



# **Risk Management Update Report**

**February - August 2023**

## Introduction

The purpose of this report is to provide Audit Governance and Standards Committee (AGS) with a regular update on the Strategic Risks the Council is currently managing, risk management activity that has taken place across the council and any emerging risks or other risk related matters that may be of interest to the Committee. This report will support the Committee in the discharge of their responsibilities in relation to Risk Management oversight and to provide enhanced knowledge of the strategic risks facing the council and the wider operating environment.

## Role of AGS Committee in Risk Management

The ECC Risk Management Strategy and the Committee's terms of Reference require the committee to "consider the Council's arrangement for corporate governance and risk management and advise on any action necessary to ensure compliance with best practice"

CIPFA's Position Statement 2022: Audit committees in local authorities and police<sup>1</sup> states 'maintenance of governance, risk and control arrangements are a core responsibility of the Committee'. In relation to risk this means in practice:

"Consider the effectiveness of the authority's **risk management** arrangements. It should understand the **risk profile** of the organisation and seek assurances that active arrangements are in place on **risk-related issues**, for both the body and its collaborative arrangements"

## Risk Management Activity

The ECC Risk Management Team carry out a range of activities to support Senior Leaders and Management in identifying and managing their risks effectively. In addition the Team are supported by Risk Coordinators who work within their Functions to provide practical and day to day risk management support. A range of training, workshops and e-learning is available for staff, management and members as part of the Risk Management Tool-kit.

## Senior Management Engagement

In order for ECC to effectively manage its risks it is critical that Senior Leaders are actively engaged with the full risk management lifecycle. To support this the Head of Assurance and/or the Risk Manager regularly attend CLT, OLT, FLT's and SMT's to facilitate effective risk identification and mitigation. On 12 September JLT (Joint Leadership Team) will review and discuss the Strategic Risk register for the first time since this body was recently established.

During this reporting period the following support activities took place.

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<sup>1</sup> <https://www.cipfa.org/services/support-for-audit-committees>

Date	Activity
8.2.23 & 2.5.23	Finance SMT facilitated risk review
2.3.23	Chief Execs Office SMT facilitated risk review
6.3.23	Education SMT facilitated risk review
16.3.23 & 18.5.23 & 31.8.23	Sustainable Growth SMT facilitated risk review
23.3.23	Corporate Services FLT received risk update with facilitated discussion on existing risks and mitigations
27.3.23 & 26.6.23	Climate, Environment & Customer FLT received risk update with facilitated discussion on existing risks and mitigations
4.4.23	Customer Services SMT facilitated risk review
20.4.23	Children's & Families FLT received risk update with facilitated discussion on existing risks and mitigations
11.5.23	OLT received Strategic Risk update with facilitated discussion on new and emerging risks
17.5.23 & 19.7.23	People & Transformation Performance Board received risk update with facilitated discussion on existing risks and mitigations
6.6.23	Environment & Climate Change SMT facilitated risk review
12.6.23	Legal & Assurance SMT facilitated risk review
13.6.23	CLT received Strategic Risk update with facilitated discussion on new and emerging risks
19.6.23	Wellbeing, Public Health & Communities SMT facilitated risk review
20.6.23	Property, Investment & Delivery SMT facilitated risk review
22.6.23	Procurement SMT facilitated risk review
18.7.23	Highways & Transportation SMT facilitated risk review
30.8.23	Technology Services SMT facilitated risk review

## Emergency Planning Exercise and Test

The councils Emergency Planning and Resilience Team are currently pulling together an ECC wide Emergency Response Exercise, due to take place in October, to test the Council's internal response structures and both the Corporate Emergency Response Plan and Function Emergency Response Plans. These exercises are one way that we can mitigate against the impacts of external risks materialising.

## Business Continuity Award

At the 2023 ALARM conference in July ECC was recognised for the design and successful implementation of its Business Continuity Management Programme and was awarded the Organisation Sustainability Award.

## Summary of Current Risk Profile

The ECC Risk Management Strategy sets out our approach to managing risks across the council. We manage risks at a Strategic, Function and Operational level. The table below shows the number of risks recorded at each level across the council

Since January when AGS last reviewed the Strategic Risk Register two risks have been de-escalated to be managed at Function Level. These relate to Adult Social Care Provider Failure and Tax Revenue. There are three new/escalated risks on the Strategic Risk Register: Refugee and Asylum Schemes (new); Thurrock (new) and Climate Change (escalated).

The full Strategic Risk register can be found at **appendix 1**

We categorise our risks to help assess the nature of the impacts. The table below shows the number of risks we are managing in each category.

Category	Strategic level	Function Level	Service Level	Total risks	Direction of Travel
Business Continuity/Emergency Planning	0	1	5	6	▲
Compliance/Governance	0	5	23	28	▲
Contracts / Partnerships /Markets	0	1	9	10	▲
Economic	0	1	15	16	▲
Environmental	0	3	15	18	▼
Financial	0	10	41	51	▼
Health & Safety	0	2	14	16	▼
Human Resources	0	4	9	13	▲
Information Security	0	0	35	35	▼
Legal / Regulatory	0	6	21	27	▲
People in the community	0	9	0	9	▼
Project / Service Delivery	0	7	18	25	▼
Reputational	0	4	36	40	▼
Strategic	17	0	0	17	▼
Technological / Data Quality	0	2	10	12	▲
Unassigned/Ones To Watch	0	1	4	5	▲
<b>Total</b>	17	56	255	328	▼

ECC assesses risk levels using a 4x4 likelihood x impact.

			Impact/Consequences			
			Minor	Moderate	Major	Critical
			1	2	3	4
Probability	4	Almost Certain	Medium (4)	High (8)	Very High (12)	Very High (16)
	3	Likely	Low (3)	Medium (6)	High (9)	Very High (12)
	2	Possible	Low (2)	Medium (4)	Medium (6)	High (8)
	1	Unlikely	Low (1)	Low (2)	Low (3)	Medium (4)

The table below outlines the percentage of our current risks at each level.

Risk Level	% Very High	% High	%Medium	% Green
Strategic	64.7	35.3	0	0
Function	40.7	33.3	20.4	5.6
Service	9.2	30.8	43.5	16.5

## Horizon Scanning

We continue to keep a watching brief on Local Government Reform / Devolution. The risks related to the cost of living crisis are now being managed as part of related risks such as borrowing and inflationary pressures.

We continue to keep abreast of sector publications and activities to ensure that ECC is recording and managing the right strategic risks. For instance, the Mazars Horizon Scanning report for 2023 [Full Report Here](#) (52 pages) identifies that the main challenges facing local authorities in 2023 are 1) Cost of Living Crisis, 2) Added Budget Pressures, 3) Cost of Borrowing 4) Supply Chain Failures 5) Service Delivery. Each of these areas is identified as a risk by ECC and being managed appropriately.

