

Risk Management – Development of the Corporate Risk Register (CRR) - July 2018



Governance Framework

Framework – Key documents/process guidelines

- Performance Management
- Business Strategy and Planning Process
- Budget and Budgetary Control
- Code of Corporate Governance
- Project Management/Risk Management/Counter- Fraud Policy
- Ethical Governance
- Policies, Procedures and Codes of Conduct

Authority and Directorate Policies
Business Plans and
Risk Registers

Corporate Governance Working Group
responsible for drafting AGS, evaluate
Assurances and supporting evidence

Annual Governance Statement

Approval by Audit & Standards
Committee

Review of the effectiveness
of Internal Audit

Performance
Management
and Data
Quality

Risk
Management

Legal and
Regulatory
Assurance

Members'
Assurance

Assurances
By Directors/
Risk Owners

Other sources
Of assurance
(including third
Party)

Financial
Control
Assurance

Internal
Audit

External
Audit

Ongoing assurance on adequacy and
Effectiveness of controls over key risks



How is the CRR Developed & Quality Assurance

- Risk Categories and Owners Defined
- Discussion and input from the Risk Owners
- Discussion and Challenge from the Director of Finance & Resources
- Discussion and Challenge from the Director of Strategy, Governance & Change
- Discussion and Challenge from the Corporate Governance Working Group which reports into Senior Leadership Team



Risk Categories

- 1 = Policy & Performance
- 2 = Service Related
- 3 = Corporate Governance & Information Security
- 4 = Human Resources
- 5 = Organisational Development
- 6 = Health & Safety
- 7 = Procurement
- 8 = Legal
- 9 = Finance
- 10 = Change Management
- 11 = ICT
- 12 = Property
- 13 = Customer Services



Risk Owners

- 1 = Head of Insight, Planning & Performance
- 2 = Director of Economy, Infrastructure & Skills, Director of Health & Care and Director of Families & Communities
- 3 = Director for Strategy, Governance & Change
- 4 = Head of Human Resources & Organisational Development
- 5 = Head of Human Resources & Organisational Development
- 6 = Health, Safety & Wellbeing Manager
- 7 = Head of Commercial
- 8 = Director for Strategy, Governance & Change
- 9 = Deputy Director of Finance
- 11 = Head of Transformational Unit
- 12 = Head of ICT
- 13 = Deputy Head of Property
- 14 = Head of Customer Services



Measurement of Risk

- Risks contained within the Risk Registers will be assessed and quantified according to impact and likelihood based upon the agreed criteria and will be relevant to strategic and operational levels.
- The Corporate Risk Register will only report on high level risks with net risk scores of 15 and above

(i.e. Likelihood x Impact having taken account of controls upon risks).



Measurement of Risk

Risk Scoring - Gross/Net Score = Impact Risk Rating x Likelihood Risk Rating

Likelihood

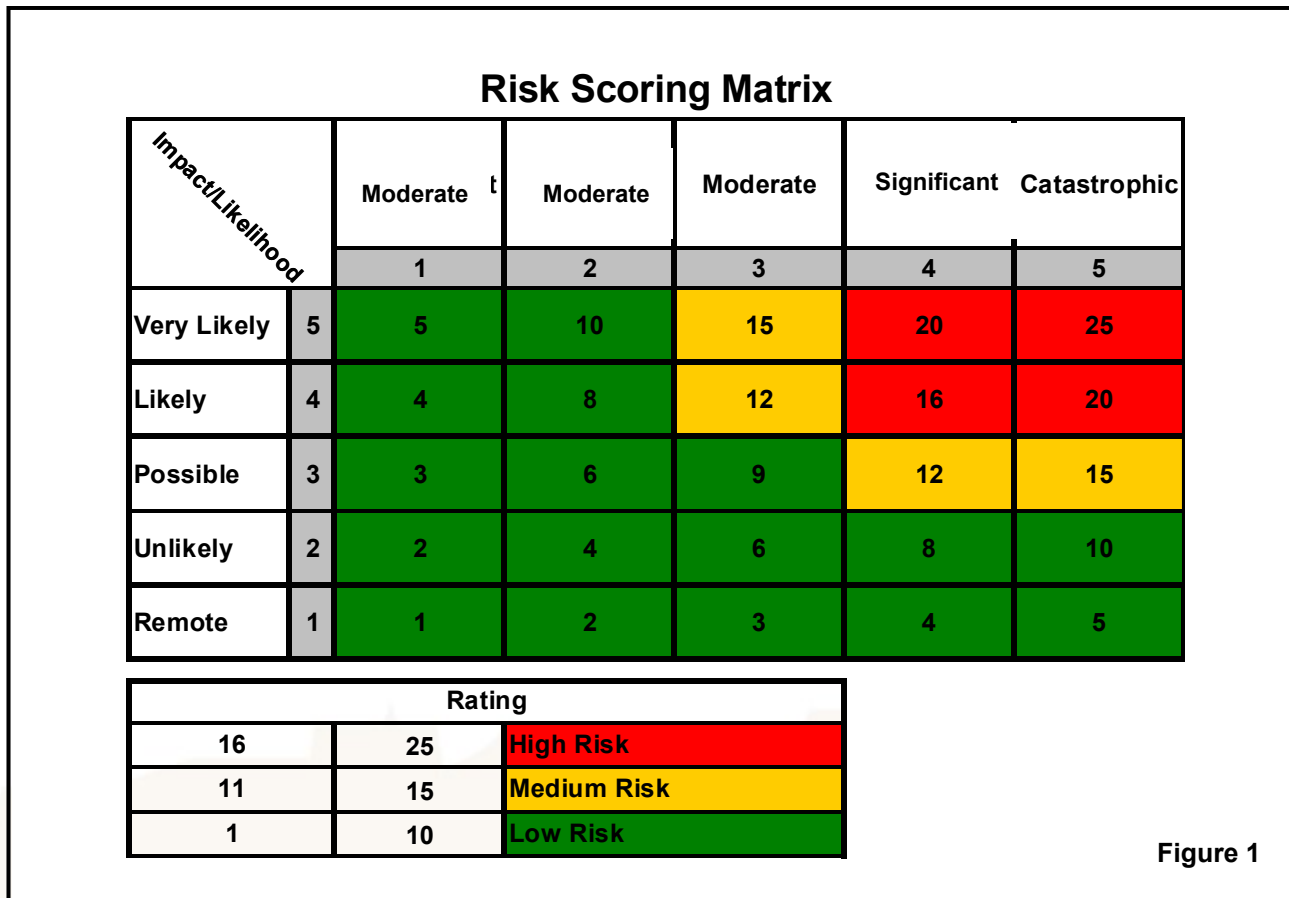
Risk Rating Score	Likelihood Classification	Risk Description
1	Remote	Likely to occur greater than 10 Years / Less than 20% Probability of Likelihood
2	Unlikely	Likely to occur within 5 to 10 Years / 20%-40% Probability of Likelihood
3	Possible	Likely to occur within 3 to 5 Years / 40%-60% Probability of Likelihood
4	Likely	Likely to occur within 1 to 3 Years / 60%- 80% Probability of Likelihood
5	Very Likely	Likely to occur within a year / Over 80% Probability of Likelihood

