



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 29 March 2022

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2021/22 Quarter 3 Review

1. PURPOSE

To provide the Committee with details of the risk management activity that has taken place in the period from 1 October 2021 to 31 December 2021.

2. RECOMMENDATIONS

The Committee is asked to:

- Discuss and review the Corporate Risk Register as at the end of Quarter 3 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 16 open risks at 31 December 2021. A summary of the corporate risk details is set out in Appendix 1 of this report.

The following changes have been made to the risk register during the period:

- Corporate Risk Number 9 (Failure to improve health outcomes within Blackburn with Darwen could result in the communities health and wellbeing position or conditions deteriorating), has been closed. This risk was framed in terms of maintaining a gradual, incremental improvement in the health of the population (and reduction in inequalities) and the risks associated with failure to do this. The Covid-19 pandemic is likely to have caused an unprecedented fall in life expectancy and an increase in health inequalities, both within the Borough and when comparing the Borough to the country as a whole. As such it will require a different approach, along the lines of 'build back better and fairer'.
- The Public Health elements of the Council's response to the Covid-19 pandemic that were included in Risk 21 have been removed as this is primarily related to the Council's business continuity response to the pandemic.
- A separate risk specific to the Public Health recovery from CV-19 has been opened (Corporate risk 23). This has incorporated the measures to reduce health inequalities and improve health outcomes previously included in Risk 9.
- A new risk relating to the impact on the Council of failing to recruit, adequately develop and retain staff has been opened (Corporate risk 22) This recognises the increasing challenges the Council is experiencing in this area.

As at 31 December 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.

A corporate Risk Management Policy Statement and updated Risk Management Framework and Strategy were approved by the Executive Member for Finance and Governance in February 2022. The Policy Statement sets out the Council's intent with the management of risks and includes an assessment of the Council's appetite for risk across a range of key strategic risk categories. The Policy and updated Strategy and Framework have been published on the intranet.

Arrangements have been made for colleagues from Zurich Municipal to provide a tailored package of risk management training to the Members and senior officers during the first quarter of 2022/23.

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: 18 March 2022
Background Papers: Corporate Risk Management Strategy 2021/2026,
2020/21 Annual Risk Management Report (including
Quarter 4 Review)



Summary Risk Register

Directorate: _____
 Department: Corporate Risk Register
 Service: _____
 Quarter and Year: Quarter 3 - 2021/22 Date of last review: 30-Sep-21
 Date: 31-Dec-21 Date of next review: 31-Mar-22

Update Create Insert

Risk N°	Risk Description	Date Raised	Strength of Existing Controls	Inherent			Residual			Target			Risk Owner(s)	Key Contact(s)	Risk Status	Last Risk Review Date	Previous Residual			Change in Score
				L	I	Risk Rating	L	I	Risk Rating	L	I	Risk Rating					L	I	Risk Rating	
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	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, Dwayne Lowe	Open	20-Apr-20	2	4	MEDIUM	-
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	-
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	-
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	13.01.2022	1	5	LOW	-
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	Paul Fleming, Corinne McMillan, Rachel Hutchinson, Sarah Riley	Open	13.01.2022	2	4	MEDIUM	-
10	Due to the breakdown of community relations or a deterioration of community cohesion, greater risk of hate crime, extremism, radicalisation or polarisation of communities.	07-Feb-12	Good	4	5	HIGH	2	3	LOW	1	3	LOW	Sayed Osman	Katherine White /Mark Aspin	Open	24-Apr-19	2	3	LOW	-
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	-
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	-
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	Sayed Osman (DASS) / Jayne Ivory (DCS)	Katherine White	Open	05-May-20	4	5	HIGH	-
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	-
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	-
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	-
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/Corinne McMillan (Resilience & Emergency Planning Service)	Richard Brown / Rachel Hutchinson	Open	21-Jul-21	4	3	MEDIUM	-
22	Failure to recruitment, adequately develop and retain an adequately experienced and appropriately qualified workforce may lead to the Council failing deliver its corporate plan priorities and to fully meet the needs of services users, the community and other stakeholders.	27-Jan-22	Fair	3	5	HIGH	2	5	MEDIUM	2	2	LOW	Corinne McMillan/Mandy Singh	Corinne McMillan/Fiona Eastwood	Open	28-Jan-22				-
23	Failure to have an inclusive public health Covid-19 recovery plan that focusses on those most impacted by the pandemic	12.01.22	Fair	4	5	HIGH	3	4	MEDIUM	2	3	LOW	Dominic Harrison	Gifford Kerr, Laura Wharton	Open	12.01.22				-

The following 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 9: Failure to improve health outcomes within Blackburn with Darwen could result in the communities' health and wellbeing position or conditions deteriorating.
- 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.