

**Audit Committee – 4 September 2017**

**Risk Management Update**

**Summary of the report**

This report provides Audit Committee with an update of the corporate risk register (CRR) to enable the Committee to be satisfied that significant business risks are identified and appropriate action taken to manage these risks. The Risk Appetite, as documented in the Corporate Risk Management Strategy, has been included for information (Appendix 1).

The corporate risk register was reviewed by the Corporate Management Team (CMT) at their meeting on 17 August 2017. During this meeting, two risks were proposed to be removed from the register, as follows (3) and (4):

<b>3</b>	<b>The Council fails to comply with the regulatory framework within which it must operate.</b>	<b>Inherent Likelihood</b>	<b>Inherent Impact</b>	<b>Inherent Risk Score</b>	<b>Residual Likelihood</b>	<b>Residual Impact</b>	<b>Residual Risk Score</b>	<b>Rationale</b>
		6	4	24	3	3	9	Regulatory risks are managed at an operational level and are included, where appropriate, in directorate risk registers.
<b>4</b>	<b>The Council fails to meet the requirements of the OFSTED Children's Services inspection.</b>	<b>Inherent Likelihood</b>	<b>Inherent Impact</b>	<b>Inherent Risk Score</b>	<b>Residual Likelihood</b>	<b>Residual Impact</b>	<b>Residual Risk Score</b>	<b>Rationale</b>
		6	4	24				Inspection has taken place and report (to be made public in September) and outcome reflects progress made, whilst recognising improvements yet to be achieved.

One risk has been proposed by CMT for inclusion in the Corporate Risk Register as follows:

11	Significant vacancies have a negative impact on practice, capacity, ability to deliver priorities including safeguarding and operational development	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score	Rationale
		5	4	20	4	4	16	Inability to deliver priorities; impacting on progressing demand management programme.

Further details of this risk are included in the attached corporate risk register (Appendix 2), risk (11).

This report also provides Audit Committee with an update on the Assurance Framework. This document seeks to identify the Council's sources of assurance for first and second lines of defence in order to identify areas where further assurance support is needed, and is based on the key risks identified in each directorate.

### Recommendations

Audit Committee is recommended to:

1. Note the attached corporate risk register (Appendix 2) and comment as appropriate.
2. Agree to the removal of corporate risks (3) and (4) as proposed by CMT.
3. Agree to the inclusion of corporate risk (11) in the Corporate Risk Register as proposed by CMT.
4. Note that the Assurance Framework will be updated to reflect the above changes once approved.

The Audit Committee is recommended to note the attached assurance framework (**Appendix 3**) and comment as appropriate.



**James T. Walsh – Chief Finance Officer**  
23 August 2017

## Resource and Legal Considerations

The statutory requirements are detailed in the governance section below.

## Governance and Risk Management

Audit Committee's responsibility for risk management includes the following:

- Reviewing the mechanisms for the assessment and management of risk.
- Giving assurance about the process.
- Ensuring the council meets its statutory requirements, as stipulated within the Accounts and Audit Regulations 2015 (reg 4(1), "the relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk".

Audit Committee is also required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables Audit Committee to exercise its responsibilities in respect of risk management by reviewing the current CRR; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.

Walsall Council's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the Authority's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable the Authority to respond to significant business risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of the Corporate Management Team.

The Authority needs assurance over the significant business risks set out in the risk management framework. In addition, there are many other stakeholders, both internal and external, requiring assurance on the management of risk and other aspects of the Authority's business - these including Members, regulators etc. There are also many assurance providers. The internal audit function is the third line of defence in the Council's 'three lines of defence approach' to risk and assurance. The first line of defence comprises the Council's core operational services, and the second line comprises the oversight functions such as risk management.

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## Risk Appetite

Once risks have been identified they will be scored based on their “likelihood” (score 1 – 6) and their “impact” (score 1 – 4) to produce an overall score for that risk. These scores are then plotted on the following table.

Likelihood	6				
	5				
	4				
	3				
	2				
	1				
		1	2	3	4
		Impact			

### Risk Scores

1-3 = Low (Green)

4-12 = Medium (Amber)

15-24 = High (Red)

### Risk Appetite -

Risks in this area will be actively managed

The highlighted hatched area at the top right of the table shows the “Risk Appetite” that has been agreed by the Corporate Management Team and Audit Committee for the council.