## Risk Maturity

A risk maturity assessment is a tool to help assess the effectiveness of an organisation's risk management efforts, identify areas for improvement and provide assurance. It is considered best practice for organisations to regularly assess their 'risk maturity' against a recognised risk maturity model. ECC has adopted the model produced by the Association of Local Authority Risk Managers (ALARM) for this purpose. This model has a scoring system that is applied across a range of key areas for example leadership and processes. Our initial assessment was carried out in 2019 and our risk maturity was assessed again earlier this year by Internal Audit. The assessment concluded that our overall maturity level has increased with the majority of areas showing improvement. The summary table below shows our current maturity level for each of the areas that were assessed compared with the 2019 scores. The full report is attached at appendix 2. Our risk maturity will be assessed next in 2026. A summary is shown below with the scores being out of 5:

	2019	2023	Direction
<i>Leadership &amp; Management</i>	2.5	4	↑
<i>Strategy &amp; Policy</i>	2.5	4	↑
<i>People</i>	3	3.5	↑
<i>Partnerships</i>	3	3	↔
<i>Processes</i>	3.5	3.5	↔
<i>Risk Handling</i>	2.5	3	↑
<i>Outcomes</i>	2.5	3	↑

# - Risk Register (As at 05/09/2023)

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0046 Treat</b> Placement sufficiency for Children in Care: There is a shortage of placement choice and increasing costs nationally. This is compounded by; increasing CiC numbers nationally, Ofsted inspection outcomes, pressure of health, education and criminal justice beds, workforce recruitment and retention issues and the current economic situation. The consequences are two potential risks arise; insufficient placements resulting in a failure to meet our statutory duty to provide lawful placements for children requiring care, and increased pressure on budgets due to rising costs. The number of unregistered placements is increasing, thus creating reputational risk for the LA.</p>	<ul style="list-style-type: none"> <li>- <b>Residential Strategy- development of local in-house and commissioned residential provision.</b> Working with the local residential market to establish greater access to good quality residential placements which has so far resulted in some clear plans to mitigate this situation and to reduce the number of unregistered placements. In addition to this is the use of new innovative approaches to increase access to supply such as outward specifications, waivers and early vacancies approaches, as well as block purchase. <b>Status : In Progress</b></li> <li>- <b>Joint Protocol</b> To make sure ECC does not pick up care costs inappropriately, discussions are taking place with the Essex housing authorities and London Boroughs at a political level, and via the Local Government Association and Association of Directors for Children's Services at officer level, to develop a Joint Protocol regarding the migration of children and their families from London <b>Status : In Progress</b></li> <li>- <b>Lobbying</b> Lobbying Ofsted, Department of Education, Policy makers and Independent review of Children's social care to provide flexibility in closure of units to prevent short notice actions being taken. Lobbying NHS England for commissioning tier 4 mental health beds <b>Status : In Progress</b></li> <li>- <b>Monitoring</b> The East of England Regional Improvement &amp; Innovation Alliance are monitoring the impact. Comparing the three months December to February 2021 to the same period in 2022, there was: a 150% increase in unregulated placements, with average costs increasing 68%; and a 67% increase in residential placements, with average costs increasing 72%. <b>Status : In Progress</b></li> <li>- <b>Prevention of entry into care and re-unification</b> Prevention of entry into care both via the d-bit intervention and supporting the re-unification, particularly of under 10's with their families <b>Status : Ongoing</b></li> <li>- <b>Transformation board work on fostering</b> Transformation board investment in in-house fostering - intended to increase proportion of CiC in fostering, and proportion of fostered children placed in-house. Targets will be re-calibrated in response to increasing numbers of 16/17 year olds, and SMC entering care. Our in-house fostering provision is the most effective, cost-efficient placement-type, for children to attain good outcomes. <b>Status : Ongoing</b></li> </ul>	<p>16 4, 4</p>	<p>9 3, 3</p>
<p><b>Owner :</b> Helen Lincoln</p>			

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<p>- <b>Children and Young People's Placement Service (CYPPS)</b></p> <ul style="list-style-type: none"> <li>- All placements are centrally sourced and matched centrally CYPPS, to ensure most efficient and cost effective use of all placements.</li> <li>- Unregistered arrangements - ongoing work to reduce use of unregulated arrangements via residential group care with 3 units, first one will be operational Autumn '23. DLDs personally oversee these cases.</li> </ul> <p><b>Status</b> : Ongoing</p> <p>- <b>Children and Young People with Disabilities (CYPWD)</b></p> <p>Project board and workstreams is in place – Short Break Hub in place, development of in-house carers for CYPWD ongoing, short breaks offer tender has been completed</p> <p><b>Status</b> : Ongoing</p>		
<p><b>SRR0100 Treat</b></p> <p>Programme and Inflationary Cost Pressures: Due to escalating costs and overrun of projects there is a risk of significant overspend on major capital programmes which could result in financial pressure for ECC and potential reputational damage.</p>	<p>- <b>Formal Lessons Learnt</b></p> <p>It is the intention to commission both formal (independent) diagnostic and lessons learnt. An audit of governance has been set up by Paul Turner and a Volker Glover (Specialist Procurement and Contract Audit Consultant) has been employed to undertake this work. A separate financial lesson learnt session is being progressed by Nicole Wood with an external party is being lined up to undertake this.</p> <p><b>Status</b> : In Progress</p> <p>- <b>Bidding for Future Grant Opportunities and Accepting Grant Funding</b></p> <p>When bidding into funding opportunities, all bids need to: -</p> <ul style="list-style-type: none"> <li>• Factor in a realistic timeline</li> <li>• Factor in a realistic cost to deliver the scheme</li> <li>• Factor in a realistic amount of contingency to deal with any uncertainties / potential delays that may materialise</li> <li>• Get authorisation and sign-off from appropriate parties to ensure risk are clear and transparent prior to accepting grant funding</li> </ul> <p><b>Status</b> : In Progress</p> <p>- <b>Robust monthly monitoring</b></p> <p>Additional scrutiny be placed on the financial assumptions (every scheme to have a current QRA (quantitative risk assessment/analysis that is reviewed frequently)), accountability and roles and responsibilities of Project Boards to ensure early insight, establishing and reviewing early indicators for each scheme and authorisation of changes to projects is visible, transparent and through the right channels. Early and continual engagement with internal and external stakeholders.</p> <p>There is a HIF board that has been proposed to be set up to oversee our biggest major infrastructure schemes, the TOR are being created and monthly boards will be set up.</p> <p><b>Status</b> : In Progress</p>	<p>16 4, 4</p>	<p>12 3, 4</p>
<p><b>Owner</b> : Tom Walker</p>			

- **Exploring Financial Options**

Financial options have and continue to be explored with finance colleagues including S151 officer and departments within ECC and presented to Members for consideration. Currently a range of options are being considered and will be dependent on the extent of the risk materialising:

Damage Limitation:

- Negotiation strategies and approach with grant funders

Mitigation:

- Utilisation of the reserves (Future Capital Fund Reserve; Commercial Investment Fund Reserve; Everyone's Essex Reserve and the General Fund Reserve)
- Consider pausing or descope other Major projects
- Utilising any underspends within the Capital Programme
- Utilising Surplus Capital Receipts should they materialise
- Reducing Capital Borrowing within the Programme through prioritisation
- The initial Beaulieu Park Station and Chelmsford NE Bypass financial pressures are resolved and was resolved through a combination of leveraging a change in delivery with our partners, timeline extension, additional grant funding and the shortfall funded from underspends within the capital programme.

**Status** : Ongoing

- **Robust governance**

Robust governance process/gateways in place namely Infrastructure Delivery Board (IDB), Capital Programme Officers Board (CPOB), Operational Leadership Team (OLT), Corporate Leadership Team (CLT) and Finance Portfolio Board (FPB) and Finance Oversight Board (FOB) for approval of key stages within a project and careful and continuous monitoring of project progress. The annual challenge sessions which look at including in the budget book a deliverable programme subject to affordability.

