle with wings spread. Above the shield is a crown with four floral motifs. Below the shield is a banner with the motto 'ANNE FOR A'.

Agenda Item 8

Corporate Risk Assurance Update

Falkirk Council

Title: Corporate Risk Assurance Update
Meeting: Audit Committee
Date: 09 November 2020
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

1.1 This report provides an update on Corporate Risk Management (CRM) arrangements. It includes a revised Risk Assurance Dashboard and Corporate Risk Register (CRR).

2. Recommendations

2.1 It is recommended that the Committee:

(1) notes, reviews, and challenges the:

- a) Risk Assurance Dashboard (at Appendix 1);
- b) Corporate Risk Register (CRR) Summary (at Appendix 2);

(2) notes that the following CRM Reviews are being progressed:

- Resilience: including COVID Debrief Actions;
- Health & Safety: Water Quality in Council Buildings;
- Climate Change;

and that these will feed into Executive Deep Dives.

(3) notes that the CRM Team are developing a Risk Management Best Value Self-Assessment in conjunction with the Improvement Service. This will involve:

- a) a short online survey in November 2020;
- b) a workshop involving members of CMT, Audit Committee, and Executive on 08 December 2020; and
- c) a report to Audit Committee in early 2021.

3. Background

3.1 In August 2020, the Audit Committee considered the 2020/21 CRR Assurance Plan, and the CRR and Risk Management Dashboard. The CRR Assurance Plan includes a program of CRM Reviews, Executive Deep Dives, and a Risk Management Best Value Self-Assessment. These reviews were then approved by the Executive in September 2020.

4 Considerations

- 4.1 Since the last meeting of Audit Committee in August 2020, Services have continued to progress actions to embed risk management. A summary of progress is set out in the Risk Assurance Dashboard at Appendix 1.
- 4.2 The Audit Committee is responsible for reviewing and seeking assurance on the Council's framework of risk management, governance, and control.
- 4.3 The role of the Executive is to review and agree the CRR, and to horizon scan for emerging risks. The Executive Deep Dive program aims to enhance scrutiny.
- 4.4 Good risk management is a routine yet integral part the Council's decision making processes. It is, however, of heightened importance when the landscape within which we operate changes to the extent it has in recent months as a result of COVID-19 and a potential no-deal Brexit. These risks are included in the CRR (at Appendix 2) and Service Assurance Statements (which are linked to the Council's Business Plan).
- 4.5 The CRM Team and CRM Group will continue to work with Services to improve and embed CRM arrangements.

5 Consultation

- 5.1 Members of Corporate Management Team (CMT) have been consulted.

6 Implications

Financial

- 6.1 There are no direct financial implications arising from this report.

Resources

- 6.2 There are no direct resource implications arising from this report.

Legal

- 6.3 There are no direct legal implications arising from this report.

Risk

- 6.4 The key risk is failure to effectively identify, assess, mitigate, and report on the risks to delivering outcomes.

Equalities

- 6.5 An Equality and Poverty Impact Assessment (EPIA) was not required for this report.

Sustainability / Environmental Impact

6.6 A sustainability / environmental assessment was not required.

7 Conclusions

7.1 The impact of COVID-19 and Brexit has been reflected in the CRR and Assurance Plan, and work continues to be undertaken to further improve and embed CRM arrangements.

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Director of Corporate & Housing Services

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Date: 09 October 2020

APPENDICES

- Appendix 1: Risk Assurance Dashboard.
- Appendix 2: Corporate Risk Register - Summary.

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None.

Risk Assurance Dashboard

Table 1: Risk Management Assurance

	Children's Services	Corporate and Housing Services	Development Services	Social Work Adult Services
Service Assurance Statements (SAS)	■	■	✓	✓
SMTs review SAS quarterly – including new and emerging risks.	Service Assurance Statements were introduced in 2019. However, progress is Amber (Limited Progress) in some areas because Services are still to develop measurable actions and / or review and update progress more regularly – especially Operational Risk Actions. 2020/21 actions are being developed.			
Risk Register details	✓	✓	✓	✓
The description of risks, controls, and review mechanisms are clear, and reflect other Committee papers and plans.	Most risks now have clearer risk descriptions. Continued work is needed to assess the impacts and lessons learnt from COVID-19. Services need to continue to ensure that risks are consistent with Committee reports.			
Risk Mitigation Actions / Plans	■	■	✓	✓
Measureable Risk Actions (or PIs) are in place and mapped to risks on Pentana.	2020/21 Service Assurance Statements were to be prepared in July 2020, but these are outstanding in Children's and Corporate & Housing Services. Good progress is being made in setting up Pentana in SWAS and Development Services. Further work is also needed to link risks to Business Plans.			
Risk Management Training	■	■	✓	■
E-learning has been completed by target groups, and training identified.	CRM e-learning has been rolled out in most Services, but needs refreshed 3-yearly. Services to (re)assess training needs as part of 2020/21 Service Assurance Statements.			




