

TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 26 October 2021

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2021/22 Quarter 1 Review

#### 1. PURPOSE

To provide the Committee with details of the risk management activity that has taken place in the period from 1 April 2021 to 30 June 2021.

## 2. RECOMMENDATIONS

The Committee is asked to:

- Discuss and review the Corporate Risk Register as at the end of Quarter 1 2021/22;
- Note the risk management activity that has occurred during the period; and
- Consider the selection of a Corporate Risk for the Committee to undertake a review of its assessment, control and monitoring at its next meeting.

## 3. BACKGROUND

The Council recognises that risk management is not simply a compliance issue, but rather it is a process to help ensure the successful delivery of the Council's Corporate Plan priorities and service plan objectives. Effective risk management arrangements should be embedded in the Council's culture and decision making processes as well as being an inherent part of the operational and financial management arrangements operating within the Council. Risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities.

#### 4. RATIONALE

The Audit & Governance Committee terms of reference require it to review progress on risk management at least annually and to promote risk management throughout the Council. The Corporate Risk Management Strategy & Framework requires that the Audit & Governance Committee will receive regular reports setting out progress against corporate risk management action plans. This report satisfies both these requirements.

## 5. KEY ISSUES AND RISKS

The Corporate Risk Register contained 15 open risks at 30 June 2021. A summary of the corporate risk details is set out in Appendix 1 of this report.

As at 30 June 2021 the Council's top corporate risks were:

- Risk 1 Failure to deliver a balance budget and Medium Term Financial Strategy, which may result in a Government Commission taking control of the Council's finances; and
- Risk 14 A high profile serious or critical safeguarding case that is known to the Council services, in light of Covid-19 working arrangements.

The residual risk score for Risk 21 (The ability of the Council to recover its critical functions, core services and income generation during the response and mitigation phases of a Covid-19 outbreak due to high staff absences and a failure of effective business continuity arrangements) was reduced during the quarter from high to medium. The likelihood of this risk occurring remained high at this date, due to the uncertainty regarding further variants of the virus emerging, and their effect on the community. However, the impact on the Council if this occurred was reduced compared to previously. By that date the Covid Core Team had been established and was fully operational and Covid safe working practices had been embedded as business as usual.

As part of the Council's Risk Management process we review and monitor the Corporate Risks on a regular basis to ensure that we have appropriate, properly assessed corporate risks identified going forward. The Corporate Leadership Team review the risk details as part of the Management Accountability Framework reporting arrangements, as well as the on-going review and update of the risks by the designated risk owners and key contacts.

We have also continued to use the risk management support that is available as part of the current long term insurance agreement that the Council has with Zurich Municipal. During the period, Zurich delivered health & safety awareness training for senior managers. The aim of the training was to enable attendees to understand the importance of health and safety in the workplace and their role in reducing risk and influencing behaviour. It covered the moral, legal and financial implications of managing health and safety risks effectively, including the management of third party contractors. Guidance was also provided covering the health, safety and well-being considerations of agile workers and some of the challenges around homeworking.

We have also continued to liaise with departments and our underwriter to respond to policy related queries relating to a variety of topics, including Covid related matters as well as to arrange additional insurance cover where required.

Zurich has also published a wider range of risk management guidance during the pandemic. These have covered topics such as risk control measures for the cyber dimension of the corona virus, guidance on moving from response to recovery, planning for a return to the workplace and guidance for reopening schools. These have been circulated to relevant managers to share with staff.

## 6. POLICY IMPLICATIONS

There are no policy implications arising from this report.

# 7. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

# 8. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

# 9. RESOURCE IMPLICATIONS

There are no direct resource implications arising from this report.

## 10. EQUALITY AND HEALTH IMPLICATION

There are no equality or health implications arising from this report.

## 11. STATEMENT OF COMPLIANCE

The recommendations in this report are made further to advice from the Monitoring Officer. The Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. CONSULTATIONS

The Corporate Risk Register has been reviewed by Risk Owners and Key Contacts, and agreed by Corporate Leadership Team.