**Status** : Ongoing

- **Continuation of Prioritisation within the Capital Programme**

A process was undertaken in 2022 to put in place to allow the initial review and prioritisation of the capital programme and subsequently the continual review to ensure the best schemes are being delivered in line with Everyone's Essex ambitions. Any proposed additions to the capital programme or pressures from within the existing capital programme will go through this process (based on a one in one out principle) thereby providing the robust scrutiny and resilience to the Capital Programme.

**Status** : Ongoing



Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0101 Treat</b></p> <p>Climate change greenhouse gases: The risk is failing to mitigate against climate change by not reducing our own and Essex's greenhouse gas emissions. We are then failing to achieve the UK's statutory requirement of being net carbon zero by 2050 under the Climate Change Act of 2008. ECC must factor greenhouse gas emission reduction targets into management and delivery of its own buildings, service delivery, procurement and investments. The impacts will be reputational and political since we will not be on track to deliver the Climate Change Committee's pathway to net zero 2050. This suggests ECC estate is net zero by 2030; a 12.5% (tbc) cut in ECC GHG emissions in 2022/23, and interim Essex targets of 56% recycling by 2025</p> <p><b>Owner :</b> Mark Ash</p>	<ul style="list-style-type: none"> <li>- <b>Climate Action Commission and ECC Climate Action Plan</b> In July 2021 the commission produced its Making Essex Carbon Neutral report. In November 2021, ECC accepted all recommendations of the report and published a 4 year £200 million climate action plan. The action plan includes commitment to ECC corporately and actions across land use and green infrastructure, energy, transport, built environment, waste, green growth and community engagement.  Progress against the ECC action plan will be published in an Annual report in November, it will track progress from July 21/22.  In addition to this, ECC Corporate KPI data is published via Scrutiny Committee to report progress on our own estate. (<a href="https://essexcountycouncil.sharepoint.com/sites/SIEK/knowledgeManagementHub/Place%20Reporting/Climate%20Action%20Report.aspx">https://essexcountycouncil.sharepoint.com/sites/SIEK/knowledgeManagementHub/Place%20Reporting/Climate%20Action%20Report.aspx</a>) <b>Status :</b> In Progress</li> <li>- <b>ECC net zero</b> As part of the climate action plan, ECC is committed to be net zero by 2030 (Scope 1 and Scope 2 emissions). The estates plan will set out how to achieve that. Beyond corporate emissions ECC are also working to cut emissions from its procurements and supply chains (Scope 3 emissions). Our green procurement plan is in train. ECC are also reviewing staff transport which has reduced due to ways of working and a pilot for social workers to utilise electric vehicles from a staff hub. <b>Status :</b> In Progress</li> </ul>	16 4, 4	12 3, 4
<p><b>SRR0055 Treat</b></p> <p>ASC Safeguarding: Risk of potential death or serious injury of a child or vulnerable adult as a result of market failure or poor practices. This would have a significant impact on service delivery, officer morale and the reputation of the Council.</p> <p><b>Owner :</b> Nick Presmeg</p>	<ul style="list-style-type: none"> <li>- <b>Strong relationships</b> Strong relationships with the Local resilience Forum (LRF) and incident and risk management plans in place. <b>Status :</b> Ongoing</li> <li>- <b>Essex Safeguarding Adults Board (ESAB)</b> The Essex Safeguarding Adults Board (ESAB) published its strategic priorities and business plan which sets a clear direction and work programme for the over a 3 year period, The ESAB sub groups have been reviewed and refreshed to ensure they are well placed to deliver the Board's plans. <b>Status :</b> Ongoing</li> <li>- <b>Ongoing relationship with the Care Quality Commission (CQC)</b>  <b>Status :</b> Ongoing</li> </ul>	12 3, 4	8 2, 4

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- **Quality checks**

Quality assurance audit framework has been updated and work on implementation is underway. Auditing continues in the meanwhile under the existing framework. We are updating our Quality Assurance Framework to ensure a wider scope and breadth of assurance work is undertaken routinely across all aspects of ASC, additionally demonstrating our compliance with regulatory frameworks. We are increasing the number of case file audits to reflect the growing levels of activity on teams and to ensure that we can evidence the impact of learning from reviews, complaints and case law in our practice. We are also working to incorporate an improved inclusion of the voices of adults and their carers in our assurance work.

**Status** : Ongoing

- **Serious Concerns Review Group (SCRG)**

These meetings are held regularly to review any providers where there are concerns using a RAG rating system. Discussions are around safeguards, strategy meetings required, action plans for improvement we have with the provider, Care Quality Commission (CQC) actions, suspension of admissions, breach of contract etc and any next steps required. Key stakeholders attend from Adult Operations, Safeguarding, Quality, Procurement, Legal, and the Service Placement Team.

**Status** : Ongoing

- **Robust relationships in place**

We have robust relationships in place with key colleagues, including Directors of Nursing and Accountable Officers, across the health system, a key part of these relationships is working together to develop system resilience and risk management.

**Status** : Ongoing

- **Continuous Professional Development (CPD)**

Professional development pathway for all Children and Families and Adult Social Care staff which will contribute to more robust practice.

**Status** : Ongoing

- **Section 11 Audits**

Section 11 audits completed biannually (org compliance with safeguarding duties).

**Status** : Ongoing

- **Care Sector Hubs**

Led by ECC Adult Social Care this system wide collaborative approach in each ICB area where partners come together to discuss care provider safeguarding and quality risk and mitigation. The Provider Quality Team have a lead role in contacting care homes to discuss issues and challenges and provide advice and support. The Hubs look at active and emerging concerns and consider appropriate resources to support provider improvement.

**Status** : Ongoing

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Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0056 Treat</b></p> <p>C&amp;F Safeguarding: Due to stretched capacity internally and externally; social worker caseloads increasing in complexity and volume; and an increasing number of families living in poverty, there is an increased risk of child abuse, long-term psychological damage, serious injury, or death of a child. This may result in significant negative impact on officer wellbeing and morale, and the reputation of the Council.</p> <p><b>Owner :</b> Helen Lincoln</p>	<ul style="list-style-type: none"> <li>- <b>Projecting future demand</b> Working with data colleagues to project future demand <b>Status :</b> In Progress</li>   <li>- <b>Prevent and Channel meetings</b> Prevent and Channel meetings are being progressed with Essex Police with regular meetings taking place. Prevent Leads are in place for both Adult Social Care (ASC) and Children &amp; Families (C&amp;F). <b>Status :</b> Ongoing</li>   <li>- <b>Child Sexual Exploitation Strategy (CSE)</b> There is a national focus on child protection including Child Sexual Exploitation (CSE). ECC have developed a CSE strategy; work is ongoing and there is continued scrutiny around that area. <b>Status :</b> Ongoing</li>   <li>- <b>Independent Inquiry into Child Sexual Abuse (IICSA)</b> The Independent Inquiry into Child Sexual Abuse has reported and we keep a close watch on government messages. This inquiry looked at current and historical cases. We are considering implications alongside the work of the outcome of the independent review into Children's Social Care. <b>Status :</b> Ongoing</li>   <li>- <b>Quality checks</b> Quality assurance audit system in place which randomly selects cases from each quadrant to check their quality. Every team manager completes 1 of these per month. <b>Status :</b> Ongoing</li>   <li>- <b>Serious Case Review</b> These reviews are carried out as and when required in order to establish lessons learned. They are attended by Head of Safeguarding <b>Status :</b> Ongoing</li>   <li>- <b>Online wellbeing service</b> Essex Wellbeing Service (EWS) has developed an online digital directory – people can access advice, link to services with capacity (anxiety, bereavement etc) and complete online learning. <b>Status :</b> Ongoing</li> </ul>	<p>12 3, 4</p>	<p>8 2, 4</p>

