



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 28 November 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2023/24 Quarter 2 Review

1. PURPOSE

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

2. RECOMMENDATIONS

- 2.1 The Committee is asked to:
- Discuss and review the Corporate Risk Register as at the end of September 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 September 2023. A summary of the corporate risk details is set out in Appendix 1 of this report. The Council's top six corporate risks at that date 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/capital receipts for service delivery if MTFS income targets from the Growth Programme are not met.
 - 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 change has been made to the risk register during the period:
- The residual score for Risk 11 (Failure to improve the education and skills for our young people) was reduced from medium to low since 30 June as progress had been made in the period to improve the controls and management of this area.
- 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. The Corporate Assurance Board reviews 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 The re-procurement of the Council's insurance broker services was completed in September and a new broker, Arthur J. Gallagher & Co, appointed to provide insurance advice and placement of any specialist cover required from 1 October. The contract is for an initial period of three years, with an option to extend for a further period of up to three years.
- 5.5 The broker has been commissioned to carry out an actuarial review of the Council's funding for self-insured costs. This will enable the Council to assess the adequacy of the funds aside to cover liability claims in respect of insurance claims that are below the insurance excess and self-insured limits. In addition, the broker will undertake a Programme Optimisation analysis. This will enable to Council to consider alternative levels of self-insurance that may reduce the overall total cost of risk as a combination of self-insured claims plus external premium and associated programme costs.
- 5.6 We have also continued to liaise with departments, the brokers and our underwriter to respond to policy related queries relating to a variety of topics, as well as to arrange additional insurance cover as and when 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: 17 November 2023

Background Papers: Corporate Risk Management Strategy 2021/2026,
2022/23 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 - 2023/24 Date of last review: 30-Jun-23

Date: 30-Sep-23 Date of next review: 31-Dec-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	Dean Langton	Simon Ross	Open	17-Oct-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 / Ben Greenwood / Katherine White	Open	10-Oct-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	03-Oct-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	03-Oct-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; Richard Brown	Open	30-Oct-23	2	3	LOW	-
11	Failure to improve the education and skills for our young people	20-Aug-13	Good	4	4	HIGH	2	3	LOW	2	3	LOW	Jo Siddle	Michelle Holt	Open	13-Oct-23	3	3	MEDIUM	Down
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	17-Oct-23	3	3	MEDIUM	-
14	High profile serious/critical safeguarding incident/case that is known to Council services	20-Aug-13	Good	4	5	HIGH	3	5	HIGH	2	5	MEDIUM	Mark Warren (DASS) / Jo Siddle (DCS)	Katherine White/Emma Ford	Open	13-Oct-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	04-Oct-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	21-Sep-23	3	5	HIGH	-

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	
18	Insufficient budget/capital receipts for service delivery if MTFs income targets from the Growth Programme are not met.	29-Nov-16	Good	4	5	HIGH	3	5	HIGH	3	4	MEDIUM	Martin Kelly	Simon Jones	Open	30-Oct-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	14-Sep-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	02-Oct-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	Andy Haythornthwaite, Andy Ormerod	Open	20-Oct-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	17-Oct-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	09-Oct-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	02-Oct-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	03-Oct-23	3	3	MEDIUM	-
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	21-Sep-23	4	4	HIGH	-
30	Failure to manage the demands of the 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	13-Oct-23	3	3	MEDIUM	-
31	Failure to effectively plan for and be adequately prepared to respond to a future pandemic or emerging infectious disease	23-Jun-23	Fair	4	5	HIGH	3	4	MEDIUM	2	3	LOW	Abdul Razaq	Rabiya Gangreker	Open	18-Oct-23	3	4	MEDIUM	-

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.
Risk 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.