Risks that fall above the threshold are those risks that are considered to be of greatest concern and require further management actions to this end. The expectation is that a Management Action Plan is completed for all of the risks that fall into this area.

Management Action Plans can be produced for those risks that fall below the threshold - these will be produced at the Risk Owner’s discretion.

1	The Council does not attract and retain the skill sets within its workforce that will enable it to adapt to change	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	3	4	12
Risk Owner: Interim Executive Director (Change and Governance)							
Risk Description/Consequences		Current Controls		Action Plan			
<ul style="list-style-type: none"><li>Service delivery does not meet expectation / requirement</li><li>Ineffective / Inappropriate use of resources and efforts where skill sets are below the required level</li></ul>		<ul style="list-style-type: none"><li>Organisational Development Plan</li><li>Transformation Plan</li><li>Communications Framework</li><li>Performance Management System</li><li>Well established governance structure which is understood by staff.</li></ul>		<ul style="list-style-type: none"><li>Workforce Strategy to be developed; approved and delivered.</li><li>Key actions to be detailed and rolled out</li><li>Regular monitoring of progress of key actions to be carried out by Workforce Transformation Working Group and CMT.</li><li>Directorate Workforce Strategies to be refreshed; approved and delivered.</li><li>Key actions to be detailed and rolled out. Regular monitoring of progress of key actions to be carried out by Directorate DMT</li></ul>			
Sign Off and Comments							

2	Impact of NHS changes upon Social Care resulting in financial and demand management risks.	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		4	4	16	4	4	16
Risk Owner: Executive Director – Adult Social Care							
Risk Description/Consequences		Current Controls		Action Plan			
On-going financial pressures within NHS/CCG leading to reduction in management capacity and failure of services.		<ul style="list-style-type: none"><li>• Good working relationships</li><li>• JCC</li><li>• Health and Well Being Board</li><li>• Agreed Governance Framework</li></ul>		<ul style="list-style-type: none"><li>• Progress the BCF and other joint funding plans to ensure tensions or shortfalls are transparent.</li><li>• Continue to work closely with the NHS at an operational level when the hospital is experiencing high levels of admissions</li><li>• Ongoing sharing of performance data through systems resilience meetings to ensure any adverse indicators are addressed</li><li>• Progression with partners of the Black Country and West Birmingham Sustainability &amp; Transformation Plan (STP) i.e. around horizontal and vertical integration of services</li></ul>			
Sign Off and Comments							

5	Failure of the Council to achieve the savings required or mitigate rising demand pressures sufficiently to enable delivery of a balanced budget and medium term financial plan which enables the Council to sustainably deliver its corporate objectives.	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	6	2	12
Risk Owner: Chief Finance Officer							
Risk Description/Consequences		Current Controls		Action Plan			
<ul style="list-style-type: none"><li>Dissatisfaction among residents</li><li>Reputational damage</li><li>Political fallout</li><li>Financial instability</li></ul>		<ul style="list-style-type: none"><li>Regular review of Corporate Plan</li><li>Regular review of MTFS</li><li>Robust budget monitoring processes</li><li>Medium Term Financial Outlook</li><li>Efficiency Plan</li></ul>		<ul style="list-style-type: none"><li>Regular meetings with EDs and DMTs</li><li>Establishment of savings tracker</li><li>Regular reporting to Cabinet / CMT</li><li>Transformation programme, including detailed action plans and strong programme and project management</li></ul>			
Sign Off and Comments							