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0087 Treat</b></p> <p>Supply Chains: Due to the impacts of EU Exit and the conflict in Ukraine, there is a risk of supply chain disruption and escalating cost. This could be due to:</p> <ul style="list-style-type: none"> <li>- Rising Inflation and particularly concerns over continued and high energy costs, leading to concerns over viability of suppliers with high energy consumption eg residential care and construction,</li> <li>- An emerging issue in relation to reduced numbers of bids being seen across a number of category areas resulting in failed tenders and a need to go back out to market</li> <li>- Vacancies in key sectors e.g. Haulage, Construction and Care</li> <li>- Long lead times and escalating costs</li> <li>- Fuel and air freight disruption</li> <li>- A raw material shortage caused by the shutdown of industries</li> </ul> <p>This could impact on our ability to fulfil our statutory duties which results in escalating costs to the council and failure to deliver services. Additionally, shortages in supply and labour could result in suppliers sourcing less ethical solutions, e.g. modern slavery.</p> <p><b>Owner :</b> Nicole Wood</p>	<ul style="list-style-type: none"> <li>- <b>Reviewing sourcing strategies</b> Reviewing sourcing strategies to see how we can mitigate any potential cost pressures, potentially extending contracts where we can even if at a slightly increased price to avoid going to the market at such a volatile time. We are also reviewing and updating specifications to allow more flexibility from bidders as, at times, we are too prescriptive and this is causing additional cost and availability challenges In addition to this we are reviewing the complexity of our requirements to see how we can make bidding more straightforward for suppliers <b>Status :</b> In Progress</li> <li>- <b>Business Impact Analysis</b> From September 2022, Business Continuity Planning evidence will be a requirement for all medium and high-risk contracts awarded by Essex County Council. Using the Strategic Business Impact Analysis as guidance, medium and high-risk contracts for critical services will be subject to more stringent checks to ensure business continuity planning is of sufficient quality to provide assurance to the Council. Checks are carried out in partnership between Procurement and the Emergency Planning &amp; Resilience Team, this commenced in January 2023.  Functions are responsible, as part of the Service-Level Business Impact Analysis, for identifying their critical suppliers and ensuring that business continuity measures are in place for the continuation of service delivery, should a critical supplier's business be disrupted. These arrangements are to be reviewed annually as a part of the Business Continuity Lifecycle. <b>Status :</b> In Progress</li> <li>- <b>Energy audits</b> We are supporting the residential care sector with energy audits to identify opportunities to reduce cost. <b>Status :</b> In Progress</li> <li>- <b>Modern Slavery</b> We are introducing a tool into our procurement processes to identify the risk associated with Modern Slavery to enable us to proactively identify potential vulnerabilities in the supply chain. <b>Status :</b> In Progress</li> </ul>	<p>12 3, 4</p>	<p>8 2, 4</p>
<p><b>SRR0088 Treat</b></p> <p>Recruitment and Retention: At the end of June 2023, ECC's voluntary turnover rate is 11.5% (now including fixed term employees who resign before the end of their contract), compared to 7.5% in December 21 and has risen from a low of 5% in April 2021. This rising trend of voluntary resignations presents a major risk to delivery of our services. The trend, however, has flattened over recent months therefore we would forecast the turnover rate to not get materially worse.</p> <p>Levels of interest in ECC jobs have improved since September 2022 and are on an upward trend. Updated work on our advertising content is ensuring we attract talent. There is particular concern for Grade C staff where only 49% intend to stay for over three years. The impact on our voluntary turnover rate will be financial, productivity loss and our experience mix all being impacted.</p> <p><b>Owner :</b> Pam Parkes</p>	<ul style="list-style-type: none"> <li>- <b>Robust workforce planning</b> People Business Partners will work with functional leadership teams to ensure robust workforce planning to ensure we are clear which roles and skills we are likely to need to develop pipelines for <b>Status :</b> In Progress</li> <li>- <b>Talent identification, development and planning pilot</b> This strategy is being developed and due to be presented at CLT- awaiting sign off of the CMA in August. This new strategy has a focus on internal mobility which should help retain key talent. <b>Status :</b> In Progress</li> <li>- <b>Report into Function FLT's and PBP's</b> Levels of turnover and talent attraction will continue to be reported to function FLTs and PBPs will work with these leadership teams to put specific actions in place as necessary <b>Status :</b> In Progress</li> </ul>	<p>12 4, 3</p>	<p>4 2, 2</p>

- **Flexibility in organisation design**

Where specific retention issue are highlighted (e.g. Tech Services) we will seek to employ a flexible approach to org design in order to create motivation to say, such as clear progression structures (e.g. Entry to work, junior roles and senior roles).

**Status** : In Progress

- **Flexible reward**

The pay review for 23/24 has now been applied. Those roles which have seen market rate increases above ECC's flat pay award will see pay increases as we deploy a dynamic approach to these roles, based on market benchmarking and retention /recruitment evidence. We are also reviewing our EVP to ensure that we are an attractive employer, taking into account all elements of EVP which are not just focussed on salary.

**Status** : In Progress

**SRR0089 Treat**

Cyber security: If ECC were not to maintain, implement and test appropriate and adequate security controls to mitigate vulnerabilities and security threats, there is an increased risk of these being exploited by Russia following the advice from GCHQ to gain unauthorised access to, and/or compromise the confidentiality, availability, and integrity of ECC data. This could result in fines being imposed, reputational damage, and the prosecution of the authority.

**Owner** : Pam Parkes

- **DUCL Firewalls**

DUCL recently notified ECC that their on premises firewalls go out of support in October 2023 and January 2024. A project has been set up to deal with this and is making good progress. However – in parallel an activity is underway to do a deep dive of all firewall rules and firewall instances and this will disable and delete any rules that are no longer required or in use. This will serve to simplify our configuration and tighten security on the perimeter.

**Status** : In Progress

12  
3, 4

8  
2, 4

- **Cyber Security Governance - policies and processes**

TS manages and maintains a portfolio of relevant technology policies. These are reviewed and updated as a minimum annually.

**Status** : Ongoing

- **Cryptography: Ensure it's used correctly and effectively within Technology Services, to protect the CIA of data.**

CIA Confidentiality, Integrity and Availability

a. Ensure Technology Services policy on the use of cryptographic controls for protection of information, is followed, maintained, and regularly reviewed.

b. Ensure Technology Services policy on the use, protection, and lifetime of cryptographic keys through their whole lifecycle is followed, maintained, and regularly reviewed.

