



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 18 January 2022

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2021/22 Quarter 2 Review

1. PURPOSE

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

2. RECOMMENDATIONS

The Committee is asked to:

- Discuss and review the Corporate Risk Register as at the end of Quarter 2 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 September 2021. A summary of the corporate risk details is set out in Appendix 1 of this report.

There has not been any change in the residual risk score for any of the risks identified since the previous quarter.

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

- Risk Ref 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 Ref 14 - A high profile serious or critical safeguarding case that is known to the Council services, in light of Covid-19 working arrangements.

As part of the Council's Risk Management process corporate risks are reviewed and monitored on a regular basis to ensure that we have appropriate, properly assessed corporate risks identified going forward. The Corporate Leadership Team (CLT) 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.

During the period, work has been undertaken to refresh the Council's risk management arrangements and to identify additional risks for CLT's consideration to include on the Corporate Risk Register.

A corporate Risk Management Policy Statement has been drafted for approval. The purpose of the Policy Statement is to set out the Council's intent with the management of risks. Therefore, it includes an assessment of the Council's appetite for risk across a range of key strategic risk categories. These have been based on The Orange Book – Management of Risk, Principles and Concepts (2020) published by HM Government. The corporate Risk Management Strategy and Framework has been also been reviewed and updated. Both the Policy Statement, and Strategy and Framework are subject to review and approval by the Executive Member for Finance and Governance.

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. Initial discussions have been held with Zurich with a view to them providing a tailored package of risk management training to the Council for both Members and senior officers.

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.

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:	07 January 2022
Background Papers:	Corporate Risk Management Strategy 2015/2020, 2020/21 Annual Risk Management Report (including Quarter 4 Review)



Summary Risk Register

Update

Create

Insert

Directorate:

Department: Corporate Risk Register

Service:

Quarter and Year: Quarter 2 - 2021/22

Date of last review: 30-Jun-21

Date: 30-Sep-21

Date of next review: 31-Dec-21

Number	Risk R	Risk Description	Date Raised	Strength of Existing Controls	Inherent			Residual			Target			Risk Owner(s)	Key Contact(s)	Risk Status	Last Risk Review Dat	Previous Residual			Change in Score
					L	I	Risk Rating	L	I	Risk Rating	L	I	Risk Rating					L	I	Risk Rating	
1	1	Failure to deliver a balanced budget and Medium Term Financial Strategy may result in a Government Commission 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	3	5	HIGH	-
2	2	Failure of the assets or failure to manage these in a proactive and co-ordinated way (Assets include Buildings, Infrastructure)	25-May-11	Fair	3	5	HIGH	2	4	MEDIUM	2	2	LOW	Martin Kelly/ Martin Eden	Rob Addison, Wayne Lowe	Open	20-Apr-20	2	4	MEDIUM	-
3	4	The Council is not able effectively influence and shape new partnership structures to respond to changes occurring 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	2	3	LOW	-
4	5	There is a risk that governance and decision making arrangements fail	25-May-11	Good	2	4	MEDIUM	2	2	LOW	1	1	LOW	Asad Laher	Asad Laher	Open	23-Mar-21	2	2	LOW	-
5	7	Ensure BwD delivers its statutory function - Emergency Preparedness, Planning, Response, Recovery & BC Promotion (small & med businesses) to protect the Community/enhance the Council's resilience, mitigate reputational and financial damage. Corporate Objectives at risk - 1,2,5,6.	25-May-11	Good	4	5	HIGH	1	5	LOW	1	5	LOW	Denise Park	Corinne McMillan, Rachel Hutchinson, Sarah Riley	Open	24.11.2021	1	5	LOW	-
6	7b	Ensure delivery of statutory Civil Contingencies function - Business Continuity Management arrangements in place, planning, training testing & validating & exercising procedures & plans: to protect Council's resilience, protect the community, & mitigate financial & reputational damage. 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	24.11.2021	2	4	MEDIUM	-
7	9	Failure to improve health outcomes within Blackburn with Darwen could result in the communities' health and wellbeing 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	3	4	MEDIUM	-
8	10	Due to the breakdown of community relations or a deterioration of community cohesin, greater risk of hate crime, extremism, radicalisation or polarisation of communities.	07-Feb-12	Good	4	5	HIGH	2	3	LOW	1	3	LOW	Sayyed Osman	Katherine White /Mark Asplin	Open	24-Apr-19	2	3	LOW	-
9	11	Failure to improve the education and skills for our young people	20-Aug-13	Good	4	4	HIGH	3	3	MEDIUM	2	3	LOW	Jayne Ivory	Jo Siddle	Open	02-May-19	3	3	MEDIUM	-
10	13	Failure to prevent data loss and privacy incidents (Information Governance) leading to financial/Data loss, disruption or damage to the reputation of the Council	26-Sep-14	Good	5	4	HIGH	3	3	MEDIUM	2	2	LOW	Paul Fleming	Sarah Critchley	Open	06-Mar-20	3	3	MEDIUM	-
11	14	High profile serious/critical safeguarding incident/case that is known to Council services in light of Covid-19 working 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	4	5	HIGH	-
12	15	Failure, at a corporate level, to comply with Health & Safety legislation and provide both a safe working environment for employees and the provision of a safe environment for service users.	01-Apr-20	Fair	4	4	HIGH	3	3	MEDIUM	2	3	LOW	Corinne McMillan	Rachel Hutchinson	Open	23-Mar-21	3	3	MEDIUM	-
13	17	Cyber Risk - Risk of financial/Data loss, disruption or damage to the reputation of an organisation from compromise of its IT systems.	15-Mar-16	Good	5	5	HIGH	3	4	MEDIUM	2	4	MEDIUM	Paul Fleming	Steve Rowe	Open	20-Oct-21	3	4	MEDIUM	-
14	18	Insufficient budget for service delivery if MTFs income targets 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	3	4	MEDIUM	-
15	21	The Council is unable to recover its critical functions, core services and income generating functions during the transition and recovery phases of a COVID-19 outbreak, due to financial impacts, high staff absences and a failure of effective business continuity management.	04-May-20	Fair	5	4	HIGH	4	3	MEDIUM	1	3	LOW	Denise Park / Dominic Harrison (Public Health element)/ Corinne Mcmillan (Resilience & Emergency Planning Service)	Gifford Kerr / Richard Brown / Rachel Hutchinson	Open	21-Jul-21	4	3	MEDIUM	-

The following corporate risks are currently closed:

Risk 3: IT Infrastructure (Resilience) – Old Town Hall.

Risk 6: Failure to deliver the management, workforce and organisational objectives for workforce reviews within the agreed budget.

Risk 8: Failure to contribute effectively to economic growth within Blackburn with Darwen.

Risk 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 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.

Risk 19: EU Exit - Risk of inadequate planning/preparedness at a national & local level for a "no deal" exit from the EU arrangements.

Risk 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.