

Mapping of Corporate Risks to 2017-18 Audit Plan (see Charts 1 and 2)								Appendix F	
Corporate Risk Register		December 2016			Met				
Area	Risk Number	Risk Name	Risk Description	Target Date	Prospects of meeting Target Risk Score by Target Date	Risk Owner	Means of Assurance for 2017-18 internal audit plan	Q1/Q2 2017-18 Audit Days	Q3/Q4 2017-18 Audit Days
CES	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"> • congestion, delay and unreliable journey times on the transport network • a lack of the essential facilities that create sustainable communities e.g. good public transport, walking and cycling routes, open space and green infrastructure. <p>2) Not meeting the funding profiles (e.g. Local Growth Fund) and losing the funding.</p>	01/04/2017	Amber	Tom McCabe	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.		

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Finance	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 Plan savings required for 2016/17- 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>	15/02/2017	Amber	Simon George	Internal Audit. A follow up audit planned on the review of budget and financial controls for demand led budgets Children's Services and Adult Social Services (Initial audits undertaken Quarter 4 2016-17). This follow up will be extended to include Resources, Finance and Communities and Environment.	25	

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Finance	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.	31/12/2016	Amber	Simon George	Internal Audit. Two planned audits for 2017-18 under Information Management. In addition an audit is planned Q4 of 2016-17 to provide assurance over the embedding of new processes and procedures in relation to Information Management following the ICO visit and outcome.	30	

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Finance	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>	31/03/2017	Amber	Simon George	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 the that risk RM004 is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence.	20	

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CLT	RM006	The potential risk of failure to effectively plan how the Council will deliver services over the next 3 years commencing 2015/16.	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.	28/02/2017	Green	Wendy Thomson	Risk Management Officer. No additional audit coverage planned as risk ranked 'green'. The 2016-17 audit plan included coverage of budget planning and budget monitoring (Q4) and quality of data in respect of 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.		

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Finance	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.	31/12/2016	Amber	Simon George	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	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.	Loss of core / key ICT systems, communications or utilities for a significant period - as a result of physical failure, fire or flood, supplier failure, misconfiguration or loss of PSN accreditation - would result in a failure to deliver IT based services leading to disruption to critical service delivery, a loss of reputation, and additional costs. Overall risk treatment: reduce.	30/06/2017	Amber	Simon George	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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CLT	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 will have a detrimental impact on future improvement plans and overall performance and reputation of the Council.	31/03/2017	Amber	Wendy Thomson	Internal Audit. Audits of Performance Management and Appraisals included 2017-18 audit plan. These cover mitigating tasks 1 and 2.	35	

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CLT	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>Incuring 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 88, covering Group Accounts available on the Council's website at http://bit.ly/2f0MLP3.</p>	30/09/2016	Green	Wendy Thomson	<p>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.</p>	20	

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Children's	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. Event: The amount spent on home to school transport is at significant variance with the predicted best estimates. 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>	31/03/2017	Red	Michael Bateman	Internal Audit. An audit of Children's Services budget and financial controls assurance for demand led budgets is included in the 2016-17 (Q4) with a follow up in the 2017-18 audit plan. Outcomes from these audits will inform an audit of home to school transport. This will include sceptical review and challenge of the mitigating actions and latest progress update to ensure the that risk RM014a is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence.	15	

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Adult's	RM014b	The savings to be made on Adult Social Services transport are not achieved.	The risk that the budgeted savings of £3.8m to be delivered by 31 March 2017 will not be achieved.	31/03/2017	Red	Janice Dane	Internal Audit. An audit of Adult Social Care budget and financial controls assurance for demand led budgets is included in the 2016-17 (Q4) with a follow up in the 2017-18 audit plan. Outcomes from these audits will inform an audit of Adult Social Services transport. This will include sceptical review and challenge of the mitigating actions and latest progress update to ensure the that risk RM014b is adequately reported and supported by relevant, reliable, accurate, timely and robust evidence.	15	

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CES	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 significant incident (Major or Moderate) 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).	30/06/2017	Green	Tom McCabe	Risk Management Officer. Business continuity covered in the 2016-17 audit plan. 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.		
CES	RM017	Failure to construct and deliver the Norwich Northern Distributor Route (NDR) within agreed budget (£179.5m)	There is a risk that the NDR will not be constructed and delivered within budget. Cause: environmental and/or contractor factors affecting construction progress. Event: The NDR is completed at a cost greater than the agreed budget. Effect: Failure to construct and deliver the NDR within budget could result in the inability to deliver other elements proposed in the Norwich Area Transport Strategy (NATS) Implementation Plan. It could also result in a reduction in delivering economic development and negatively impact on Norfolk County Council's reputation. Exceeding the budget will also potentially impact wider NCC budgets and its ability to deliver other highway projects or wider services (depending on the scale of any overspend).	12/02/2018	Red	Tom McCabe	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, the Risk Management Officer and Chief Internal Auditor to provide sceptical challenge of the other mitigating actions and progress to date in respect of this risk.	15	

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Children's	RM018	Potential failure to meet the needs of children in Norfolk.	CS Teams do not show the improved performance at the speed which is acceptable to DfE and Ofsted and subsequently, children and families do not receive a good/outstanding service.	31/03/2017	Amber	Andrew Bunyan	External Inspection. No coverage in the 2017-18 internal audit plan. Reliance placed on the DFE and Ofsted External Inspection, monitoring and reporting regime.		

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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)	30/06/2018	Green	James Bullion	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 Highlight report.	15	

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Adult Social Care Committee Transformation	RM020a	Failure to meet the long term needs of Norfolk citizens .	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of older people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation. With regard to the long term risk, bearing in mind the current demographic pressures and budgetary restraints, the Local Government Association modelling shows a projection suggesting local authorities may only have sufficient funding for Adult's and Children's care.	31/03/2030	Amber	James Bullion	No additional audit coverage planned. Adult Social Care demand led budgets are to be audited quarter 4 of 2016-17 with a follow up in 2017-18 (risk RM002). The Risk Management Officer and CIA to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk each quarter.		
Adult's Services	RM020b	Failure to meet the needs of Norfolk citizens .	If the Council is unable to invest sufficiently to meet the increased demand for services arising from the increase in the population of people in Norfolk it could result in worsening outcomes for service users, promote legal challenges and negatively impact on our reputation.	31/03/2017	Amber	James Bullion	Risk Management Officer. No additional audit coverage planned. Adult Social Care demand led budgets are to be audited quarter 4 of 2016-17 with a follow up in 2017-18 (risk RM002) . The Risk Management Officer and CIA to provide sceptical challenge of the mitigating actions and progress to date in respect of this risk each quarter.		

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Finance	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.	31/03/2017	Amber	Simon George	Internal Audit. A follow up audit was undertaken as part of the 2016-17 audit plan (Q3). A further follow is planned for Q1 2017-18	10	
County Leadership Team	RM022	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.	<p>There are far-reaching implications to the Council, most notably for the Council's EU funded programmes supporting economic growth and regeneration, employment, environmental protection, research and development, and agricultural support within Norfolk.</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 voting to leave the EU.</p> <p>Event: Article 50 being triggered with a limited understanding as to how the terms of exit affect Norfolk County Council service delivery.</p> <p>Effect: Uncertainty over the nature and the extent that the terms of exit triggered by invoking Article 50 will impact upon Norfolk County Council.</p>	01/04/2017	Red	Wendy Thomson	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.		
							Total Audit Days	200	-