Relevant TS Security Policy Controls:

Cryptography policy

**Status** : Ongoing

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<ul style="list-style-type: none"> <li>- <b>Malware protection: Ensure defences against the ingress of malware are in place</b> Ensure detection, prevention and recovery controls are in place and effective, that protect against the ingress of malware, and are combined with user awareness, and adhere to the requirements of the TS Security Malware Protection policy. Essex uses Microsoft defender for malware protections, this is regularly updated and closely monitored. Security HQ are currently being used for 24hour Security Operation Centre (SOC), they identify threats and whether there are enough resources to deal with them. There is also a retainer with Mandiant for in-depth security expertise when needed. <b>Status</b> : Ongoing</li> <li>- <b>Technical Vulnerability Management: Ensure the system vulnerabilities are not available for threats to exploit</b> Ensure that technical vulnerability management is being performed as per that stated in the TS Security Vulnerability Management policy <b>Status</b> : Ongoing</li> <li>- <b>Backup of Information: Ensure regular back ups of information are taken</b> Ensure backup copies of information, software and system images are taken and tested regularly in accordance with the agreed backup schedule and TS Security Backup policy. <b>Status</b> : Ongoing</li> </ul>		

**SRR0092 Treat**

**Inflation:**  
Inflation has been at its highest level for 40 years, and is not reducing at the speed forecast by the Bank of England, and may continue at a high level over the medium term, which will create significant pressure on ECC revenue and capital budgets, impacting on the financial sustainability of the organisation and increasing the budget gap.

**Owner** : Nicole Wood

- **Monitoring Inflation Pressures**  
Monthly monitoring of inflation pressures  
**Status** : In Progress
- **General risk reserve**  
General risk reserve created to provide a level of one-off support to inflation pressures  
**Status** : In Progress
- **Regular updates on inflation**  
Regular updates on inflation and its potential impact to CLT and PLT  
**Status** : In Progress
- **Revenue transformation planning**  
Work has begun on developing a transformation plan to identify the shape of ECC in the medium term- this aims to provide potential mitigations to the increasing medium term budget gap  
**Status** : In Progress
- **Undertaking capital programme prioritisation**  
Capital Programme prioritisation was undertaken when setting the 2023/24 budget, and this will continue on an annual basis to identify any actions to mitigate any growing financial pressure on the revenue budget, driven by inflation or other cost escalation.  
**Status** : In Progress
- **Modelling options for major contracts**  
Modelling options for major contracts for a range of inflation scenarios  
**Status** : In Progress

12  
4, 3

8  
4, 2

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<p>- <b>Revising the 2024/25 budget and MTRS for new BoE inflation assumptions</b></p> <p>The 2023/24 budget has been set taking in to account current high levels of inflation, and the BoE forecast for the medium term. This gives some assurance on the 2023/24 budget, but inflation is not currently reducing at the speed forecast. BoE forecasts will continue to reviewed quarterly, and updates made to the MTRS as necessary, although any variations from the forecast inflation in the short term will potentially create in-year budget pressures.</p> <p><b>Status</b> : In Progress</p>		
<p><b>SRR0093</b> <i>Treat</i></p> <p>Borrowing:</p> <p>Rising interest rates could make planned levels of borrowing for capital financing and cash flow management purposes unaffordable, meaning that plans for capital investment may have to be scaled back and/or that efficiencies are required to mitigate the impact on the revenue budget.</p> <p><b>Owner</b> : Nicole Wood</p>	<p>- <b>Continual review</b></p> <p>Keeping the affordability, prudence and sustainability of borrowing under continual review.</p> <p><b>Status</b> : In Progress</p> <p>- <b>Economic forecasts</b></p> <p>Regular monitoring, assessment and reporting of economic forecasts for interest rates.</p> <p><b>Status</b> : In Progress</p> <p>- <b>Planning new borrowing carefully</b></p> <p>Planning new borrowing carefully, to ensure that new loans are only secured when needed, and that new loans are secured on the most advantageous terms possible</p> <p><b>Status</b> : In Progress</p> <p>- <b>Cap on Borrowing</b></p> <p>Undertaken Capital Programme review and introduced a Cap on borrowing until 2026.</p> <p><b>Status</b> : Ongoing</p>	<p>12</p> <p>3, 4</p>	<p>9</p> <p>3, 3</p>
<p><b>SRR0096</b> <i>Tolerate</i></p> <p>Refugee &amp; Asylum Schemes: ECC has a duty to respond to Government policy and support nationality specific and non-nationality specific people seeking asylum in England/Essex; however due to varied grant funding processes, the pace of implementation of large-scale temporary accommodation facilities, lack of clarity on the exact roles and responsibilities of Councils across Two Tier areas, and a risk that longer-term resource demands will not be sufficient to support all requirements, poses a workforce, financial and reputational risk to ECC.</p> <p><b>Owner</b> : Lucy Wightman</p>	<p>- <b>ECC have lobbied Home Office</b></p> <p>ECC have lobbied Home Office to the effect that:</p> <ul style="list-style-type: none"> <li>the National Age Assessment Board should assess anyone in camps, who notifies the authorities that they are under the age of 18 (rather than ECC); and</li> <li>those assessed as u-18 should then be moved, under the National Transfer Scheme, to authorities across the country.</li> </ul> <p>Therefore, costs associated with age assessment, and support costs for separated migrant children, up to age 25, would be minimised or avoided by ECC.</p> <p>If the approach is unsuccessful, there is no mitigation. The Home Office would contribute to care costs for those u-18 (as they do for all separated migrant children), but ECC are required to age assess, and pick up all other support costs, up to age 25.</p> <p><b>Status</b> : Ongoing</p>	<p>12</p> <p>4, 3</p>	<p>12</p> <p>4, 3</p>
<p><b>SRR0091</b> <i>Tolerate</i></p> <p>"New" policy burdens: Due to resource and budget constraints, there is a risk that ECC is unable to deliver "new" policies resulting in reputational damage and not meeting statutory obligations.</p> <p><b>Owner</b> : Richard Puleston</p>	<p>- <b>Additional policy support</b></p> <p>We have provided some additional policy support to help respond to White Papers and legislation.</p> <p><b>Status</b> : In Progress</p> <p>- <b>Lobbying/engagement plan</b></p> <p>We are reviewing a lobbying/engagement plan to help us influence key White Papers and pieces of legislation</p> <p><b>Status</b> : In Progress</p>	<p>9</p> <p>3, 3</p>	<p>9</p> <p>3, 3</p>

