

Risk Management

Cabinet Member for Finance, Procurement and Revenues & Benefits

Date: 11 November 2021

Agenda Item:

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Key Decision? No

Local Ward Full Council

Members



Audit and Member Standards Committee

1. Executive Summary

- 1.1 To provide the Committee with their routine risk management update.

2. Recommendations

- 2.1 That Members note the risk management update and receive assurance on actions taking place to manage the Council's most significant risks.
- 2.2 That Members note the refreshed Risk Management Policy.

3. Background

- 3.1 The purpose of risk management is to effectively manage potential opportunities and threats to the Council achieving its objectives. Part of the Audit & Member Standards Committee's terms of reference is 'to monitor the effectiveness of the Council's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management'. This report supports the Committee in achieving this objective.
- 3.2 The strategic risk register is produced by assessing the risk factors that could potentially impact on the Council's ability to deliver its strategic plan. This assessment ensures that there are the right measures in place to control the potential risks to our business objectives. Risks are assessed based on their likelihood of occurrence and their potential impact. Each of these are rated on a scale of 1 (Low), 2 (Medium), 3 (Significant) and 4 (High). By multiplying the two scores together, each risk receives a score.
- 3.3 The Council's approach to risk is detailed within the risk policy approved by the Committee on 14 November 2019. The Policy has been refreshed and is attached at **Appendix 1** for review and approval. Changes to the Policy have been highlighted in 'yellow'. Changes have been made to job titles and provide clarity around roles and responsibilities.
- 3.4 The Strategic Risk Register as at October 2021 (agreed with Leadership Team) is detailed at **Appendix 2**. The key changes since the Committee's last risk update (July 2021) are:
 - **SR2** (Resilience of teams to effectively respond to a further serious disruption to services). This risk has been re-evaluated and now has a rating of 12 (3 Likelihood x 4 Impact) from 16 (4 Likelihood x 4 Impact). Additionally the Recovery Strategy and from the pandemic is to reviewed by Leadership Team on 27 October 2021.

- **SR3** (Capacity and capability to deliver / adapt the new strategic plan to emerging landscape). This risk has also been reviewed by Leadership Team. It is noted that the risk score has not changed but mitigating actions in relation to the completion of PDR's, Work Place Plan and upcoming Peer Review in November 2021 have been added to the register. Actions arising from this strategic risk have been updated to include 'Better Council'.
- **SR7** (Threat to the Council's ICT systems of a cyber-attack). This risk has also been re-evaluated due to increased and more sophisticated 'phishing attacks' encountered by the Council. The rating is now 9 (3 Likelihood x 3 Impact) from 2 (1 Likelihood x 2 Impact). In addition an IT Audit Needs Assessment has been completed and this has been presented to Committee as part of the Quarterly Internal Audit Performance Report. Additionally reminders have been issued by Leadership Team to ensure that all staff comply with the requirements of 'Multi Factor Authentication, MFA' and comply with mandatory training provided on ICT Services. The Microsoft 365 review identified a number of users who had not activated MFA, this included staff e.g., maternity leave, long term absence. MFA is now active and they will be required to implement this on their return to work. There are a number of Councillors who have not activated MFA and these will be addressed in December 2021.
- Updates to mitigating controls, actions and lines of assurance have been updated on the Register where applicable.
- 'Other Horizon Scanning Risks Arising at October 2021' (at the end of the register) are risks which are not strategic risks currently, but that need a 'watching brief' have been reviewed and updated.

All changes have been highlighted on the Strategic Risk Register at **Appendix 2**.

3.5 The Council's 7 strategic risks at October 2021 are shown below:

likelihood			SR1	
			SR4, SR7	SR2
		SR5, SR6	SR3	
Impact				

- **SR1:** Pressures on the availability of finance may mean the Council is not able to deliver the key priorities of the strategic plan.
- **SR2:** Resilience of teams to effectively respond to a further serious disruption to services.
- **SR3:** Capacity and capability to deliver / adapt the new strategic plan to emerging landscape.
- **SR4:** Failure to meet governance and / or statutory obligations e.g. breach of the law.
- **SR5:** Failure to adequately respond to the wider socio-economic environment over which the Council may have little control, but which may impact on the growth and prosperity of the local area.
- **SR6:** Failure to innovate and build on positives / opportunities / learning arising (including from the Covid-19 situation) to maximise outcomes for the Council, e.g. technological solutions.
- **SR7:** Threat to the Council's ICT systems of a cyber-attack.

