



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 2 March 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 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 2022 to 31 December 2022.

2. RECOMMENDATIONS

The Committee is asked to:

- Discuss and review the Corporate Risk Register as at the end of December 2022;
- 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 September meeting.

3. BACKGROUND

The Council recognises that risk management is not simply a compliance issue, 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 20 open risks at 31 December 2022.

A summary of the corporate risk details is set out in Appendix 1 of this report. As at 31 December 2022 the Council's top six 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;
- 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;
- Risk Ref 17 - Cyber security failures leading to financial, data loss or disruption to services from compromise of the IT network or systems.
- Risk Ref 18 - Insufficient budget for service delivery if MTFS income targets from the Growth Agenda are not met; and
- Risk Ref 24 - Failure to respond effectively and proportionately to develop and implement plans/adaptations, within the scope of the Council's control and influence, in pursuit of its ambition to be a Carbon Neutral borough.
- Risk Ref 28 – The risk to the delivery of public services as a result of on-going industrial unrest and strike action in the NHS and other key partners and sectors.

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

- The residual risk score for Risk 17 (Cyber) has been increased. This change takes account of the increased risk of attacks by Russia and other nation states, groups and individual cyber threat actors that have been targeted at Government and other public bodies and a detailed analysis of BwD preparedness and ability to recover from an attack quickly.
- The residual score for Risk 22 (Failure to recruit, adequately develop and retain an adequately experienced and appropriately qualified workforce ...) has increased in the period. The likelihood of this risk has been re-assessed from unlikely to possible. This takes account of recent recruitment experience across the Council and the difficulties some Departments have had recruiting staff recently where this is a higher risk.
- A new risk has been added (Risk 28) relating to the impact that the ongoing on-going industrial unrest and strike action in the NHS and affecting other key partners and sectors may have on public services.

As part of the Council's Risk Management process the 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 colleagues from Zurich Risk Engineering have completed the delivery of a tailored package of risk management training and awareness sessions to senior officers and members, with the member training event on 7 December. This follows the implementation of the Corporate Risk Management Policy Statement and updated Risk Management Strategy & Framework earlier in the year.

A review of the Council's arrangements for the control of vibration at work and manual handling is being finalised. The review has been carried out by colleagues from Zurich Risk Engineering. It considered policies, training,

risk assessments and other arrangements in place to manage/monitor Hand Arm Vibration (HAVS) and the arrangements for undertaking manual handling assessments, staff training and occupational health support relating to these areas/activities. The review focussed on key activities within Highways and Environmental Services which have a higher level of risk relating to these risks. The findings will be reported to Committee in due course.

The re-procurement of the Council's insurance has been progressed during the period, as the current long term insurance agreement ends on 31 March 2023. The process has been supported by colleagues from the Corporate Contracting and Procurement Team and the Council's insurance brokers Aon UK Limited. The tender results will be reported to Executive Board on 9 March for consideration.

We have also continued to liaise with departments and our underwriter to respond to policy related queries relating to a variety of topics, 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

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: 21 February 2023
Background Papers: Corporate Risk Management Strategy 2021/2026,
2021/22 Annual Risk Management Report (including
Quarter 4 Review)