Contact Officer: Colin Ferguson Head of Audit & Assurance – Ext: 5326

Date: 7 October 2021

Background Papers: Corporate Risk Management Strategy 2015/2020,

2020/21 Annual Risk Management Report (including

Quarter 4 Review)

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Summary Risk Register

Update Create

Insert

Department: Corporate Risk Register

Service:

Directorate:

Quarter and Year: Quarter 1 - 2021/22 Date of last review: 31-Mar-21

Date: 30-Jun-21

Date of next review: 30-Sep-21

				Inh	Inherent		Residual			T	arget				Pre	vious Resi	dual		
Risk R-‡	Risk Description	Date Raised	Strength of Existing Controls	L	 	Risk Rating	L	<b>-</b>	Risk Rating	L	-	Risk Rating	Risk Owner(s)	Key Contact(s)	Risk Status	Last Risk L L Review Dat	I Risk	Rating	Change in Score
1 Finan	re to deliver a balanced budget and Medium Term ncial Strategy may result in a Governement mission taking control of the authority's finances	26-Jan-15	Good	5	5	HIGH	3	5	HIGH	1	2	LOW	Dean Langton	Simon Ross, Zoe Evans	Open	29-May-20 <b>3</b>	5 H	GН	<u>-</u>
Failur 2 proac	re of the assets or failure to manage these in a ctive and co-ordinated way sets include Buildings, Infrastructure)	25-May-11	Fair	3	5	HIGH	2	4	MEDIUM	2	2	LOW	Martin Kelly/ Martin Eden	Rob Addison, Dwayne Lowe	Open	20-Apr-20 <b>2</b>	4 ME	DIUM	-
The C	Council is not able effectively influence and shape partnership structures to respond to changes rring in the public sector.	07-Feb-12	Good	3	3	MEDIUM	2	3	LOW	2	2	LOW	Denise Park	Ben Greenwood / Katherine White	Open	19-Nov-19 <b>2</b>	3 L	ow	-
5 There	e is a risk that governance and decision making agements fail	25-May-11	Good	2	4	MEDIUM	2	2	LOW	1	1	LOW	Asad Laher	Asad Laher	Open	23-Mar-21 <b>2</b>	2 L	wc	-
7 Prepa 7 Comr reput	re BwD delivers its statutory function- Emergency aredness, Planning, Response, Recovery & BC notion (small & med businesses) to protect the munity/enhance the Council's resilience, mitigate tational and financial damage. Corporate Objectives	25-May-11	Good	4	5	HIGH	1	5	LOW	1	5	LOW	Denise Park	Corinne McMillan, Rachel Hutchinson, Sarah Riley	Open	24.03.2021 <b>1</b>	5 L	ow	-
Ensur Busin place proce	k - 1,2,5,6.  re delivery of statutory Civil Contingencies function less Continuity Management arrangements in a planning, training testing & validating & execising edures & plans: to protect Council's resilience, set the community, & mitigate financial & reputational age. Corp Obj 1,2,5,6 link	22-Sep-16	Good	3	4	MEDIUM	2	4	MEDIUM	1	3	LOW	Denise Park	Corinne McMillan, Paul Fleming, Rachel Hutchinson, Sarah Riley	Open	10-May-21 <b>2</b>	4 ME	DIUM	_
Failur 9 Darw wellb	re to improve health outcomes within Blackburn with yen could result in the communities' health and leing position or conditions deteriorating.	25-May-11	Good	3	4	MEDIUM	3	4	MEDIUM	1	3	LOW	Dominic Harrison	Gifford Kerr	Open	16-Jul-19 <b>3</b>	4 ME	DIUM	-
deter crime	to the breakdown of community relations or a ioration of community cohesipn, greater risk of hate e, extremism, radicalisation or polarisation of munities.	07-Feb-12	Good	4	5	HIGH	2	3	LOW	1	3	LOW	Sayyed Osman	Katherine White /Mark Aspin	Open	24-Apr-19 <b>2</b>	3 L	ow	-
	re to improve the education and skills for our young	20-Aug-13	Good	4	4	HIGH	3	3	MEDIUM	2	3	LOW	Jayne Ivory	Jo Siddle	Open	02-May-19 <b>3</b>	3 ME	DIUM	-