Impact

Risk Rating Score	Impact Classification	Health, Safety and Welfare*1	Customer Service*2	Finance	Reputation
1	Moderate	Reportable dangerous occurrences (near misses)	Adverse impact on service between 1 day and 1 week.	Up to £250,000	Managed/reported to Business Unit Local media (short Term duration)
2	Moderate	Reportable over-three-day injuries or reportable diseases	Adverse impact on service between 1 week and 1 month.	Up to £1m	Managed / reported to Departmental Management Team Local media (Medium / Long Term duration)
3	Significant	Major reportable injury or injuries	Adverse impact on service between 1 and 3 months.	Up to £5m	Managed/reported to Corporate Management Team and Members Regional media (Short Term duration)
4	Significant	Fatality or permanent disability	Adverse impact on service between 3 and 6 months.	Up to £10m	Managed / reported to Members and Cabinet Regional / National media (Medium/Long Term duration)
5	Catastrophic	Multiple fatalities or permanent disabilities	Adverse impact on service over 6 months	Over £10m	Third Party intervention Public Interest Group National/International media (Medium/Long Term duration)



Measurement of Risk



Format Used

Risk Area	Risk Detail	Current Controls in Place	Risk Score	Specific Action to be Taken	Due Date	Revised Risk Score
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Top Risk Areas

- MTFS & pressures on service delivery/maintaining legality/legal risks whilst undergoing change
- Health & Social Care Integration (incl. the STP)
- HR related risks (including capacity/workforce strategy)
- Digital Technology Developments
- Business Continuity Planning and Service Provider Failure
- Stakeholder Engagement and Community Development
- Home & Community Care Contract
- Information Security including GDPR arrangements
- Children's System Redesign
- Section 53 applications



Internal Audit Top 10 Risk Audits - 2018/19

- The top 10 risk areas in 2018/19 have been assessed as:-
 1. Medium Term Financial Strategy –Delivery Plan;
 2. Digital Development Programme;
 3. Strategic Property Asset Management and Governance;
 4. Liberata Payroll System;
 5. Care Director (Adults & Children’s Modules);
 6. Adult & Children’s Financial Services Review Programme;
 7. Home & Community Care Contract;
 8. Cyber Assurance – Data Breach Incidents & Response Plans/Patch Management;
 9. General Data Protection Regulations (GDPR); and
 10. Children & Families System Transformation: Family Support Contracts.



CRR Development

- Develop the approach to risk management with external partners
- Consider how often the Corporate Risk Register should be produced / refreshed
- Consider how to present the split between current and emerging risks
- Develop and strengthen the linkage with the Strategic Plan/Business Plan
- Embed risk management into the culture of the organisation, to include the monitoring and reporting of progress against mitigating actions
- Develop the process for elected member engagement



Issues for Immediate Consideration

- Are there any key risks that have not been identified?
- Are there any Top Risks that members would wish to receive detailed briefing on?



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