

Overview of written request for clarification from the Audit Committee Independent person, Lindy Jansen van Vuuren received on 14th February, following the Audit Committee on the 25th January 2024



Lindy's Jansen van Vuuren concerns	Risk Team response
<p>1. The Somerset Risk Management User manual requires 3 levels of risk scores to be reported and is indicated as mandatory: Inherent risk / uncontrolled worst-case score, Current risk score and Desired risk score (acceptable/tolerable). Only 2 risk assessment scores appear on the report. All 3 should be disclosed</p>	<p>The risk register held within JCAD, holds all three scores, but they are not reflected in the template through JCAD. The template will need to be updated but an interim register will be presented to Audit Committee to reflect the additional information on the register. This can be seen as Appendix One, under the strategic risk management update for the 28th March committee</p>
<p>2. Risk 57, 62, 70 - Inherent risk and current risk remains the same, implying that controls listed is not adequate and / or effective. Existing controls should be re-evaluated to ensure it is adequate and effective to mitigate risk.</p>	<p>It is recognised, specifically for ORG0057, that the current controls are not working to deliver mitigation for this risk. However, taking into consideration the wider financial challenges that the Council faces, it will take time to work through into the mitigation that will ultimately look to reduce this risk. Please note that there is a need to review all strategic risks for the new financial year and as a result of that review, the controls will also be reviewed and considered, including the strength of the control to reduce the risk</p>
<p>3. Each risk has a last review date and the next review date. Page 20 risk ORG0009 Protecting children's current risk score is high. The difference in the review date is almost 4 months. According to the Somerset Risk Management User</p>	<p>The risk owner will receive regular reminders from JCAD that a review of a risk is required. The risk management team are now working more closely with service directors and using these meeting to identify the areas that they need to work on,</p>

<p>manual, high current risks should be reviewed monthly.</p>	<p>including the review of risks, controls and action and the ongoing review of the scores</p>
<p>4. The dates on the controls in progress on all the risks states, 'review date' and should most probably read 'target implementation date'.</p>	<p>There is a review date for each control, the JCAD diary is triggered by this date with reminders sent to reactive action owners when reviews are due or overdue. The target completion date is the date by when the reactive action should be complete and should therefore have a positive impact on the current risk score. Target completion dates can be several months away, so previous committee members requested that the important date for reports was the 'review date' as this shows when a risk / action is overdue review and by how long, indicating that the action and therefore the risk, are not being managed within agreed time limits.</p> <p>Target completion date is part of the record fields that require completion in JCAD but is a field that is often missed by officers. As part of our reviews with service directors we will be picking up this missing date, but this will take time. We have created an interim risk report template that includes the Target Completion date where known. (appendix 1)</p>
<p>5. Page 5 - H&S - Control measure - ORG0062/001 - SWAP internal audit into H & S culture.</p> <p>The review date on the control on the 26 October 2023 report was 6 November 2023. The review date now changed to 6 January 2024.</p>	<p>The action ORG0062/001 was reviewed by the action owner on the 6th December 2023. The diary in JCAD automatically sets the review diary forward one month so the next review was set with the review taking place by the risk owner on 24th January 2024. The action owner's comments were printed on the risk report presented to committee. Whilst the interim risk report is in use, we will not be able to report to this level of detail.</p>

<p>6. Changes in the target dates should be noted in the risk report and reasons given.</p>	<p>Until owners consistently use the field 'target date for completion' this information will not be available for all actions. We will amend the Risk Management Framework, at its next review, to make this point clearer.</p>
<p>7. Page 10 Risk Org 2020 - Resilience (HR capacity) Controlled risk assessment = 10 - green very low risk, however it should be yellow and a medium risk. Will this be updated when the Risk Management policy is reviewed and corrected?</p>	<p>The score shown on the report is correct. There are two possible scores that result in a '10'</p> <ol style="list-style-type: none"> 1. 5x2 (likelihood = very likely x Impact = critical) 2. 2x5 (Likelihood = slight x 5 impact critical). <p>The risk team have commenced work to review the current risk matrix which has been in place since its last review in 2019, working with Corporate Leadership Team and Statutory Officers Board to determine how the risk matrix needs to change to reflect the changes to the Council over the last year. The risk team aim to have this work completed by end of quarter 2.</p>
<p>8. The following risks have no existing controls listed; however, the Current risk is lower than the Inherent risk which assumes there must be effective and efficient controls in place. All controls listed are in progress, yet the controlled risk is decreased from a very high risk of 20 to 10? No existing / implemented controls listed so how does the controlled risk decrease?</p> <ul style="list-style-type: none"> • Page 10 Risk Org 2020 - Resilience (HR capacity) • Page 12 ORG0065 workforce - The inherent risk reduces from 20 to a 12 controlled risk, however no existing controls listed. 	<p>The risk management team are now working more closely with service directors and using these meetings to identify the areas that they need to work on, including the review of risks, controls and action and the ongoing review of the scores.</p> <p>Please note that there is a need to review all strategic risks for 2024/25 and as a result of that review, the controls will also be reviewed and considered, including the strength of the control to reduce the risk.</p>

<ul style="list-style-type: none"> • Page 16 ORG0063 Commercial investments - The inherent risk reduces from 16 to a 9 controlled risk, however no existing controls listed. • Page 17 ORG0064 Housing - The inherent risk reduces from 16 to a 12 controlled risk, however no existing controls listed. • Page 25 ORG0081 Funding cuts - The inherent risk reduces from 15 to a 9 controlled risk, however no existing controls listed. • Page 28 ORG0066 Financial instability - The inherent risk reduces from 12 to a 6 controlled risk, however no existing controls listed. • Page 31 ORG0075 LCN - The inherent risk reduces from 12 to a 6 controlled risk, however no existing controls listed. 	
<p>9. Page 15 ORG0061 Climate change - explanations should be provided for the overdue controls.</p>	As above
<p>10. Page 17 ORG0064 Housing and page 25 ORG0081 Funding cuts - There are no existing or in progress (reactive) controls listed. Controls need to be designed and implemented to manage risks to an acceptable level.</p>	<p>The risk owner for this particular risk has been made aware of the lack of controls for this particular risk as has the relevant Executive Director.</p> <p>This will be picked up as part of the review of the strategic risks for 24/25 as well and from this review, the team will ensure that relevant controls are added.</p>
<p>11. The following risks do not have consequences of risks documented:</p> <ul style="list-style-type: none"> • Page 18 ORG0068 - Fraud risk 	Noted and will be considered either as part of the service directors reviews or the strategic risk review

The following risks do not have causes of risks documented: <ul style="list-style-type: none">• Page 14 ORG0061 - Climate change	As above
12. Not all the controls have review dates and or control review updates, to be included.	Noted