3 (Infor	re to prevent data loss and privacy incidents rmation Governance) leading to financial/Data loss, ption or damage to the reputation a Council	26-Sep-14	Good	5	4	HIGH	3	3	MEDIUM	2	2	LOW	Paul Fleming	Sarah Critchley	Open	06-Mar-20 <b>3</b>	3 ME	DIUM	-
4 that is	profile serious/critical safeguarding incident/case s known to Council services in light of Covid-19 ing arrangements	20-Aug-13	Fair	4	5	HIGH	4	5	HIGH	3	5	HIGH	Sayyed Osman (DASS) / Jayne Ivory (DCS)	Katherine White	Open	05-May-20 <b>4</b>	5 H	GH	-
5 Safet enviro	re, at a corporate level, to comply with Health & ty legislation and provide both a safe working onment for employees and the provision of a safe onment for service users.	01-Apr-20	Fair	4	4	HIGH	3	3	MEDIUM	2	3	LOW	Corinne McMillan	Rachel Hutchinson	Open	23-Mar-21 <b>3</b>	3 ME	DIUM	
7 dáma	er Risk - Risk of financial/Data loss, disruption or age to the reputation of an organisation from promise of its IT systems.	15-Mar-16	Good	5	5	HIGH	3	4	MEDIUM	2	4	MEDIUM	Paul Fleming	Steve Rowe	Open	11-May-21 <b>3</b>	4 ME	DIUM	-
	ficient budget for service delivery if MTFS income ets from the Growth Agenda are not met.	29-Nov-16	Good	4	5	HIGH	3	4	MEDIUM	3	4	MEDIUM	Martin Kelly	Simon Jones	Open	28-Apr-20 <b>3</b>	4 ME	DIUM	-
core transi	Council is unable to recover its critical functions, services and income generating functions during the ition and recovery phases of a COVID-19 outbreak o financial impacts, high staff absences and a e of effective business continuity management.		Fair	5	4	HIGH	4	3	MEDIUM	1	3	LOW	Denise Park / Dominic Harrison (Public Health element)/ Corinne Mcmillan (Resilience &	Gifford Kerr / Richard Brown / Rachel Hutchinson	Open	21-Jul-21 <b>4</b>	4 H	GH	Down
ranure	e or effective pusitiess continuity management.												Emergency Planning Service)						

#### Summary of closed risks

- 3 IT Infrastructure (Resilience) OTH. The risk is now incorporated into the Business Continuity risk above.
- 6 Failure to deliver the management, workforce and organisational objectives for workforce reviews within the agreed budget. Risk closed following discussion at Mgmt Board 12 June 2019. May require re-opening again during 2019/20 depending on budget pressures
- 8 Failure to contribute effectively to economic growth within Blackburn with Darwen. Risk merged with Risk 18
- 12 The Council does not effectively capitalise on potential opportunities to improve housing quality or build more houses in the Borough to maximise the income available from the new homes bonus and increased council tax. Risk merged into Risk 18
- 16 Failure to deliver a robust Medium Term Financial Strategy (MTFS) with adequate reserves to meet unforeseen circumstances and with the resource capacity to deliver statutory services. Merged with Risk 1
- 19 EU Exit Risk of inadequate planning/preparedness at a national & local level for a "no deal" exit from the EU arrangements on the 29.03, 12.04, 31.10.19. Risk retained but closed temporarily until end of December 2020.
- 20 The Council is unable to deliver its critical and core services and functions during the response and mitigation phase of a COVID-19 outbreak, due to high staff absences and a failure of effective business continuity management.