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0094 Treat</b> Increasing demand: There is a risk that shorter term cost of living pressures and longer term inequalities will hold back many people's life chances and create unsustainable demand pressures on ECC services.</p> <p><b>Owner :</b> Gavin Jones</p>	<ul style="list-style-type: none"> <li>- <b>Monitoring service demands</b> Directors and Heads of Service, with support from Function Heads of Finance, will monitor service demands, workloads and any subsequent impacts on delivery and budget, flagging any potential or actual risks via the usual routes. <b>Status :</b> Ongoing</li> <li>- <b>Escalation to CLT</b> Should high demand on services and/or budget cause significant pressure in the system or lead to potential service failure, this will be escalated to CLT for wider consideration and decision regarding ECC priorities <b>Status :</b> Ongoing</li> </ul>	<p style="text-align: center;">9 3, 3</p>	<p style="text-align: center;">0 ,</p>
<p><b>SRR0098 Tolerate</b> Highways Network: Due to insufficient investment, extreme weather and inflationary increases in the cost of resource and materials, there is a risk of further deterioration to the highways network. This will result in public dissatisfaction and increased number of complaints, insurance claims and safety incidents.</p> <p><b>Owner :</b> Mark Ash</p>	<ul style="list-style-type: none"> <li>- <b>Review Investment Strategy</b> Develop a long term, sustainable investment strategy to arrest deterioration as current funding has been reduced over recent financial years. A business case has been prepared for 24/25 financial year and this will be shared with Members via the budget setting process. The new business case articulates the impacts of budgets remaining static, as well as levels of funding that may be required to slow down or prevent deterioration longer term, for example, and extra £11m/annum targeted towards PR1 routes only would support maintaining condition on this Strategic aspect of the network, over a 10 years period. For subsidence sites, an element (c.£1.5m) of the existing capital budget has been ring-fenced for dealing with subsidence sites. However, this only reduces capital spend on other carriageway maintenance treatments <b>Status :</b> In Progress</li> <li>- <b>Annual Survey</b> Continued annual survey to monitor situation.  The current level of annual capital based budget investment in carriageways continues to be held at ECC's £35.15m. This is significantly lower than the modelled deterioration annually of £85.4m (24/25 budget business case) and will not result in improvements to condition, and will now see increasing deterioration annually <b>Status :</b> Ongoing</li> </ul>	<p style="text-align: center;">9 3, 3</p>	<p style="text-align: center;">9 3, 3</p>
<p><b>SRR0099 Treat</b> Thurrock: ECC has been appointed as commissioner for Thurrock Council and there is potential risk that as a consequence there is an adverse impact on strategic leadership resource and capacity for ECC.</p> <p><b>Owner :</b> Gavin Jones</p>	<ul style="list-style-type: none"> <li>- <b>Monitoring resource</b> Officers record their time spent on Thurrock intervention so that loss of capacity can be evidenced and issues escalated if required. <b>Status :</b> Ongoing</li> <li>- <b>Regular check-ins</b> Regular check-ins by Gavin and CLT members on the impact of Thurrock work on leadership capacity. <b>Status :</b> Ongoing</li> <li>- <b>Compensation</b> ECC are compensated for intervention activity so able to back fill to posts if required. <b>Status :</b> Ongoing</li> </ul>	<p style="text-align: center;">9 3, 3</p>	<p style="text-align: center;">0 ,</p>



Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
<p><b>SRR0051 Treat</b></p> <p>Disaster Recovery: There is a risk of service delivery failure, both of ECC systems and hosting of third party providers services, due to ineffective or untested disaster recovery arrangements. Failure of services or the inability to access them represents a reputational and financial risk to the council, as well as impacts on staff morale.</p> <p><b>Owner :</b> Pam Parkes</p>	<ul style="list-style-type: none"> <li>- <b>Wireless Connectivity (Wi-Fi)</b> The corporate Wi Fi system upgrade – the decommission of Cisco access points and replacement with Aruba has been completed. A fix for the patch level of Access points was successfully rolled out in June 2023. Verification of any remaining infrastructure dependencies is in progress. <b>Status :</b> In Progress</li>   <li>- <b>Wide Area Network reconfiguration</b> Further work on improving the resilience of WAN has been superseded by the migration of applications and platforms to the cloud. As such, resilience is improved, with the SD-WAN programme to provide the strategic end-state. <b>Status :</b> In Progress</li>   <li>- <b>Business Impact Analysis</b> The Council must formally define Business Continuity and recovery requirements for all critical services. There is a reliance that all areas define BC. The Disaster Recovery and Resilience Manager is working with EP&amp;R to Reconcile the RTO service requirements with IT capabilities. The new release of Continuity2 (June 2023) now offers RPO processing and is being worked on to be included in the 2023 annual BC plan validation. <b>Status :</b> In Progress</li>   <li>- <b>Capabilities</b> Tech Services to implement Disaster Recovery (DR) solutions once the Business Continuity (BC) arrangements are finalised/agreed and the critical services, recovery time objectives and recovery point objectives are agreed. All applications are successfully migrated to the cloud and external dependencies have rescheduled the completion of the Cloud programme shared services and infrastructure dependencies to the end of 2023. The core Azure Cloud DR process is in place. <b>Status :</b> In Progress</li>   <li>- <b>Testing in 2 phases</b> Initial core DR testing as successfully completed as part of the Cloud programme. A schedule of DR testing has been produced. Remediation of the SQL Cluster failover issue is in progress and once complete, will allow resumption of the core Azure failover test programme. <b>Status :</b> In Progress</li>   <li>- <b>Third Party Review</b> Once recovery requirements are defined these will need to be compared to the contracted Disaster Recovery (DR) provision from existing third party providers and amended as required. Supplier DR test certification and RTO/RPO commitments is now in a BAU ongoing state <b>Status :</b> In Progress</li>   <li>- <b>MS Azure</b> Phase 1 of Office 365 has been implemented and phase 2 is in progress. We are currently on a revised target date for overall MS Azure completion date of October 2023. <b>Status :</b> Ongoing</li> </ul>	<p>8 2, 4</p>	<p>2 1, 2</p>

Risk Details	Control Measures	Current Rating (P, I)	Target Rating (P, I)
	<p>- <b>Remove limitations of On premise infrastructure by Cloud first strategy</b>  All services are now cloud-based, either on core Azure hosting or on 3rd party cloud platforms.  The remaining network infrastructure dependency is being eliminated as part of the Cloud programme phase 2 target date October 2023.  <b>Status</b> : Ongoing</p>		
<p><b>SRR0079 Treat</b>  System pressures results in failure of care: System pressures driven by cost pressures within the market, and/or shortages of carers and other care professionals and/or delays in the supply chain for essential goods and services undermines ASC's ability to provide care in the community . This creates gridlock in both the health and social care system, leading to significant delays in the provision of care resulting in delays to hospital discharge and failure to provide support to those in the community whether at home or in residential care.</p>	<p>- <b>Declare Major Incident</b>  Declare Major Incident within the LRF, invoke emergency powers and request support within geographical area  <b>Status</b> : Proposed</p> <p>- <b>Ethics committee</b>  Practice Governance Board to function as an ethics committee led by the principle social worker to ensure available resources are prioritised in transparent and ethical manner where it is no longer possible to meet the totality of our care commitments. Resources would be prioritised for adults who are at serious risk if we do not intervene.  <b>Status</b> : Proposed</p> <p>- <b>Provider of Last Resort (prioritised for domicillary care)</b>  Arrangements in place with provider of last resort for the provision of staff to ensure continuity of care  <b>Status</b> : Ongoing</p>	<p>8 2, 4</p>	<p>8 2, 4</p>
<p><b>Owner</b> : Nick Presmeg</p>			

# Risk Maturity Assessment

CS6 2022/23

March 2023

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# Introduction to Risk Maturity

A risk maturity assessment is a tool to help assess the effectiveness of an organisation's risk management efforts. In other words, how well do functions and processes enable risk-aware decisions that support key enterprise objectives.

Although there are similarities, a risk maturity assessment is not an end-to-end review of risk management.

The setting out of different levels and descriptors of risk maturity can however help an organisation achieve a common understanding of the type of changes that would be likely to enable it to reach a higher level of maturity over time, should it so wish. Risk management maturity models are therefore a way to help organisations see where they are, compare their current state to where they want and need to be if they are to derive full benefit, and discuss the value and cost of further investment in the management of risk.