6	Failure to match the Council’s technology solutions with the Corporate Objective requirements.	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	5	4	20
Risk Owner: Chief Finance Officer							
Risk Description/Consequences		Current Controls			Action Plan		
<p>Information, Communication and Technologies (ICT) is critical to the performance and delivery of council services and includes hardware, telephony communications, business applications, service desk, special projects and information assets residing within the Council.</p> <p>ICT that is unsuited to business need makes it difficult for directorates to provide effective services, which can have a negative impact on the reputation and financial status of the Council.</p> <p>Poor information management and data entry can also result in data breaches which could compromise the security of those affected, or risk the health, safety and wellbeing of vulnerable adults and children in the Borough. Data breaches may also result in fines and other sanctions from the Information Commissioner's Office.</p>		<ul style="list-style-type: none"><li>• ICT Strategy (part of a suite of strategies to support the Corporate Plan) in place.</li><li>• Technology Roadmap in place – reviewing technologies and developing services based on business requirements.</li><li>• ICT Governance Board in place which meets on a monthly basis to prioritises work to be done.</li><li>• Head of ICT is part of the Transformation Group and can influence transformation plans – Transformation programme will adopt programme management approach therefore all themes should include clear project planning and risk management.</li><li>• ICT Service Delivery Managers work closely with directorates to understand business need.</li><li>• Systems register in place – used to identify and review key corporate systems e.g. CAT project.</li><li>• Contract monitoring and review.</li><li>• New Contracts in place for the council's WAN and mobile technology.</li><li>• Working closely with key suppliers e.g. Microsoft, SCC.</li><li>• Maintenance programme in place for equipment replacement.</li><li>• Up to date software in use.</li><li>• Regular Penetration Testing.</li><li>• Dedicated resources to Mosaic.</li><li>• Compatibility with Government systems/PIPs.</li></ul>			<ul style="list-style-type: none"><li>• ICT Service Plan and ICT Strategy will be shared with all areas of the business prior to them developing their Service Plans in June 2017 – this will enable them to refer to it when developing their plans and to highlight any potential issues to be addressed.</li><li>• Continue to work with key partners e.g. Microsoft to develop ICT services that continue to meet the needs of the business through transformation.</li><li>• ICT Service Delivery Managers are leading on the Channel Shift and Insight Transformation streams.</li><li>• CMT identified key systems and acceptable downtime in event of a disaster so that Business Continuity and Disaster Recovery capabilities can be reviewed and brought into line with business need.</li><li>• Channel Shift – developing online services available to customers will potentially make the council more vulnerable to cyber security attacks. Work will be done in the next 12 to 18 months to review log monitoring and management services/tools to improve the council's capability to identify a potential attack before it happens or to shut down affected</li></ul>		



	<ul style="list-style-type: none"> <li>• Back-up routines in place.</li> <li>• Business Continuity Plan and testing.</li> <li>• Limited disaster recovery capability in Tamworth.</li> <li>• Public Services Network compliance - annual compliance review and approval by Central Government.</li> <li>• Risk Management based on corporate framework inspected by Internal Audit.</li> <li>• Ongoing review of resources required to maintain business as usual and to deliver the service changes required to ensure that the structure of the ICT and Assurance services can support business requirements.</li> <li>• Forum for Information Governance (FIGA) meets on a quarterly basis to discuss information risk, including data breach management, protecting information training and changes in legislation that affect Information Governance.</li> <li>• Breach Management Procedure is in place and available on Inside Walsall to be invoked if a breach occurs.</li> </ul>	<p>hosts quickly should an attack happen.</p> <ul style="list-style-type: none"> <li>• Project to implement General Data Protection Regulations (GDPR) including procedures, process changes and identifying changes to systems – Regulations come into force in May 2018.</li> <li>• Continue to work with Information Champions, Information Asset Owners and Information Custodians to raise awareness and compliance with Information Governance requirements across the council including wider rollout of the council's Information Risk Assessment tool.</li> <li>• Working with directorates to ensure that appropriate information sharing/ information processing agreements and 3<sup>rd</sup> party system access agreements are in place to ensure customer information is handled securely by other organisations that the council works with.</li> <li>• Review ICT and Information Governance Procedures and raise awareness of them using existing communication tools and the Meta Compliance tool when it is rolled out (next 6-12 months).</li> <li>• Continue work to ensure Protecting Information training is refreshed for all staff on an annual basis.</li> <li>• ICT Strategy has been reviewed now part of Council's integrated planning approach.</li> <li>• Capital Bids have been submitted to upgrade ICT services in 2017/18</li> </ul>
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Sign Off and Comments		

7	Service failures arising from lack of integrated planning with partners, or partner or high value contractor failures.	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	5	4	20
Risk Owner: Interim Executive Director (Change and Governance)							
Risk Description/Consequences		Current Controls			Action Plan		
With high value/high profile service contracts, consequences could be: <ul style="list-style-type: none"><li>Severe disruption to the service and inconvenience to residents</li><li>Punitive costs of securing alternative provision at short notice</li><li>Damage to reputation</li><li>With key strategic partnerships, consequences could arise from gaps in service provision, or inefficiency through lack of join-up. The financial position of some key partners could threaten service delivery.</li></ul>		<ul style="list-style-type: none"><li>Controls embedded within procurement process</li><li>Contract management procedures</li><li>Monitoring of KPIs</li><li>Government/Board structure in place</li><li>Police/Health/Housing/FE/Schools/Fire/VCR and CDM sector.</li><li>Development of Strategic Partnership Group and a range of partnership Thematic Boards to oversee delivery of the priorities in the Walsall Plan.</li></ul>					
Sign Off and Comments							