- 3.6 SR1, SR2, SR4 & SR7 remain outside of appetite (within the red zone) and are therefore being actively managed with the aim to bring them back within tolerance. However, there are many external factors associated with these risks, which are beyond the Council's control.
- 3.7 Work to review of the effectiveness of our sub strategic (service / operational) and project risk has now been completed. In summary:
- The 3 lines of assurance approach (as used in the Strategic Risk Register) has now been adopted for sub-strategic risks (i.e. service level risks).
 - Quarterly update meetings have been scheduled with Heads of Service and Audit Manager (Shared Service).
 - There is no longer a requirement to record and manage risks below service level (services or teams are, however, at liberty to do so if it meets their business requirement).
 - Project risks continue to be managed in accordance with accepted project methodology (i.e. PRINCE2).

Alternative Options	There are no alternative options.
Consultation	Leadership Team consulted on Risk Policy and receive monthly updates on Strategic Risk Register
Financial Implications	Risk management processes consider value for money at all times of the process. Failure to manage risks could lead to the Council being faced with costs that could impact on its ability to achieve its objectives.
Approved by Section 151 Officer	Yes
Legal Implications	None identified.
Approved by Monitoring Officer	Yes
Contribution to the Delivery of the Strategic Plan	Sound risk management ensures that risks affecting the delivery of the strategic plan are identified and managed.
Equality, Diversity and Human Rights Implications	None.
Crime & Safety Issues	None.
Environmental Impact	Risk arising from climate change and the green agenda are considered by management and Leadership Team.

GDPR/Privacy Impact Assessment	Risks associated with non-compliance with GDPR are included within SR4: Failure to meet governance and / or statutory obligations e.g., breach of law (e.g., Health & Safety, GDPR, procurement, Safeguarding).
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	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Failure to manage known risks and opportunities proactively. Leadership Team	Likelihood: Green Impact: Red Severity: Red	Strategic risks are closely monitored by the Audit & Member Standards Committee, Cabinet Member and Leadership Team. Reports to Audit & Member Standards Committee provide assurance that active steps are being taken to control risks.	Likelihood: Green Impact: Yellow Severity: Green

Background documents	Risk Management Update – Audit & Member Standards Committee 22 July 2021. Risk Management Policy – updated 14 November 2019 and refreshed for consideration at Audit & Member Standards Committee 11 November 2021.
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Relevant web links	
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Risk Management Policy

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November **20192021**

Document Location

This document is held by Lichfield District Council, and the document owner is **Anthony Thomas, Head of Finance and Procurement.**

Printed documents may be obsolete. An electronic copy will be available on Lichfield District Council's Intranet. Please check for current version before using.

Revision History

Revision Date	Version Control	Summary of changes
10/08/15	1.01.01	1 st draft
01/09/16	1.01.02	Scheduled review
21/08/17	1.01.03	Scheduled review
08/10/18	1.01.04	Scheduled review
30/09/19	1.01.05	Scheduled review
XX/XX/21	1.01.06	Scheduled interim review

Approvals

Name	Approved
Audit & Member Standards Committee	Yes
Leadership Team	Yes

Document Review Plans

This document is subject to a scheduled 4 yearly review with a 2 yearly interim review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

Distribution

The document will be available on the Intranet **and the website.**

RISK MANAGEMENT POLICY STATEMENT

Lichfield District Council Risk Management Policy Statement

Our risk management policy is drawn up within the context of the Lichfield District Council's strategic objectives.

Our strategic objectives are set out in our Strategic Plan and are underpinned by targets and milestones which are monitored through our Performance Management processes that covers the key areas of the Council's activity.

Risk taking is part of innovation and change and as such is to be encouraged, not avoided; it must however be carefully assessed, regularly monitored, and effectively managed. There is a risk in all that we do. Some of that risk can be controlled and reduced, or mitigated, by effective management and clear ownership.

