

Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting	2 February 2023
Title of Report	Risk Management Quarter 3 2022/23
Report Author	Finance Group Manager

1. What is this report about?

- 1.1 The report provides the Committee with an update in relation to the Council's Corporate Risk Register for the quarter ending 31st December 2022.

2. Recommendation(s)

- 2.1 That the latest information in respect of the Council's major corporate risks is accepted.

3. Reason for Decision(s) Recommended

- 3.1 The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee.

4. Matters to consider

4.1 Background

The management of risk is a critical success factor in terms of an organisation achieving its objectives. The Audit and Corporate Governance Committee, supported by Internal Audit, has the role of evaluating the effectiveness of the Council's risk management procedures, and commenting upon areas of improvement as appropriate.

Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

Risk Score	Matrix Category
16-25	High
9-15	Medium
1-8	Low

Further information can be found within the Risk Management Strategy.

4.2 Corporate Risk Register

Corporate Risks are monitored by the Corporate Risk Group which comprises the Chief Executive and Directors.

The Corporate Risk Group met on 19th December 2022 to review and update the Corporate Risk Register.

The following table summarises the number of corporate risks before any control measures are put in place (i.e., uncontrolled risks).

All Corporate Risks – Uncontrolled Rating Summary			
Red	Amber	Green	Total
12	9	2	23

The corporate risks once control measures have been put in place (controlled risks) are as follows:

All Corporate Risks – Controlled Rating Summary			
Red	Amber	Green	Total
5	9	9	23

The tables above show that 12 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, 7 of these are reduced to medium or low risk. The controls put in place for all high corporate risks are detailed at Appendix A.

Since the last report to Committee, in October 2022, 3 of our corporate risks have increased, 2 have reduced, and 18 have remained unchanged.

The increased risks are detailed below:

Risk Description		Uncontrolled Risk Rating	Controlled Risk Rating
Lack of effective Emergency Planning and Business Continuity arrangements.	Risk Likelihood	Likely (3)	Likely (3)
	Risk Impact	Major Disaster (5)	Major Impact (4)
	Status	15	12
Control Measures	All key documents held on Resilience Direct. Periodic training in place for SLT and key officers. Out of hours Emergency Contact Centre contract in place. We are members of the Leicestershire Resilience Forum. SLT on call rota in place.		

The risk has been increased in light of an IT server failure experienced in December. Business Continuity plans are also in need of refreshing to reflect the change in management structure.

Risk Description		Uncontrolled Risk Rating	Controlled Risk Rating
Failure of ICT systems leaves us unable to deliver services.	Risk Likelihood	Very Likely (4)	Very Likely (4)
	Risk Impact	Major Disaster (5)	Major Impact (4)
	Status	20	16
Control Measures	Effective security measures in place including external support where required. LICTP are working on the following key initiatives: <ul style="list-style-type: none"> • Adding a back-up N drive server (completed) • Increasing server storage space • Installing a broadband line into offices Capital investment planned to improve resilience and security.		

The recent server downtime has prompted additional investment into a range of resilience measures identified above.

Risk Description		Uncontrolled Risk Rating	Controlled Risk Rating
ICT Security breaches and non-compliance with Government security standards	Risk Likelihood	Very Likely (4)	Very Likely (4)
	Risk Impact	Major Disaster (5)	Major Impact (4)
	Status	20	16
Control Measures	Perimeter security in place along with various software programmes covering encryption detection, antivirus, mail filtering, intrusion detection, and threat management. Systems and data subject to regular back-up. Cyber essentials and PSN accreditation. Security Working Group in place supplemented with support and advice to staff to raise cyber awareness.		

External support has been engaged by the Leicestershire ICT Partnership to review a range of measures.

The following risks have reduced since last quarter:

- Cost of living crisis/increased demand for services – whilst the cost of living continues to be a concern, the presence of a hardship fund has helped to mitigate some of the service demand.
- Incidents or outbreaks within the Council leading to significantly reduced staffing levels – although Covid-19 and flu cases are on the rise in Leicestershire, the Council is not currently experiencing a reduction in staffing levels as a result. The ability for staff to work remotely has helped to minimise the spread and enable people to continue working in isolation in many cases.

4.3 Relevant Consultations

Service risks are maintained on a separate Risk Register and are subject to quarterly monitoring by Service Managers to ensure that they remain up to date and have not become obsolete. Senior Leadership Team will provide an overview of the service risks on a quarterly basis, but service risks will

not be reported to Audit and Corporate Governance Committee other than in exceptional circumstances.

5. What will it cost and are there opportunities for savings?

5.1 Not applicable.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
If risks are not monitored, then the Council may not be aware of possible events arising.	Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate.
If risks are not effectively managed through mitigation, risks identified cannot be minimised and may have a significant impact on the Council.	Mitigating control measures are in place and monitored through Audit and Corporate Governance Committee, Corporate Risk Group and by Senior Leadership Team.

7. Other options considered

7.1 None. It is a requirement of the Risk Management Strategy that regular reports are brought to Audit and Corporate Governance Committee.

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

9.1 Appendix A – Corporate Risk Register

10. Background paper(s)

Risk Management Strategy 2019 - 2022

11. Report author's contact details

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