



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 15 October 2019

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2019/20 Quarter 1 Review

1. PURPOSE

To provide the Committee with details of the risk management activity that has taken place in the period from 1 April 2019 to 30 June 2019.

2. RECOMMENDATIONS

The Committee is asked to:

- Discuss, review and challenge the progress made on the Corporate Risk Register as at the end of Quarter 1 2019/20;
- 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 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 13 open risks at 30 June 2019. 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 June 2019 the Council's top corporate risks were those relating to the risk of a high profile serious or critical safeguarding case, and the risk of data loss or privacy incidents, as noted in the 2018/19 Annual Risk Management Report presented to the June meeting of this Committee.

As part of the Council's Risk Management process we review and monitor the Corporate Risks on a regular basis to ensure that we have appropriate, properly assessed corporate risks identified going forward. Management Board 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.

We have also continued to liaise with colleagues across the Council during the period, to identify areas to make use the risk management support that is available from Zurich Municipal as part of the current long term insurance agreement. Colleagues from Zurich have recently completed a Highways Asset Management and Liability Grading Review. The review evaluated the current asset and risk management arrangements in place for this area. This compared the arrangements in place within the Council with the Zurich Highways Review Standard, which is based on the new Highways Code of Practice 'Well Maintained Highways Infrastructure'. It also assessed the robustness of arrangements for preventing and defending highways claims.

The review found that officers were all very positively engaged in the Highways Grading process and displayed an excellent awareness of the needs for a risk based approach to meet the new Code of Practice. In the event of a claim framed around the new 'Code', Zurich's opinion was that the Council would be reasonably able to provide a sufficient claims defence. The report graded the arrangements in place overall as good. Five risk improvement actions were noted for the Council to address.

Zurich colleagues have also recently carried out reviews of the following areas:

- Property Inspection Regime – to compare the property inspection records, system and procedures with good practice and Zurich's experience of liability cases/claims; and
- Lone Worker Review – a targeted risk management review of existing lone working procedures and arrangements for dealing with incidents of violence and aggression.

The results from these reviews will be reported to a future meeting of the Committee.

The Road Risk Management Group continues to meet regularly to consider the risk management arrangements in place for the Council's motor fleet and drivers and staff use of private vehicles for Council business. The Group also reviews a range of management reports to identify and monitor themes and trends in fleet driving behaviour and insurance claims to consider any training needs.

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. CONSULTATIONS

The Corporate Risk Register has been reviewed by Risk Owners and Key Contacts and agreed by Management Board.

Contact Officer: Colin Ferguson Head of Audit & Assurance – Ext: 5326

Date: 3 October 2019

Background Papers: Corporate Risk Management Strategy 2015/2020,
2018/19 Annual Risk Management Report (including
Quarter 4 Review)



Summary Risk Register

Directorate: _____
 Department: Corporate Risk Register
 Service: _____
 Quarter and Year: Quarter 1 - 2019/20 Date of last review: 31-Mar-19
 Date: 30-Jun-19 Date of next review: 30-Sep-19

Update

Create

Insert

| 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 Commission taking control of the authority's finances | 26-Jan-15 | Good | 5 | 5 | HIGH | 2 | 3 | LOW | 1 | 2 | LOW | Louise Mattinson | Simon Ross, Zoe Evans | Open | 23-Apr-19 | 2 | 3 | LOW | - |
| 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 | Lee Kinder, Matthew Joyce | Open | 01-Apr-19 | 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 | Alison Schmid / Heather Taylor | Open | 22-May-19 | 2 | 3 | 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 | David Fairclough, Rachel Hutchinson, Sarah Riley | Open | 17.04.2019 | 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. Corporate Obj 1,2,5,6 link | 22-Sep-16 | Good | 3 | 4 | MEDIUM | 2 | 4 | MEDIUM | 1 | 3 | LOW | Denise Park | David Fairclough, Paul Fleming, Rachel Hutchinson, Sarah Riley | Open | 17.04.2019 | 2 | 4 | MEDIUM | - |
| 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 | - |
| 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 | Sayyed Osman | Heather Taylor/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 | 4 | 4 | HIGH | 3 | 2 | LOW | Paul Fleming | Sarah Critchley | Open | 02-Aug-19 | 4 | 4 | HIGH | - |
| 14 | High profile serious/critical safeguarding incident/case that is known to Council services. | 20-Aug-13 | Good | 4 | 5 | HIGH | 3 | 5 | HIGH | 3 | 5 | HIGH | Sayyed Osman (DASS) / Jayne Ivory (DCS) | Paul Lee | Open | 16-Jul-19 | 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. | 19-Mar-15 | Fair | 4 | 4 | HIGH | 3 | 3 | MEDIUM | 2 | 3 | LOW | David Fairclough | Fiona Eastwood | Open | 30-Apr-19 | 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 | 02-Aug-19 | 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 | 01-Apr-19 | 3 | 4 | MEDIUM | - |

Summary of closed risks

- 3 IT Infrastructure (Resilience) - OTH. The risk is now incorporated into the Business Continuity risk above.
- 5 There is a risk that governance and decision making arrangements fail. New constitution and related governance arrangements confirmed as in place. Risk accepted as part of business as usual.
- Failure to deliver the management, workforce and organisational objectives for workforce reviews within the agreed budget. Risk closed following discussion at Mgmt Board 12 June 2019. May require re-opening again during 2019/20 depending on budget pressures identified.
- 8 Failure to contribute effectively to economic growth within Blackburn with Darwen. Risk merged with Risk 18
- 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 merged into Risk 18
- 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. Merged with Risk 1
- 19 EU Exit - Risk of inadequate planning/preparedness at a national & local level for a "no deal" exit from the EU arrangements on the 29.03, 12.04, 31.10.19. Risk retained but closed temporarily until end of December 2019.