The more mature the risk management system, the more effective it may potentially be in enabling better decisions, taking the right risks, and achieving better outcomes for the organisation. When considering the scoring awarded, the Council also needs to consider that fixed progression against any maturity model could set the wrong motivation. Rather than celebrating the achievement of 'levels', greater emphasis should be given to focusing on meaningful 'outcomes'. It is not always obvious what the tangible benefits of each level might be.

# Objectives

This assessment specifically reviewed compliance against the established **ALARM National Performance Model for Risk Management in Public Services** (the ALARM model) to obtain a high-level view of where the Council's Risk Management practices currently operate in relation to this maturity scale.

To achieve the objective outlined above, the following was undertaken:

- The Auditor conducted a desktop review of key risk management documentation to come to an informed view of the Council's risk management practices. This was assessed against the criteria listed in supporting guidance for the ALARM model.
- The Auditor engaged with the Head of Assurance and the Risk and Insurance Manager to help generate an understanding of the maturity of the Council's current risk management practices in respect of the ALARM model.

## Limitations to Scope

Before reviewing overall scores, it is important to note that all risk maturity models have some inherent limitations. Risk maturity should not be defined in terms of a linear progression as real-world scenarios would rarely follow such an ordered path.

Maturity models can also imply there to be a static approach to risk which may not always recognise the need to change responses to cater for evolving technical and business context. This potentially makes the assessment of risk maturity more difficult in organisations like the Council, which operate across a range of diverse functions that are also subject to quite regular changes.

Risk maturity models do not have a formal basis on which to determine exact scores. It should therefore be remembered that scoring has to be awarded based on an element of best judgement.

**Specific limitations by ALARM model area have been stated for context in the ‘Scoring Detail/Context’ section of this report.**

## Direction of Travel (DoT)

A Summary Scoring Table is provided on page 5. For all areas of the model a score of either **3 (Moderate)** or **4 (Good)** has been awarded for 2022/23. This demonstrates that the Council is consistently operating in what the model classes as ‘Working’ or ‘Embedded and Working’. Both are desirable outcomes and provide positive assurance.


The last risk maturity assessment was conducted in October 2019. This was a commissioned review and utilised an external assessor. A summarised Direction of Travel by area is shown below. This reflects a steady or improved position compared to the previous review.

Note: The highest available score for each level of the maturity assessment may not even be the desirable target for the Council. This recognises that to achieve such levels would likely require additional capacity and resources that are potentially unattainable. Higher maturity should therefore not be confused with there being a perfect state.


	2019	2023	Direction
<i>Leadership &amp; Management</i>	2.5	4	↑
<i>Strategy &amp; Policy</i>	2.5	4	↑
<i>People</i>	3	3.5	↑
<i>Partnerships</i>	3	3	↔
<i>Processes</i>	3.5	3.5	↔
<i>Risk Handling</i>	2.5	3	↑
<i>Outcomes</i>	2.5	3	↑

# Summary Scoring Table



Existing Scale	Proposed Scale	Leadership and Management	Strategy and Policy	People	"Partnership, Shared Risk & Resources Processes"	Processes	Risk Handling and Assurance	Outcomes and Delivery
Driving	Excellent 5	"Leadership uses consideration of risk to drive excellence through the organisation, with strong support and reward for well managed risk-taking"	Strategy and Policy are closely aligned to risk management and the threat of failing to achieving objectives	"All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk-taking. Absence of a blame culture."	"Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed"	"Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success"	"Clear evidence that risks are being effectively managed throughout the organisation. Considered risk-taking part of the organisational culture."	"Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles"
Embedded and Working	Good 4	Leadership is supportive of the risk management process, engages actively and ensures it is embedded throughout the organisation	"Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined and communicated"	"A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and their responsibilities"	"Sound governance arrangements are established. Partners adequately support one another's risk management capability and capacity."	"A framework of risk management processes in place and used to support service delivery. Robust business continuity management system in place."	"Evidence that risk management is being effective and useful for the organisation and producing clear benefits. Evidence of innovative risk-taking."	"Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement"
Working	Moderate 3	Leadership take part sporadically in the risk management process and provide some resources.	A basic risk strategy and related policies exist and are partially implemented	An individual with Risk Management responsibilities is in place with the correct skills and experience.	"Risk with partners and suppliers is managed across organisational boundaries but inconsistently."	"Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services supported through continuity plans."	"Clear evidence that risk management is being effective in all key areas. Capability assessed within a formal assurance framework and against best practice standards"	"Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas"
Happening	Poor 2	Leadership are aware of risk management process but do not actively participate	"The need for a risk strategy and risk-related policies has been identified and accepted but not implemented"	Risk management is an informal part of a single persons role within the organisation.	"Approaches for addressing risk with partners are being developed and implemented."	"Some stand-alone risk processes have been identified and are being developed. The need for service continuity arrangements has been identified."	"Some evidence that risk management is being effective. Performance monitoring and assurance reporting being developed"	"Limited evidence that risk management is being effective in, at least, the most relevant areas"
Engaging	Not in Place 1	Leadership are not providing guidance with regards to risk management objectives, culture or practices	"The need for a risk strategy and risk-related policies has not been identified. The risk management system is undocumented with few formal processes present"	No risk management roles or associated skills are in place within the organisation and there is little desire to implement this.	No risk management considerations are given to partnerships	"No stand-alone risk processes have been developed."	"No clear evidence that risk management is being effective"	No clear evidence of improved outcomes



 Highlighted box indicates assessed score against each area of the ALARM model. More than one box against a column indicates a scoring between two areas of the scale.

## Scoring Detail / Context

Area	Criteria Positively Verified Through Assessment	Context for Areas Not Fully Verified	Scoring (DoT)
<b>Leadership and Management</b>	<ul style="list-style-type: none"> <li>• Uses risk management to develop effective policies at the policy making stage.</li> <li>• Uses risk management to achieve better outcomes.</li> <li>• Provides clear direction on the management of risk.</li> <li>• Enables unanimity on the key strategic risks.</li> <li>• Ensures clear accountability for managing risk.</li> <li>• Drives implementation of improvements in risk management.</li> <li>• Uses the principles of good governance to manage risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Sets the criteria / arrangements for the organisation's appetite for taking risks.</li> </ul> <p><i>The Council has taken a strategic decision not to set a single overarching risk appetite. The Council would otherwise need an appetite for each Function which would be very difficult to manage corporately. Reasons for why an organisation would not set a fixed appetite is not something that is clearly accounted for within the ALARM model.</i></p> <ul style="list-style-type: none"> <li>• Encourages innovation through well-managed risk-taking.</li> </ul> <p><i>This is an intangible item to evidence. The Council does explore new ways of working and there is anecdotal evidence available from projects. However, this is not recorded formally in any way.</i></p> <ul style="list-style-type: none"> <li>• Supports staff when things go wrong (i.e. avoids a blame culture).</li> </ul> <p><i>The Council has core behaviours and standards. However, there is not any further evidence other than the 'intent' written down. Lots of support in place but not 'testable' via desktop exercise.</i></p>	<p>2019 score: <b>2.5</b></p> <p>2023 score: <b>4</b></p> <p>Can ECC be assured of risk maturity for this area? </p>



