

Audit and Governance Committee

16 January 2023

Risk Management Update

For Review and Consultation

Portfolio Holder: Cllr S Flower, Leader of the Council

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Brief Summary: The continual development and promotion of risk management will ensure that Dorset Council remains well placed to demonstrate that objective and informed decisions are taken. The Senior Leadership Team own strategic risk management, with an agreed risk management framework and appetite statement both of which set out the Councils commitment. The aim is to help provide further early warning signals and to provide a revised set of management information that may be better suited to the nature of the risk. This quarterly report also continues to provide an update on emergency planning as requested by the committee.

Recommendation: That Audit and Governance Committee:

- i) note and review the key risks identified in the corporate and service risk registers, with escalation to Scrutiny Committees where appropriate.
- ii) note and review the key metrics and headlines from emergency planning

Reason for Recommendation: To ensure that the Council's risk management methodologies remain current, proportionate, and effective in enabling risk informed decisions to be made.

1. Report

The latest update provides a revised road map, comparison, improved graphical analysis. A PowerBI dashboard has been developed by colleagues within the Business and Intelligence team that helps to present improved graphical focus and accessible information surrounding risk management across directorates and teams.

The principles of the Council's risk management framework to be "risk aware" and not "risk averse," with our arrangements informing our decision-making processes. There are now ten strategic risk themes informed by operational service level risks owned by Heads of Service and Service Managers.

Current Risk Themes	
Communities	Political & Leadership
Compliance	Safeguarding
Digital & Technology	Service Delivery
Finance	Transformation
Health, Safety & Wellbeing	Workforce

Councillors can view the full schedule of risks by theme from [this link](#).

Both the People and Health Scrutiny Committee and Place and Resources Scrutiny Committee consider the detail of individual risks. The role of Audit and Governance Committee is to satisfy itself over the adequacy of the risk management framework.

As reported at the October 2022 Committee meeting, an action plan has been developed to respond to recommendations from the South West Audit Partnership review of the Council's risk management arrangements. This report recognised that the Council has developed and refined a functional system of risk management between officers and elected members, and that stakeholders cited the support provided positively. However, it was recognised that further work was necessary to embed risk management across services, which presented resourcing challenges.

A review of resourcing has been undertaken and it has been agreed to move the risk function from the Assurance Service to Business Intelligence and Performance team, to both more closely align with performance management and to enable the existing business partner model to function as the conduit with Directorates. This transfer of function will take effect following staff consultation.

Periodically this report includes an update on information compliance. There are currently 11 information compliance risks identified in the risk register, modelled on the Information Commissioners Office's Accountability Framework. The majority (7) are ranked as medium risk, with two currently noted as "High". The two high risks are:

Inadequate compliance with individuals' rights under data protection law –

This relates primarily to our compliance with timescales on Subject Access Requests (SARs). There has been a significant amount of work undertaken to improve compliance, and this has included moving the SARs team from Children's Services to the Assurance Service. SARs, and particularly those relating to care leavers, have increased in number and complexity. Internal staffing is being supplemented with an outsource arrangement with a redaction company, with the cost of this a budget pressure for Children's Services. Since the transfer of the team, great progress has been made in reducing the length of response time and improving the number of requests that are responded to within Information Commissioners Office timescales. As of November, this has improved from 53% at the beginning of April 2022 to 82% (just short of the 90% target).

Inadequate "data protection by design and default" culture and processes –

This recognises that further work is necessary to embed data impact assessments into decision making processes for change. We have a working group looking at an overarching "impact assessment" embracing climate, equalities, and risk.

Senior Leadership Team have supported a revised Strategic Information Governance Board that will progress risk improvements, supported by four subgroups: i) operational information governance; ii) risk and learning; iii) digital applications governance; and iv) cyber security technical group. It has also been agreed that an annual information governance report will be presented to both Senior Leadership Team and Audit and Governance Committee, which is scheduled in the forward plan for June 2023.

2. Financial Implications

No budget implications specifically, although unmanaged risks may pose a threat to the Council's financial stability. Identified risk improvement measures may also have direct budget implications, each of which need to be subject to a cost/benefit analysis prior to implementation.

3. Climate Implications

None specifically, however the risk register itself identifies several climate related risks.

4. Well-being and Health Implications

Health, safety, and wellbeing is identified as one of our corporate risk themes.

5. Other Implications

None

6. Risk Assessment

Having considered the risks associated with this decision; the level of risk has been identified as:

Current Risk: HIGH

Residual Risk: HIGH

The risk level is identified as High as Appendix A provides an update on those High-level risks which are currently identified within the Council's risk register.

7. Equalities Impact Assessment

None specifically, however the risk register itself identifies several equality related risks.

8. Appendices

Appendix A - Summary of Extreme Risks

Appendix B – Summary update from Emergency Planning

9. Background Paper

None