

Mapping of Corporate Risks to 2018-19 Audit Plan (see charts 1 and 2)					Appendix F		
Risk Update		December 2017		Met			
Area	Risk Number	Risk Name	Risk Description	Prospects of meeting Target Risk Score by Target Date	Means of Assurance for 2018-19 Internal Audit Plan	2018-19 Planned Audit Days	2017-18 Planned Audit Coverage (as reported to Audit Committee January 2017)
Community and Environmental Services	RM001	Infrastructure is not delivered at the required rate to support existing needs and the planned growth of Norfolk	<p>1) Not securing sufficient funding to deliver all the required infrastructure for existing needs and planned growth leading to:</p> <ul style="list-style-type: none"> <li>• congestion, delay and unreliable journey times on the transport network</li> <li>• a lack of the essential facilities that create sustainable communities e.g. good public transport, walking and cycling routes, open space and green infrastructure.</li> </ul> <p>2) Not meeting the funding profiles (e.g. Local Growth Fund) and losing the funding.</p>	Amber	The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk. In addition an audit is planned in the second half of the year to provide assurance over the code of practice - highways infrastructure	15	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk
Finance and Commercial Services	RM002	The potential risk of failure to manage significant reductions in local and national income streams	<p>This may arise from global or local economic circumstances (i.e. Brexit), government policy on public sector budgets and funding. As a result there is a risk that the Medium Term Financial Strategy savings required for 2017/18-2019/20 are not delivered because of uncertainty as to the scale of savings resulting in significant budget overspends, unsustainable drawing on reserves, and severe emergency savings measures needing to be taken.</p> <p>The financial implications are set out in the Council's Budget Book, available on the Council's website.</p>	Amber	Internal Audits planned to provide assurance over the adequacy and effectiveness financial controls in respect of income streams: - Commercialisation Traded Services, Active Norfolk, External funding - Museums, Environment and Arts, Norfolk Community Learning Services, Developer Contributions, Corporate Property Income, County Farms lettings process, DIY Waste - charging at recycling centres	112	Internal Audit - completion of a 2016-17 audit of budget and financial controls for demand led budgets Children's Services and Adult Social Services

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Finance and Commercial Services	RM003	Potential reputational and financial risk to NCC caused by failure to comply with statutory and/(or) national/local codes of practice.	There is a risk of failing to comply with statutory and/(or) national/local codes of practices in relation to Information Compliance. This could lead to significant reputational and financial risk for NCC.	Amber	Internal Audits planned to provide assurance in respect statutory and (or) national/local codes of practice: Post General Data Protection Regulation, Data Quality audits (key systems on Information Asset Register x 2), Awareness of information Management Policies and Information Security - follow up audits	35	Internal Audit - Two planned audits for 2017-18 under Information Management. In addition a planned audit to provide assurance over the embedding of new processes and procedures in relation to Information Management following the ICO visit and outcome
Finance and Commercial Services	RM004	The potential risk of failure to deliver effective and robust contract management for commissioned services.	<p>Ineffective contract management leads to wasted expenditure, poor quality, unanticipated supplier default or contractual or legal disputes</p> <p>The council spends some £600m on contracted goods and services each year.</p>	Amber	Internal Audits planned to provide assurance over commissioned services: Norwich City Agency Agreement, Commissioning of placements for high needs children, Contract management and monitoring - 2 cyclical audits of top contracts	57	Internal Audit. Audit planned to provide assurance that an agreed corporate approach to contract monitoring of significant contracts is now in place and is operating effectively. This will include sceptical review and challenge of the mitigating actions and latest progress update to ensure that risk RM004 is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence

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Strategy - Managing Director's Department	RM006	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2018/19 - 2021.	The failure in strategic planning meaning the Council lacks clear direction for resource use and either over-spends, requiring the need for reactive savings during the life of the plan, or spends limited resources unwisely, to the detriment of local communities.	Met	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk		Risk Management Officer. No additional audit coverage planned as risk ranked 'green'. The 2016-17 audit plan included coverage of budget planning and monitoring (Q4) and quality of data in respect the performance management system (Q4). The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk.
Finance and Commercial Services	RM007	Potential risk of organisational failure due to data quality issues.	Failure to manage the data quality will prevent us from ensuring that data relating to key Council priorities is robust and valid. This places the Council at risk of making decisions using data that is not always as robust as it should be. This may lead to poor or ineffective commissioning, flawed decision making and increased vulnerability of clients, service users and staff.	Amber	Internal Audit assurance in respect of data quality: Post GDPR audit, Data Quality audits (key systems on Information Asset Register x 2), Data Quality within C2 and Piranha systems, Data Quality Liquid Logic	72	Internal Audit and Risk Management Officer. An audit of the implementation and embedding of the Information Management Strategy (mitigating action 1) is included in the 2016-17 audit plan (Q4). The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk.