Key	
Assurance Level	
	No Assurance
	Limited Assurance
	Substantial Assurance

Table 2: Governance Group Assurance

This information is reviewed annually - updates will be include in Service Assurance Statements in early 2021.

Code	Name	Status
CPF	Corporate Partnership Forum	✓
CPRWG	Capital Planning and Review Working Group	✓
CPSB	Community Planning Strategic Board (Self-Assessment action are being progressed in 2019-2020)	■
CAMG	Corporate Asset Management Group	✓
CRMG	Corporate Risk Management Group	✓
CSG	Corporate Sustainability Group	✓
COTFB	Council of the Future Board	✓
EoS RRP	East of Scotland Regional Resilience Partnership	✓
FFP	Fairer Falkirk Partnership	✓
IMWG	Information Management Working Group	■
ITSG	IT Steering Group (role being reviewed)	New
PMG	Performance Management Group	New
PB	Procurement Board	✓
PPCJ COSG	Public Protection and Community Justice Chief Officers' Strategy Group	✓
SMG	Safety Management Group (The Group is to agree plans and PIs)	■
SHG	Strategic Housing Group	✓
SWIS PB	Social Work Information System Program Board	✓
WG	Wellbeing Group	New




Key	
Assurance Level	
	No Assurance
	Limited Assurance
	Substantial Assurance

Table 3: Operational Risk Assurance

Corporate Risk		Service Risk Rating			
Risk Category	Current Risk Rating	Children's Services	Corporate and Housing Services	Development Services	Social Work Adult Services
High Corporate Risks					
Equalities	High	Low	High	Medium	Medium
	Key Issues / Actions	Work is required to assess the extent to which this is embedded across Services. Internal Audit Review concluded Limited Assurance.			
Health and Safety	High	High	Medium	Medium	High
	Key Issues / Actions	Service H&S Audits and PIs are to be introduced which will help monitor this risk. Children's and SWAS increased this risk to High because of ongoing issues with Premises Management. On this basis, it has been increased to High on the CRR.			
Resilience: Emergency Planning & Business Continuity	High	Medium	High	Medium	Medium
	Key Issues / Actions	Increased to High during 2019 – and lessons learnt from COVID-19 to be implemented. But also note that Resilience is high on the IJB's Risk Register (at Partnership level).			
Sustainability / Climate Change	High	High	High	High	High
	Key Issues / Actions	Climate Change Projects and Targets are to be developed and agreed – across all Services - to meet the commitments made in the Council's Climate Change Declaration.			
HR Management and Workforce Planning	High	Medium	Medium	Medium	Medium
	Key Issues / Actions	Operational Risk scores reduced to Medium during 2019. But corporate risk remains high because of COVID-19 and review of Workforce Plans.			
Medium Corporate Risks					
Asset Management	Medium	Medium	Medium	Medium	Medium
	Key Issues / Actions	Risk remains as Medium.			
Financial Controls	Medium	Medium	Medium	Medium	Medium
	Key Issues / Actions	All Service Directors provide an annual declaration to confirm that financial controls are being complied with in Services. The rating is also consistent with most audits.			
Fraud, CONTEST, and Serious Organised Crime	Medium	Medium	High	Medium	Medium
	Key Issues / Actions	Risk remains as Medium.			
Information Assets (ICT / Governance)	Medium	Medium	Medium	Medium	Medium
	Key Issues / Actions	Risk Specialists reduced risks to Medium in Nov 2019, as the Information Working Group is more established, and receives ongoing assurance (including cyber resilience updates). It is still to be confirmed whether Cyber risks will sit with this Group, or a separate Group.			
Procurement	Medium	Medium	Medium	Medium	Medium
	Key Issues / Actions	Risk remains as Medium.			

Key	
Risk Rating	
High	There are significant risks and / or controls need developed / embedded
Medium	There are risks, though controls are broadly effective / embedded
Low	There are limited risks in a particular Service and / or controls are working.

Corporate Risk Register - Summary**(Pentana Report Extract on 09 September 2020)**Note: Some changes - **highlighted below**.

Also, Target Risk (Appetite) is only shown where the Lead Officer has assessed it as lower than the Current Risk.