Area	Criteria Positively Verified Through Assessment	Context for Areas Not Fully Verified	Scoring (DoT)
<b>Strategy and Policy</b>	<ul style="list-style-type: none"> <li>• Set a clear direction for the scope and priorities of risk management.</li> <li>• Set the organisation’s requirements of risk management as part of its overall approach to governance.</li> <li>• Designed and implemented a risk management framework.</li> </ul>	<p><i>The ALARM model does not determine if it is only talking about specific Risk Management strategy/policy here, or if the expectation is wider e.g. meaning risk handling needs to be an inherent feature of each and every policy and strategy across the Council. For the purpose of this review, assurance has been taken from the Council’s Risk Management Strategy specifically.</i></p>	<p>2019 score: <b>2.5</b></p> <p>2023 score: <b>4</b></p> <p>Can ECC be assured of risk maturity for this area? </p>
<b>People</b>	<ul style="list-style-type: none"> <li>• A risk-aware culture as opposed to a risk-averse culture at all levels within the organisation.</li> <li>• Responsibilities for risks are allocated to individuals to manage.</li> <li>• There are arrangements to ensure appropriate risk management awareness, knowledge, experience and skills among: <ul style="list-style-type: none"> <li>- Governors/ Executive Members</li> <li>- Senior management</li> <li>- Staff.</li> </ul> </li> </ul>	<p><i>Currently risk management training is not mandatory.</i></p> <p><i>There has not been wider Member training other than what has been provided to Audit Governance and Standards (AGS) Committee.</i></p> <p>See <b><u>ACTION 1</u></b></p>	<p>2019 score: <b>3</b></p> <p>2023 score: <b>3.5</b></p> <p>Can ECC be assured of risk maturity for this area? </p>

Area	Criteria Positively Verified Through Assessment	Context for Areas Not Fully Verified	Scoring (DoT)
<b>Partnership, Shared Risk and Resources Processes</b>	<ul style="list-style-type: none"> <li>There are appropriate mechanisms for the provision and testing of contingency arrangements (For example, ECC's role with the Essex Resilience Forum – ERF).</li> </ul> <p><i>Note: There are informal but effective risk sharing approaches within the Council e.g. 'partners' are heavily involved with Corporate Health and Safety Board for example. The Council has strategic oversight but it is recognised that evidence is not always tangible.</i></p>	<p><i>The ALARM model does not define what should be included when considering 'shared risk' or what / who is defined as a 'Partner'. Subjectivity therefore exists in this area. The Council has a diverse range of supplier relationships in place that could also be judged as being 'partnerships'. Therefore, cannot give guarantees from our desktop approach alone.</i></p> <p>See <b><u>ACTION 2</u></b></p>	<p>2019 score: <b>3</b></p> <p>2023 score: <b>3</b></p> <p>Can ECC be assured of risk maturity for this area? </p>
<b>Processes</b>	<ul style="list-style-type: none"> <li>Evidence to demonstrate the extent to which risk management contributes to the success of <ul style="list-style-type: none"> <li>Governance arrangements; and</li> <li>Financial management.</li> </ul> </li> </ul>	<p><i>It is not possible to demonstrate the extent to which risk management contributes to the success of</i></p> <ul style="list-style-type: none"> <li><i>Policy making; and</i></li> <li><i>Performance management.</i></li> </ul> <p><i>Given breadth of Council services, it is not tangible to evidence the extent to which risk management may have contributed to the success of business processes in the organisation or quantify and prove specific links.</i></p>	<p>2019 score: <b>3.5</b></p> <p>2023 score: <b>3.5</b></p> <p>Can ECC be assured of risk maturity for this area? </p>

Area	Criteria Positively Verified Through Assessment	Context for Areas Not Fully Verified	Scoring (DoT)
<b>Risk Handling and Assurance</b>	<ul style="list-style-type: none"> <li>Effective anticipation and management of strategic risks.</li> </ul>	<p><i>It has not been possible to demonstrate the extent to which risk management-related activity has contributed to delivering innovation. This is untestable on the basis that the Council does not work in this way. The opposite applies whereby the Council would first decide on innovation and then manage the risks to that delivery. Not think of innovative ways to fix risk.</i></p> <p><i>ALARM guidance talks about successfully seizing opportunities and considered risk taking. It was not considered fair to link this to local government as there are inherent limitations which deliberately stops ability to take some risks.</i></p> <p>See <b><u>ACTION 2</u></b> and <b><u>ACTION 3</u></b></p>	<p>2019 score: <b>2.5</b></p> <p>2023 score: <b>3</b></p> <p>Can ECC be assured of risk maturity for this area? <b>✓</b></p>
<b>Outcomes and Delivery</b>	<ul style="list-style-type: none"> <li>Reliance taken from combination of areas above.</li> </ul>	<p><i>There is not always a tangible link from risk activity to whether there is delivery of improved outcomes. Too subjective to test.</i></p> <p>See <b><u>ACTION 3.</u></b></p>	<p>2019 score: <b>2.5</b></p> <p>2023 score: <b>3</b></p> <p>Can ECC be assured of risk maturity for this area? <b>✓</b></p>

## Improvement Opportunities

No.	Finding	Action
1	<p>Risk e-learning is not currently a mandatory training course within the Council. However, risk training is freely available, and any officer can participate in the course.</p> <p>However, there has not been any wider Member training other than what has been provided to Audit Governance and Standards (AGS) Committee directly.</p>	<p>Those responsible for Risk Management could consider the following actions if there is an appetite to increase maturity:</p> <ul style="list-style-type: none"> <li>- Promotion of risk management training to members and staff.</li> </ul>
2	<p>Although some good practices were identified to demonstrate management of risks across the Council, there can be difficulties in managing risks in the event that issues or ownership needs to be cross-cutting. Some risks may therefore not be fully known or mitigated unless there are routes to call them out and seek engagement from multiple sources. These routes may be limited if there is a perception that a single owner/sponsor always has to be defined and kept in order to enforce accountability.</p> <p>There is no 'Risk' section in Cabinet papers, which could theoretically help in identifying where cross cutting risks may exist.</p>	<p>The Council may wish to reconsider its appetite to introduce 'Risk' sections into Cabinet papers for the benefit of aiding decision making.</p> <p>In addition, consideration should be given to the merits of alternative governance routes and joint risk ownership if opportunities to add greater value are identified to do so. *</p> <p>*By way of example – Modern Day Slavery risk currently sits with Procurement. However, the Council's ability to mitigate and manage any concerns in this area would actually involve a far wider range of inputs and engagement cross-functionally e.g. with Adults Social Care, Trading Standards etc.</p>

No.	Finding	Action
3	<p>It has not been possible to demonstrate the extent to which risk management-related activity has contributed to delivering innovation. This is untestable at present on the basis that the Council does not work in this way. The opposite applies whereby the Council would first decide on innovation and then manage the risks to that delivery. Issues tend to come first and then the Council looks to 'control', rather than managing risks in a pre-emptive way.</p> <p>However, there may still be opportunities to obtain a more tangible link between risk-management activity and business planning e.g. by ensuring that business plans have links to risks.</p>	<p>Ideally there would be an expectation for business plans to have links to risks which may then allow for more effective review of business planning and target setting. Key consideration should be given to how to join the dots between service activity and risk-management involvement.</p>

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