8	Economic uncertainty impacts the delivery of the corporate objectives	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	6	4	24
Risk Owner: Executive Director – Economy and Environment							
Risk Description/Consequences		Current Controls		Action Plan			
Possible financial risks include: <ul style="list-style-type: none"><li>• Loss of direct EU funding without compensatory UK funding.</li><li>• Reduction in Business Rate Income</li><li>• Impact on investments and borrowing</li><li>• Impact of Pension Fund Deficits</li><li>• Increased pressure on demand for services</li></ul>		<ul style="list-style-type: none"><li>• Communities and Local Government workshops</li><li>• Reviewing investment options for development sites</li><li>• Economic Growth Programme</li><li>• Pension fund governance arrangements</li></ul>		<ul style="list-style-type: none"><li>• Establish the authority’s exposure to the financial risks identified</li><li>• Engage with local partners to understand how leaving the EU affects their risks.</li><li>• Review significant policies relevant to the management of these risks (e.g investment policy) to ensure fit for purpose in the new environment.</li><li>• Assess any impact on the assumptions used in the MTF plan.</li></ul>			
Sign Off and Comments							

9	Inability to function in the event of an incident occurring	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		6	4	24	4	3	12
Risk Owner: Executive Director – Economy and Environment							
Risk Description/Consequences		Current Controls		Action Plan			
<ul style="list-style-type: none"><li>Disruption caused by service failure leading to hardship for residents, potential loss of business and significant reputational damage.</li></ul>		<ul style="list-style-type: none"><li>Corporate Business Continuity processes and procedures</li><li>See risk 6</li></ul>		<ul style="list-style-type: none"><li>Continue to review and carry out BCP exercises</li><li>See risk 6</li></ul>			
Sign Off and Comments							

11	Significant vacancies have a negative impact on practice, capacity, ability to deliver priorities including safeguarding and operational development	Inherent Likelihood	Inherent Impact	Inherent Risk Score	Residual Likelihood	Residual Impact	Residual Risk Score
		5	4	20	4	4	16
Risk Owner: Executive Director – Adult Social Care							
Risk Description/Consequences		Current Controls		Action Plan			
Inability to deliver priorities; impacting on progressing demand management programme		<ul style="list-style-type: none"><li>Remodelling of Access, Assessment and Care Management underway</li><li>All permanent Team Managers are now in place</li><li>Deep Dive meetings take place on a monthly meeting to discuss actions completed against projects and current demand.</li><li>New process in front end for screening Safeguarding concerns</li></ul>		<ul style="list-style-type: none"><li>Recruitment campaign underway</li><li>Interim agency staff secured</li></ul>			
Sign Off and Comments							

DRAFT ASSURANCE MAP - CORPORATE (Risks taken from June 2017 Risk Register)									
Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
1	The Council does not attract and retain the skill sets within its workforce that will enable it to adapt to change	24		<p>Recruitment and Retention Strategy. Incentives to encourage employment in Walsall, including new microsite and better recruitment practices.</p> <p>Work with HR to ensure appropriate level of resources are in place.</p> <ul style="list-style-type: none"> <li>• Organisational Development Plan</li> <li>• Transformation Plan</li> <li>• Communications Framework</li> <li>• Performance Management System</li> <li>• Well established governance structure which is understood by staff.</li> </ul>	DMT (Departmental Management Team)	Internal Audit completed an audit of Resource Allocation & Support Planning. (Substantial / Limited Opinion -June 2017 DRAFT)			
2	<p>Inability to progress integrated service delivery with the NHS</p> <p>Impact of NHS changes upon Social Care resulting in financial and demand management risks</p>	24		<p>he Borough Management Team is an informal arrangement of strategically important organisations within the Borough. The Police, Fire Brigade, The Council, WHG, The CCG and Walsall College come together to discuss matters of interest. This will be supported by a Walsall Plan which will identify joint priorities. A partnership exists to manage the high level relationship between WHG and CCG and the Council. A formal partnership arrangement been agreed.</p> <ul style="list-style-type: none"> <li>• Good working relationships</li> <li>• JCC</li> <li>• Health and Well Being Board</li> <li>• Agreed Governance Framework</li> </ul> <ul style="list-style-type: none"> <li>• To agree the BCF and other joint funding plans to ensure tensions or shortfalls are transparent.</li> <li>• Continue to work closely with the NHS at an operational level when the hospital is experiencing high levels of admissions</li> <li>• Regular sharing of performance data through systems resilience meetings to</li> </ul>		Internal Audit Plan for 17/18 includes Health & Social Care Integration.	Health & Social Care Integration		
3	The Council fails to comply with the regulatory framework within which it must operate.	24		<p>The main record of the Council's statutory obligations are contained within the Council's Constitution</p> <p>The council tracks legislative change through having access to Lexis Nexis which is a national law data base</p> <p>Whistleblowing policy is available on Inside Walsall to all staff.</p> <p>as annual L&amp;D programme's of legislative and professional development are designed and delivered</p>	The council has a constituted audit committee that receives reports across all areas of the council in respect of non-compliance.	Regular Internal Audit reports are submitted to the Audit Committee including updates on the Planned Assurance and Unplanned assurance work that it has undertaken			

Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
4	The Council fails to meet the requirements of the OFSTED Children's Services inspection.	24		<ul style="list-style-type: none"> <li>Recruitment and Retention Strategy/Policy in place</li> <li>Clear action plans across services               <ul style="list-style-type: none"> <li>Training and Development</li> <li>Improving picture</li> </ul> </li> <li>Controls/Supply front line social work practice               <ul style="list-style-type: none"> <li>Good Leadership</li> <li>Clear action plans</li> </ul> </li> <li>Performance management process in place</li> </ul>		Internal Audit completed an audit of Resource Allocation & Support Planning. (Substantial / Limited Opinion - June 2017 DRAFT)			
5	Failure of the Council to achieve the savings required to deliver the Council's Corporate objectives.	24	12	Periodic Budget monitoring at service & directorate level. Budget concerns reported and efficiencies where applicable identified. <ul style="list-style-type: none"> <li>Regular review of Corporate Plan</li> <li>Regular review of MTFS</li> <li>Robust budget monitoring processes</li> <li>Medium Term Financial Outlook</li> <li>Efficiency Plan</li> </ul>	CMT / Directorate / DMT monthly monitoring reports. Meetings with budget holders to review forecasting and monitoring. Cabinet reports also presented frequently. And informally to Cabinet/CMT on a monthly basis where major variances occur.	Internal Audit (16/17) completed an audit of Budgetary Control. (Substantial Assurance - July 2017)	Budgetary Control	√	√
6	Failure to match the Council's technology solutions with the Corporate Objective requirements.	24	20	The council has a number of security tools and technology in place to protect the council's IT software and hardware. In addition, the council comply with PCI/DSS, NHS IG toolkit standards and in normal circumstances the PSN Code of Connection.					
7	Failure of key strategic partners to deliver services.	24		Care Home Closure procedures are in place for provider failure. Other major contracts - Tarmac, Amey etc have robust response plans in place to be activated if the company fails.  Ensure appropriate and periodic communication to maintain partnerships and relationships	DMT (Departmental Management Team)	The Internal Audit 17/18 Plan includes a review of Partnership Arrangements.			
8	Economic uncertainty impacts the delivery of the corporate objectives	24		<ul style="list-style-type: none"> <li>Communities and Local Government workshops</li> <li>Reviewing investment options for development sites</li> <li>Economic Growth Programme</li> <li>Review significant policies relevant to the management of these risks (e.g. investment policy) to ensure fit for purpose in the new environment.</li> </ul>					



Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
9	Failure to maintain an effective Business Continuity Plan for all relevant service areas	24		<p>Service Business Continuity Plans are in place. BCPs may be tested without being formally activated on a regular basis</p> <p>ICT are working with CMT and directorates to identify key systems and acceptable downtime in event of a disaster so that ICT Disaster Recovery capabilities can be reviewed and brought into line with business need.</p> <p>• Corporate Business Continuity processes and procedures</p>	<p>Links to Performance Management Framework (PMF)</p> <p>Reporting in directorates covers all service areas. Basket of measures for corporate plan monitoring is pulled from all services.</p>	<p>Internal Audit Plan for 17/18 includes Business Continuity and Emergency Planning Audit.</p>	<p>Business Continuity and Emergency Planning</p>		