Resilience Risks

Lead Service	Risk Title	Current Risk	Target Risk (Appetite)	Latest Note Date
AS	COVID Recovery – Adult Services	Medium	Low	31 Jul 2020
CS	COVID Recovery – Children’s Services	High	Low	15 Jun 2020
CHS	COVID Recovery – Corporate & Housing Services	High	Low	22 Jul 2020
DS	COVID Recovery – Development Services	High	Low	22 Jul 2020
DS	Economic Impacts of COVID-19 and No-Deal Brexit (Risk Revised – widens the previous Brexit risk)	High	Low	09 Sep 2020
DS	Resilience Planning	High	Medium	22 Jul 2020
DS	Resilience: COVID-19 – Response, Recovery, and Lessons	High	Low	27 May 2020
DS	Resilience: Business Continuity	High	Medium	22 Jul 2020

High Corporate Risks

Lead Service	Risk Title	Target Risk (Appetite)	Latest Note Date
CE	Reducing Corporate Resources – Impact on Staff Wellbeing (in particular, Frontline Managers / Teams)	Medium	22 Jul 2020
AS	Health and Social Care Integration - Transformation	Medium	03 Jun 2020
CS	Public Protection (Adults and Children)	-	28 Jul 2020
CHS	Failure to properly discharge equalities duties.	Medium	22 Jul 2020
CHS	Failure to provide a safe environment for employees and visitors.	Medium	22 Jul 2020
CHS	Failure to recognise, and act upon, the need for transformational change and continuous improvement.	Medium	22 Jul 2020
CHS	Failures in workforce planning, including absence, vacancy management, and succession planning.	Medium	22 Jul 2020
CHS	Insufficient funding to deliver services and deliver outcomes.	Medium	22 Jul 2020
DS	Climate Change	Medium	22 Jul 2020

Medium Corporate Risks

Lead Service	Risk Title	Target Risk (Appetite)	Latest Note Date
CE	Failures in Leadership, Governance, and Decision Making	-	12 Feb 2020
CS	CONTEST, Integrity, and Serious Organised Crime	-	09 Jan 2020
CHS	Compromised security, or inefficient use, of the Council’s data and information asset.	-	28 Jul 2020
CHS	Cyber security incident compromises IT infrastructure, corporate application, social media channel, or data / information.	-	15 Jun 2020
CHS	Failure in Financial Management Control, or Assurance.	-	28 Jul 2020
CHS	Failure to address the impact of poverty on individuals, children and families across the area.	-	03 Jun 2020
CHS	Failure to implement effective consultation and improve community planning / empowerment.	Low	03 Jun 2020
CHS	Procurement and Commissioning arrangements fail to secure best value, and demonstrate compliance with Council standards or legal requirements.	-	19 Jun 2020
DS	Asset Management [Use, Condition, Suitability, Availability, and Reliability]	-	17 Jul 2020
DS	Delivery of Head Office Replacement Project (Risk Added – previously included within the broader risk on Asset Management)	Low	09 Sep 2020
DS	Water Quality in Council Buildings (Risk Added –previously included within the premises aspects of Health & Safety risk)	Low	24 Aug 2020

High Service Risks

Lead Service	Risk Title	Target Risk (Appetite)	Latest Note Date
CS	Duty Social Work - Case Load	Low	13 Nov 2019
CS	Seatbelts on School Transport (Scotland) Act 2017 - Implications for Falkirk Council	Medium	13 Nov 2019
CS	Social Work Information System (SWIS) Replacement	Low	03 Dec 2019
CHS	Failure to adhere to current and emerging building regulations and standards relating to fire safety within housing	Medium	23 Jul 2020

Medium Service Risks

Lead Service	Risk Title	Target Risk (Appetite)	Latest Note Date
AS	Community Care Social Workers: Low number of Social Workers within the HSPC	Low	31 Jul 2020
CS	Additional Support Needs – Capacity	Low	13 Nov 2019
CS	Closing the Gap in Attainment : risk of failure to deliver on the Education Plan - includes managing Pupil Equity Fund and Reforms	-	13 Nov 2019
CS	Community Justice Services	Low	20 Nov 2019
CS	Failure to Deliver Scottish Government Early Years Expansion (by 2020)	Low	15 Nov 2019
CS	Getting It Right For Every Child (GIRFEC)	-	20 Nov 2019
CS	Scottish Social Services Council (SSSC) - Recent Changes to Registration	Low	03 Dec 2019
CS	Tackling Bureaucracy and Reducing Workload in Schools	Low	15 Nov 2019
CHS	Failure to meet the priorities set out within the Local Housing Strategy	-	13 Jan 2020
DS	Cemeteries / Head Stones Safety – failure to implement improvement plan	Low	23 Jul 2020
DS	Investments - Failure to deliver projects / capital programs	-	24 Jun 2020
DS	Prohibitions and Loss of Licences - failure to fulfil duties as a Licence Holder	-	04 Aug 2020
DS	Regulatory Enforcement - failure to fulfil duties as a Regulatory Body	-	22 Jul 2020