



**TO: Audit & Governance Committee**

**FROM: Head of Audit & Assurance**

**DATE: 19 September 2023**

**PORTFOLIOS AFFECTED: All**

**WARDS AFFECTED: All**

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**TITLE OF REPORT: Risk Management – 2023/24 Quarter 1 Update**

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**1. PURPOSE**

- 1.1 To provide the Committee with details of the risk management activity that has taken place in the period from 1 April 2023 to 30 June 2023.

**2. RECOMMENDATIONS**

- 2.1 The Committee is asked to:
- Discuss and review the Corporate Risk Register as at the end of June 2023;
  - 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**

- 3.1 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**

- 4.1 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**

- 5.1 The Corporate Risk Register contained 23 open risks at 30 June 2023. A summary of the corporate risk details is set out in Appendix 1 of this report. The Council's top six corporate risks, as at 30 June 2023, 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 29 – The Council is unable to continue to deliver its services adequately and effectively due to a failure in the IT infrastructure.

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

- The residual score for Risk 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.) has reduced from high to medium in the period. The reduction in the score reflects the fact that the Council's business continuity plans include identification of priority actions when there are staff shortages and an analysis of union membership which has shown there would be minimal disruption to council services.
- Risk 30 (Failure to set up and recruit to an in-house Paediatric Occupational Social Care and Education Service in Children's Services ...) and Risk 31 (Failure to adequately and effectively plan for and be adequately prepared to respond to the consequences of a future pandemic) have been added to the Register as agreed at the June Corporate Assurance Board (CAB) meeting.

5.3 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. CAB review the risk details on a quarterly basis 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.

5.4 Directors were provided with the latest version of the National Risk Register (NRR) at the August CAB meeting. This is the external version of the National Security Risk Assessment (NSRA), which is the government's assessment of the most serious risks facing the UK. It is a comprehensive report of all the potential worst-case scenarios that could cause significant disruption and harm to both the UK population and its Infrastructure and economy. These range from technological failures, to terrorism, environmental disasters, large scale accidents and cyber-attacks.

5.5 The risks that meet the threshold for inclusion in the NRR would have a substantial impact on the UK's safety, security and/or critical systems at a national level. The NRR includes information about 89 risks, group under nine risk themes. These are:

- Terrorism;

- Cyber;
- State threats;
- Geographic and diplomatic;
- Accidents and systems failures;
- Natural and environmental hazards;
- Human, animal and plant health;
- Societal; and
- Conflict and instability.

5.6 Directors were asked to review the NRR with their management teams to ensure any relevant risks are included in their Departmental risks registers and escalate any they consider should be included in the Strategic Risk Register. Relevant colleagues can use the NRR to access detailed insights, specific scenarios, assumptions, and response capabilities necessary for effectively planning to protect against and prepare for potential threats. This understanding will assist in developing a comprehensive organisational risk assessment.

5.7 The re-procurement of the Council's insurance requirements was finalised in March and a new long term insurance agreement with Zurich Municipal was implemented from 1 April 2023. The Insurance team is currently in the process of re-procuring the Council's insurance broker services as the current contract for this area ends on 30 September. The process is being supported by colleagues from the Corporate Contracting and Procurement Team.

5.8 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.

5.9 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: 8 September 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 1 - 2023/24      Date of last review: 31-Mar-23  
 Date: 30-Jun-23      Date of next review: 30-Sep-23

Risk No	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-appointed Commission taking control of the Council	26-Jan-15	Fair	5	5	HIGH	3	5	HIGH	1	3	LOW	Denise Park	Simon Ross	Open	25-Jul-23	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, and Infrastructure)	25-May-11	Fair	3	5	HIGH	2	4	MEDIUM	2	2	LOW	Martin Kelly	Carmel Foster-Devine, Andrew Barrow, 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	19-Jun-23	2	3	LOW	-
5	There is a risk that governance and decision making arrangements fail	25-May-11	Good	3	4	MEDIUM	2	2	LOW	1	1	LOW	Asad Laher	Asad Laher	Open	18-Jul-23	2	2	LOW	-
7	Ensure BwD delivers its CCA statutory functions of risk assessing, emergency planning, response, recovery, to protect the Community/enhance the Council's resilience, mitigate reputational and financial damage.	25-May-11	Good	4	5	HIGH	1	5	LOW	1	5	LOW	Denise Park	Corinne McMillan, Jenna Russett-Knott, Sarah Riley	Open	11-Jul-23	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.	22-Sep-16	Good	3	4	MEDIUM	2	4	MEDIUM	1	3	LOW	Denise Park	Corinne McMillan, Jenna Russett-Knott, Sarah Riley	Open	11-Jul-23	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	30-Apr-23	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	Michelle Holt	Open	23-Apr-23	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	Asad Laher	Sarah Critchley	Open	18-Jul-23	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/Emma Ford	Open	24-Apr-23	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 and members of the public	01-Apr-20	Good	4	4	HIGH	3	3	MEDIUM	2	3	LOW	Corinne McMillan	Jenna Russett-Knott & Helen Moran	Open	26-Jun-23	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	Corinne McMillan	Michael Ahern	Open	17-Mar-23	3	5	HIGH	-

Risk No	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	
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-Jun-23	3	5	HIGH	-
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	2	3	LOW	2	2	LOW	Corinne McMillan/Mandy Singh/Jill Readfern	Mandy Singh/Jill Readfern	Open	03-Jul-23	2	3	LOW	-
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 Kelly	Gwen Kinloch	Open	23-Jun-23	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	17-Mar-23	3	4	MEDIUM	-
26a	The Council's reputation will be affected and may be subject to special measures as a result of a failure of Adult Social Care to satisfactorily meet statutory or regulatory requirements.	17-Aug-22	Fair	5	4	HIGH	3	4	MEDIUM	2	4	MEDIUM	Mark Warren (DASS)	Katherine White	Open	24-Apr-23	3	4	MEDIUM	-
26b	The Council's reputation will be affected and it may be subject to special measures as a result of a failure of Children's Services and Education to satisfactorily meet statutory or regulatory requirements.	17-Aug-22	Good	5	5	HIGH	3	3	MEDIUM	3	3	MEDIUM	Jo Siddle (DCS)	Emma Ford Michelle Holt Imran Akuji	Open	31-Jul-23	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	19-Jun-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	3	3	MEDIUM	3	3	MEDIUM	Denise Park	Mark Warren / Corinne McMillan	Open	18-Jul-23	5	3	HIGH	Down
29	The Council is unable to continue to deliver its services adequately and effectively due to a failure in the IT infrastructure	28-Feb-23	Fair	5	5	HIGH	4	4	HIGH	3	3	MEDIUM	Corinne McMillan	Michael Ahern	Open	06-Apr-23	4	4	HIGH	-
30	Failure to set up and recruit to an in-house Paediatric Occupational Social Care and Education Service in Children's Services could give rise to potential injury to a child or parent/carer. This could lead to reputational damage to the Council, safeguarding referrals or claims against the Council.	23-Jun-23	Good	5	5	HIGH	3	3	MEDIUM	1	1	LOW	Jo Siddle	Suzanne Kinder	Open	26-Jun-23				-
31	Failure to adequately and effectively plan for and be adequately prepared to respond to the consequences of a future pandemic.	23-Jun-23	Fair	4	5	HIGH	3	4	MEDIUM	2	2	LOW	Abdul Razaq	Catherine Taylor	Open	10-Aug-23				-