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Finance and Commercial Services	RM010	The risk of the loss of key ICT systems including: - internet connection; - telephony; - communications with cloud-provided services; or - the Windows and Solaris hosting platforms.	<p>Loss of core / key ICT systems, communications or utilities for a significant period - as a result of loss of power, physical failure, fire or flood, supplier failure or cyber attack - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs.</p> <p>Overall risk treatment: reduce.</p>	Amber	Internal audit planned to provide assurance on ICT Business Continuity	15	Internal Audit. Audit of Cyber Security arrangements to be undertaken 2016-17 audit plan (Q4). The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk

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County Leadership Team	RM011	The potential risk of failure to implement and adhere to an effective and robust performance management framework.	The failure of leadership to adhere to robust corporate performance practice / guidance, resulting in organisational / service performance issues not being identified and addressed. This could have a detrimental impact on future improvement plans and overall performance and reputation of the Council.	Amber	Internal audit assurance has been planned in respect of quality of performance management data (CHS), and the corporate appraisal system	20	Audits of performance management and appraisals included in 2017-18 audit plan. These cover mitigating tasks 1 and 2

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County Leadership Team	RM013	<p>The potential risk of failure of the governance protocols for entities controlled by the Council, either their internal governance or the Council's governance as owner.</p> <p>The failure of entities controlled by the Council to follow relevant guidance or share the Council's ambitions.</p>	<p>The failure of governance leading to controlled entities:</p> <p>Non Compliance with relevant laws (Companies Act or other)</p> <p>Incurring Significant Losses or losing asset value</p> <p>Taking reputational damage from service failures</p> <p>Being mis-aligned with the goals of the Council</p> <p>The financial implications are described in the Council's Annual Statement of Accounts 2015-16, from page 13, covering Group Accounts available on the Council's website at <a href="http://bit.ly/2f0MLP3">http://bit.ly/2f0MLP3</a>.</p>	Met	Internal audit assurance planned to support the Annual Governance Statement process, the audit of material financial systems and the audit of controlled entities	20	Internal Audit. Audits included in the 2017-18 audit plan to support the AGS and the self assurance statements for each of the controlled entities

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Children's Services	RM014a	The amount spent on home to school transport at significant variance to predicted best estimates	<p>There is a risk that the amount spent on home to school transport is at significant variance (overspend) to predicted best estimates.</p> <p>Cause: Home to school transport being a demand led service.</p> <p>Event: The amount spent on home to school transport is at significant variance with the predicted best estimates.</p> <p>Effect: Significant overspend on home to school transport than has been estimated for.</p> <p>Rising transport costs, the nature of the demand-led service (particularly for students with special needs) and the complexities involved in sustaining reductions in the need for transport or the distance travelled could result in a continued overspend on the home to school transport budgets and costs not being reduced by the required amount.</p>	Amber	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk		An audit of home to school transport is included in the 2017-18 audit plan. This will include sceptical review and challenge of the mitigating actions and latest progress update to ensure that risk RM014a is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence

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Adult's Services	RM014b	The savings to be made on Adult Social Services transport are not achieved.	The risk that the budgeted savings of £1.7m to be delivered by 31 March 2020 will not be achieved.	Green	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk		An audit of Adult Social Services transport is included in the 2017-18 audit plan. This will include sceptical review and challenge of the mitigating actions and latest progress update to ensure that risk RM014b is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence
CLT	RM016	Failure to adequately embed Business Continuity into the organisation.	To ensure disruption is minimised and ensure that we are able to maintain services and respond appropriately to a either a Major or Moderate disruption both within and out of core office hours (N.B. this risk will be scored differently for different departments due to different levels of preparedness).	Green	Internal audit assurance planned in respect of ICT Business Continuity	15	Risk Management Officer. Business continuity covered in the 2016-17 audit plan (completed 2017-18). No additional audit coverage planned as 'green' RAG rated. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk



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Planning and Economy - Strategic Infrastructure	RM017	Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£205m)	There is a risk that the NDR will not be constructed and delivered within the revised budget. Cause: environmental and/or contractor factors affecting construction progress. Event: The NDR is completed at a cost greater than the agreed revised budget. Effect: Failure to construct and deliver the NDR within the revised budget would result in the further shortfall having to be met from other budgets. This will impact on other NCC programmes.	Amber	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk		Internal Audit and Risk Monitoring Officer. A contract monitoring audit planned in respect of mitigating actions 4 and 5 to provide assurance that mitigating actions have been implemented and that costs are adequately managed, monitored and reported on. In addition an audit of the scheme of delegation (NDR) is
Children's Services	RM018	Potential failure to move out of intervention.	CS Teams do not show the required levels of improved performance at the speed which is acceptable to DfE and Ofsted.	Green	External Inspection. No coverage in the 2017-18 Internal Audit plan. Reliance based on the DfE and Ofsted External Inspection, monitoring and reporting regimes		External Inspection. No coverage in the 2017-18 Internal Audit plan. Reliance based on the DfE and Ofsted External Inspection, monitoring and reporting regimes

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Adult Services (Lead Director) Shared Re-procurement of social care system for Adults, Children's and Finance Departments -	RM019	Failure to deliver a new fit for purpose social care system on time and to budget.	A new Social Care system is critical to the delivery and efficiency of Adults and Children's Social Services. This is a complex project and the risk is the ability to deliver on time along with the restriction on making any system changes to the existing system (Carefirst)	Green	Internal audit assurance planned in respect of data quality in LAS, financial payments processes and reporting	50	Internal Audit. Audit of data migration controls replacement Carefirst system 2017-18. In addition sceptical challenge work is planned by the Risk Management Officer and Chief Internal Auditor of the mitigating actions and planned activities to deliver the project as per the most recent Social Care Replacement System report
Finance and Commercial Services	RM021	Failure of Estate Management	There is a risk that the Council does not have a clear policy around estate management, is not acting in line with the expectations of a landlord, and does not have sound tenancy agreements in place.	Amber	Internal audit assurance planned in respect of the Corporate Property team: energy management strategy, County farms lettings process and follow up, property income Income, data quality within C2 and Piranha	60	Internal Audit. A follow up audit was undertaken as part of the 2016-17 audit plan (Q3). A further follow up was planned for 2017-18 (postponed to 2018-19)

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County Leadership Team	R M 0 2 2	Potential changes in laws, regulations, government policy or funding arising from the UK leaving the European Union, which may impact on Council objectives, financial resilience and affected staff ('Brexit').	<p>There are important implications to the Council in four main areas:</p> <p>1) The Council's EU funded programmes supporting the local economy.</p> <p>2) The legal base – there are many EU laws that affect the day job of local councils.</p> <p>3) Council services dependent on a migrant workforce – for example nationally, 7% of existing adult social care staff come from other EU nations</p> <p>4) Place-based impact – there will be real and varied impacts and opportunities in our local economy.</p> <p>There is a risk that initially, implications for Norfolk County Council of the UK leaving the EU are not known or understood, causing uncertainty in Council business, planning, and service delivery.</p> <p>Uncertainty on both performance delivery and designation of the Council as Managing Authority following the EU referendum result could lead to an inability to draw down the funding required to manage the programme and have a significant reputation impact on the Council leading to an inability to submit payment claims to the EU.</p> <p>Cause: The EU Referendum held in June 2016, with the UK as a whole voting to leave the EU.</p>	Amber	Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk		Risk Management Officer. No additional audit coverage planned. The Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk
Adults Services	R M 0 2 3	Failure to understand and act upon changes to demography, funding, and government policy, with particular regard to Adults Services.	<p>There is a risk of failure to fully understand and act upon changes to demography, funding, and government policy.</p> <p>Cause: Changes to demography, funding, and government policy.</p> <p>Event: The Council fails to plan and adapt to change effectively for the future.</p> <p>Effect: Outcomes for Norfolk citizens may worsen.</p>	Amber	Internal audit assurance planned in respect of delayed transfers of care and Transforming Care Programme,	35	New risk since 2017-18 reporting