Summary Risk Register

Directorate: _____

Department: Corporate Risk Register _____

Service: _____

Quarter and Year: Quarter 3 - 2022/23 _____ Date of last review: 30-Sep-22

Date: 31-Dec-22 _____ Date of next review: 31-Mar-23

Risk N	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	Failure to deliver a balanced budget and Medium Term Financial Strategy may result in a Government-appointed Commission taking control of the Council	26-Jan-15	Fair	5	5	HIGH	3	5	HIGH	1	3	LOW	Dean Langton	Simon Ross	Open	28-Oct-22	3	5	HIGH	-
2	Failure of the Council's 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, Michael Hardman	Open	20-Apr-22	2	4	MEDIUM	-
4	The Council is not able to 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	Mohsin Mulla / Katherine White	Open	28-Oct-22	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	27-Jul-22	2	2	LOW	-
7	Ensure BwD delivers its CCA statutory functions of risk assess, emergency planning, response, recovery, 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, Jenna Russett-Knott, Sarah Riley	Open	19-Oct-22	1	5	LOW	-
7b	Ensure the delivery of the CCA Business Continuity Management (BCM) and Business Continuity Promotion (BCP) arrangements are in place. Incorporating preparedness, validating training/exercising of procedures and plans in order to protect BwD and enhance community resilience. 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, Jenna Russett-Knott, Sarah Riley	Open	19-Oct-22	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	Denise Park	Katherine White /Mark Aspin	Open	18-Nov-22	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	Jo Siddle	Jo Siddle	Open	03-Oct-22	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	24-Jun-22	3	3	MEDIUM	-
14	High profile serious/critical safeguarding incident/case that is known to Council services	20-Aug-13	Fair	4	5	HIGH	3	5	HIGH	2	5	MEDIUM	Mark Warren (DASS) / Jo Siddle (DCS)	Katherine White/Lynn Fields	Open	04-Oct-22	3	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	Jenna Russett-Knott	Open	19-Oct-22	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	5	HIGH	3	3	MEDIUM	Paul Fleming	Michael Ahern	Open	28-Nov-22	3	4	MEDIUM	Up
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	5	HIGH	3	4	MEDIUM	Martin Kelly	Simon Jones	Open	27-Jul-22	3	5	HIGH	-

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22	Failure to recruit, 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	4	MEDIUM	3	3	MEDIUM	2	2	LOW	Corinne McMillan/Mandy Singh/Jill Readfern	Mandy Singh/Jill Readfern	Open	17-Jan-23	2	3	LOW	Up
23	Failure to have an inclusive public health Covid-19 recovery plan that focusses on those most impacted by the pandemic and plan effectively for COVID and influenza.	12-Jan-22	Fair	4	5	HIGH	3	4	MEDIUM	2	3	LOW	Abdul Razaq	Laura Wharton / Catherine Taylor	Open	02-Feb-23	3	4	MEDIUM	-
24	Failure to respond effectively and proportionately to develop and implement plans/adaptations, within the scope of the Council's control and influence, in pursuit of its ambition to be a Carbon Neutral borough.	07-Apr-22	Good	5	5	HIGH	4	4	HIGH	3	3	MEDIUM	Martin Eden	Gwen Kinloch	Open	17-Oct-22	4	4	HIGH	-
25	The impact that the cost of living crisis may have on local businesses and the residents and the implications that this may have on Council staff, services and budgets.	05-Apr-22	Fair	5	5	HIGH	3	4	MEDIUM	2	3	LOW	Mark Warren	Richard Brown, Andy Ormerod	Open	04-Jan-23	3	4	MEDIUM	-
26	Failure to implement the Government's planned Adult Social reforms including : charging, care cap, cost of care and regulatory reforms as required by the Health and Care Act 2022 will result in the Councils statutory requirements not being fulfilled.	17-Aug-22	Fair	5	5	HIGH	3	3	MEDIUM	3	3	MEDIUM	Mark Warren	Katherine White / Zoe Evans	Open	14-Nov-22	3	3	MEDIUM	-
27	BwDBC response to the LGA (Inquiry core participant) with the necessary evidence in relation to the Covid-19 Public Inquiry. Encouraging preparedness for future asks by the LGA and also directly from the Covid-19 Public Inquiry.	02-Nov-22	Good	4	4	HIGH	2	2	LOW	2	2	LOW	Corinne McMillan	Mohsin Mulla	Open	13-Jan-23	2	2	LOW	-
28	On-going industrial unrest and associated strike action in the NHS and other key partners and sectors could result in disruption to public services.	21-Dec-22	Good	5	4	HIGH	5	3	HIGH	3	3	MEDIUM	Denise Park	Mark Warren / Corinne McMillan	Open	03-Feb-23				-
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.																				
Risk 21: The Council is unable to recover its critical functions, core services and income generation during the transition and recovery phases of a CV-19 outbreak.																				