DRAFT ASSURANCE MAP - CHILDREN'S SERVICES									
Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
	OPERATING MODEL								
1	Children who are missing from home and / or education and at risk of CSE	20		Closer monitoring of CSE cases through strategic management structure and operational groups. Direct intervention work with Head teachers to secure a school place.	Department Management Team (DMT) & Education and Children Services Overview and Scrutiny Committee (November 2016 - discussed missing children)	Internal Audit (16/17) completed an audit of Troubled Families (Limited /Substantial Opinion , February 2017).  Internal Audit completed an audit of Residential Care. (Substantial / Limited Opinion June 2017 DRAFT)	Troubled Families, Local Authority Designated Officer (LADO)		√
2	Failure to secure and embed Mosaic (replacement system to Paris) leads to loss of oversight and inability to realise the benefits around data robustness, social worker capacity and high quality practice to support good outcomes for children.	16		Performance monitoring. Investment in Children's workforce training and development programme.	CMT (Corporate Management Team) Mosaic Implementation Steering Group/Operational Board	The Internal Audit 17/18 Plan includes a review of Programme/Project Management	Programme/Project Management	√	√
3	Thresholds understanding and application is insufficient across the partnership, leading to unnecessary cases being referred from single agencies, unmanageable caseloads and lack of prioritisation - potentially children are at risk of harm.	16		Thresholds training delivered across the Partnership. Establishment of MASH and improved Partner engagement. Reviews of all statutory and non statutory cases.	Walsall Safeguarding Children Board (WSCB) and Education and Children's Services Overview and Scrutiny Committee November 2016	The Internal Audit 17/18 Plan includes a review of Partnership Arrangements	Partnership Arrangements & Shared Services		
4	Failure to ensure effective partnership practice in safeguarding children will result in significant harm, abuse or death for vulnerable children and young people. This has serious regulatory and reputational implications and risks, including external intervention, for the council and the wider partnership, with serious consequences for service users and loss of confidence by local residents.	16		New Independent Chair who will bring together and Chair both the Adults and Children's Safeguarding Boards.  The Borough Management Team is an informal arrangement of strategically important organisations within the Borough. The Police, Fire Brigade, The Council, WHG, The CCG and Walsall College come together to discuss matters of interest.	Walsall Local Safeguarding Children Board (WSCB) / Walsall Multi-Agency Safeguarding HUB (MASH)	Internal Audit completed an audit of Residential Care (Substantial / Limited , June 2017 DRAFT)  The Internal Audit 17/18 Plan includes an audit of LADO.	Local Authority Designated Officer		
5	Failure to recruit and retain sufficient social worker capacity to enable high quality and safe practice, particularly in complex cases.	16		Recruitment and Retention Strategy. Incentives to encourage employment in Walsall, including new microsite and better recruitment practices.	Children's Services Improvement Board	Internal Audit (16/17) completed an audit of Human Resources (Substantial Assurance, May 2017)		√	
6	Children's services budgets are reduced to such an extent that resources no longer enable the key work needed to: a) keep children safe and protected from harm and achieve good outcomes. B) Improve educational outcomes and more schools being judged good and outstanding. C) provide targeted early intervention services.	12		Budget planning and monitoring. Cabinet / CMT budget meetings held to identify budget investment and savings. Cash limits reported to Members along with impact of budget options, investment etc.	CMT (Corporate Management Team ) & Budget discussed at Education and Children Services Overview and Scrutiny Committee meetings.	Internal Audit (16/17) completed an audit of Budgetary Control that covered strategic approach to co-ordinating budgetary control, monitoring and reporting, and also testing a sample of departments. (Substantial Assurance - July 2017)	Budgetary Control	√	√

Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
7	Insufficient resources to cater for the children who need to be in care: Increasing numbers of children being looked after by the Local Authority, resulting in resource pressures which impact on the quality and effectiveness of care arrangements, and wider impact on overall resource pressures within the Directorate and wider council.	12		Rigorous LAC tracking. Permanency plans. Out of borough placements are being challenged.	Corporate Parenting Group (CPG) & Education and Children Services Overview and Scrutiny Committee (Nov 2016)	Internal Audit completed an audit of Adoption & Fostering . (Good & Substantial Assurance)  Internal Audit completed an audit of Residential Care (Substantial / Limited, June 2017 DRAFT).		√	
8	Schools judged by Ofsted as inadequate or requires improvement do not improve to be judged as good or outstanding quickly. Attainment in standards and progress at each key stage in primary and secondary school do not improve quickly enough from the 2014 baseline	12		Improvement monitoring programme to track and challenge improvements. Improved partnership working in place via school clusters. Significant challenge to Regional Schools Commissioner (RSC) where Academies are underperforming.	Education Challenge Board & Education and Children Services Overview and Scrutiny Committee (October 2016 Ofsted Update)	Ofsted, Internal Audit  Internal Audit completed an audit of Schools Improvement Service. (Substantial Assurance, May 2017 - DRAFT)	Schools Improvement Service		√
9	Insufficient resources to cater for the children who need support due to presenting needs of substance misuse, domestic violence, and mental health (toxic trio), resulting in resource pressures which impact on the quality and effectiveness of services within the directorate and wider council.	12		Additional investment. Revised partnership governance and accountability in place through the LSCB and sub-group. New contracts in place for services.	Walsall Local Safeguarding Children Board (WSCB) / Walsall Multi-Agency Safeguarding HUB (MASH)	Internal Audit (16/17) completed an audit of Troubled Families (Limited / Substantial Opinion February 2017).	Troubled Families		√

DRAFT ASSURANCE MAP - ADULTS SOCIAL CARE									
Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
	OPERATING MODEL								
1	The high sickness absence levels over a sustained period of time lead to waiting lists for services and disaffected workforce.	16		Management ensure appropriate staffing levels are in place in light of high sickness levels.	Social Care Director Management Team) & CMT (Corporate Management Team)	Internal Audit completed an audit of Resource Allocation & Support Planning. (Substantial / Limited -June 2017 DRAFT)		√	
2	Information systems and directorate performance management capacity cannot cope with national, regional or local performance or financial management demands	16		Periodic Performance Monitoring by Service areas.	Social Care Director Management Team) & CMT (Corporate Management Team). I	Internal Audit completed an audit of Resource Allocation & Support Planning. (Substantial / Limited -June 2017 DRAFT)	Domiciliary Care		√
	COMMISSIONING								
3	Unable to improve the supply quality of independent sector services to meet Care Act requirements	16		Periodic performance review of supplied services.  An annual L&D programme of legislative and professional development are designed and delivered.	Social Care and Health Overview Scrutiny Committee (July/Sept 16 Walsall CCG Update)	Walsall Safeguarding Adults Board (e.g. including representatives from the Local Authority, Clinical Commissioning Groups & Police)  The Internal Audit plan for 17/18 includes an audit of Market Management.	Market Management		
4	Unable to shape or develop the market to optimise preventative services to reduce and delay need for formal care.	16		Identifying market changes to ensure appropriate services in place to manage formal care.	Social Care and Health Overview Scrutiny Committee (July/Sept 16 Walsall CCG Update)	The Internal Audit plan for 17/18 includes an audit of Market Management.	Market Management		
5	Failure to actively manage the market and embed outcome based commissioning.	15		Monitoring changes in the market to establish appropriate commissioning	Social Care and Health Overview Scrutiny Committee (July/Sept 16 Walsall CCG Update)	The Internal Audit plan for 17/18 includes an audit of Market Management.	Market Management		
	FINANCE								
6	Impact of increases in agreed rates for commissioned services above that modelled and included in Medium Term Financial Outrun (MTFO)	16		Commissioners meet with providers.	Social Care and Health Overview Scrutiny Committee (Corporate Finance Performance discussed at every meeting)	The Internal Audit plan for 17/18 includes an audit of Community Based Charging to review the revised Community Based Charging policy.	Community Based Charging		
7	Demographic growth in placement and package costs in 2017/18 above level modelled and included in MTFO (direct payment, domiciliary care, residential or nursing)	16		Monitoring of reviews. Locality working jointly with health colleagues. Introduction of case management approach of allocating work.	Social Care and Health Overview Scrutiny Committee (Corporate Finance Performance discussed at every meeting) . September 2016 Balancing Budget/ Savings Proposals discussed.	Internal Audit (16/17) completed an audit of Budgetary Control (Substantial Assurance - July 2017)			
8	Action Plan item for 2017/18 - Remaining gap after investment.	16		Development of plan currently in process around CM2000 data.	Social Care and Health Overview Scrutiny Committee (Corporate Finance Performance discussed at every meeting) . September 2016 Balancing Budget/ Savings Proposals discussed.				
9	Increase in Deprivation of Liberty Safeguarding (DOLs) demand	16		New working practices introduced	Social Care and Health Overview Scrutiny Committee (Corporate Finance Performance discussed at every meeting) . September 2016 Balancing Budget/ Savings Proposals discussed.	Internal Audit (16/17) completed an audit of Budgetary Control (Substantial Assurance - July 2017)	√	√	
10	Fallout of local reform and community voices grant	16			Social Care and Health Overview Scrutiny Committee (Corporate Finance Performance discussed at every meeting) . September 2016 Balancing Budget/ Savings Proposals discussed.				

Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
	PARTNERSHIPS								
11	Levels of admissions and discharges at the Manor impact on Adult Social Care capacity.	20		Regular monitoring of admissions/discharges to ensure relevant resources in place to deal with impact on ASC capacity.	Social Care and Health Overview Scrutiny Committee.				

DRAFT ASSURANCE MAP - ECONOMY & ENVIRONMENT									
Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
	OPERATING MODEL								
1	Failure to deliver the directorate's work and services in line with the Council's agreed and decreasing budget for the years 2016/17, 2017/18, 2018/19 and 2019/20.	18		Periodic Budget monitoring at service & directorate level. Budget concerns reported and efficiencies where applicable identified.	DMT (Departmental Management Team) & Licensing and Safety Committee (Executive Director for Economy & Environment in regular attendance) Budget Outturn discussed).  CMT / Directorate / DMT monthly monitoring reports. Meetings with budget holders to review forecasting and monitoring. Cabinet reports also presented frequently. And informally to Cabinet/CMT on a monthly basis where major variances occur	Internal Audit (16/17) completed an audit of Budgetary Control. (Substantial Assurance - July 2017)	Budgetary Control	√	√
2	Inability to prevent large scale decline of our economy (corporate priority business work)	15		Appropriate operation over markets within the borough to ensure the secure collection and maximisation of income.	DMT (Departmental Management Team) & Licensing and Safety Committee	Internal Audit (16/17) completed an audit of Town & District Markets. (Limited Assurance Opinion March 2017)			√
3	Failure to agree proposals for long term future of libraries service (corporate priority - workforce designed around residents)	15		Ensure regular and periodic communication/consultation to reach agreement on proposals.	DMT (Departmental Management Team)	The Internal Audit 17/18 Plan includes a review of Streamlining Services	Streamlining of Services		
4	Insufficient resource time to add full value to change activity (corporate priority - dynamic and efficient workforce)	15		Work with HR to ensure appropriate level of resources are in place.	DMT (Departmental Management Team)	Internal Audit (16/17) completed an audit of Human Resources that covered adequacy and effectiveness of key controls over recruitment, <u>workforce planning</u> , sickness absence and training. (Substantial Assurance. May 2017)			
5	Inability to develop new / innovative ways of attracting investment to deliver against its priorities (corporate priority - business and work)	12		Identify ways of attracting investments	DMT (Departmental Management Team) & Licensing and Safety Committee (Executive Director for Economy & Environment in regular attendance) Budget Outturn discussed)			√	
6	Failure to develop adequate grant funding exit strategies for Regeneration and Development	12		Regular communication to identify funding exit strategies.	DMT (Departmental Management Team)				
7	Failure to develop adequate grant funding exit strategies for Programme Management	12		Regular communication to identify funding exit strategies.	DMT (Departmental Management Team)				
8	Failure to effectively manage sickness absence (corporate priority - dynamic and efficient workforce)	12		Regular communication with staff and HR to ensure appropriate level of staff delivering required services.	DMT (Departmental Management Team)	Internal Audit (16/17) completed an audit of Human Resources. (Substantial Assurance, May 2017 - 1 P1 and 1 P2 recommendation specific to sickness)			
9	Failure to control levels of contamination in the recycling stream	10		Ensure appropriate monitoring of the recycling streams. Common issues should be identified and rectified in a timely manner. Ensure appropriate guidance provided to residents over recycling and staff received periodic training.	DMT (Departmental Management Team)				

Risk Ref	Risk Description	Risk Rating		1st Line of Defence - Management Controls	2nd Line of Defence - Management Oversight	3rd Line of Defence - Independent Assurance	Current Internal Audit Coverage	Proposed Internal Audit Coverage	
		Inherent	Residual				2017/18	2018/19	2019/20
10	Inability to maintain effective partnerships and partner relationship management across the directorate	9		Ensure appropriate and periodic communication to maintain partnerships and relationships.	DMT (Departmental Management Team)	The Internal Audit 17/18 Plan includes a review of Partnership Arrangements			