A risk management policy is an essential component of sound governance. It will help us to identify, analyse and control those risks which might prevent the Council achieving its objectives in a clear, visible, coherent and consistent way. It is an essential tool for all managers and Councillors.

The overall policy is supported by separate guidance notes on the methodology to be used. It is also supported by our corporate business continuity processes. Transparency and accountability is key to the process.

This policy is fully supported by Members, the Chief Executive and the Leadership Team.

1 Introduction

- 1.1 Risk management is an integral part of good corporate governance. Good corporate governance requires maintaining a sound system of internal control. Financial Procedure Rules place responsibility with Chief Officers for risk management and maintaining sound systems of internal control within their area of service delivery.
- 1.2 Implementation of the policy will ensure that two types of risk are addressed:
- Direct threats – (damaging events) which could lead to a failure to achieve ambitions and deliver on priorities
 - Opportunities – (constructive events) if exploited can offer an improved way of achieving objectives but which are surrounded by threats. Examples include areas such as partnership arrangements.

2 What is Risk Management?

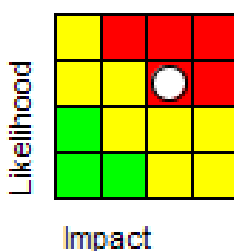
- 2.1 Risk can be defined as the chance or possibility of loss, damage, injury or failure to achieve objectives being caused by an unwanted or uncertain action, event, or chain of events. Risk therefore includes a level of uncertainty of outcome (whether positive outcome or negative threat). Risk is ever present and some amount of risk taking is inevitable if the Council is to achieve its objectives.
- 2.2 Risk management involves having processes in place to identify and monitor risks, be able to access up to date and reliable information about risks, ensure the right balance of control in place to deal with risks; and a decision making process that is supported by a framework of risk analyses and evaluation. Risks should be managed in an integrated way at different key levels to manage interdependencies – corporate strategic risk, operational risk and project risks.
- 2.3 The purpose of this Risk Management Policy is to effectively manage potential opportunities and threats to the organisation achieving its objectives. The main objectives of the risk management policy are to:
- Embed a culture that integrates risk management into the day-to-day management processes.
 - Raise awareness of the importance of risk management by all those connected with the delivery of service, including partners.
 - Anticipate and respond to changing social, environmental, economic, technological and legislative conditions.
 - Minimise the impact and/or likelihood of risks occurring.
 - Maximise the exploitation of opportunity events;
 - Put in place a robust framework in place to identify, assess and manage the major risks facing the organisation.

- Minimise the total cost of risk.

Detailed guidance can be found in the Risk Management Guidance.

3 Risk Appetite

- 3.1 The risk appetite is “the amount of risk that an organisation is prepared to accept, tolerate or be exposed to at any point in time.” (CIPFA). The Council will manage its risks by, reducing, preventing, transferring, eliminating or accepting the risks. The Council’s risk appetite is defined by the ‘red’ section of the 4 x 4 matrix. Guidelines on scoring of impact and likelihood are contained within the risk management guidelines.



- 3.2 Whilst the Council acknowledges that it will have “Severe” (red) risks from time to time, it will endeavour to reduce these to an acceptable level either through controls, actions to reduce the risk or ceasing the activity (if applicable). Where a current risk score is within the ‘red’ zone, an action plan will usually be required to bring the risk within appetite. The target score of a risk must be within appetite (the yellow / green zone). Sometimes risks are identified and even though managed, may still remain “severe” (red risk). Severe risks at an operational and project level are reported to the Leadership Team to manage and monitor.

Risk registers must be maintained and managed in the following areas:

- Corporate Strategic Risks,
- Operational Risks,
- Project Risks,
- Partnership Risks,
- Opportunity Risks.

“Severe” risks can appear in any of the above risk registers.

Corporate Strategic risks are owned and managed by leadership team. These risks are those risks that are identified as those that could have a high level impact at a corporate level.

The corporate Strategic risk register and “red” project risks are routinely reported the Audit & Member Standards Committee.

4 The Benefits of Having a Risk Management Policy

- Risk Management will alert the Leadership Team to the main service and financial issues. This will allow early and proportionate management handling i.e. mitigation, diversion of resources.
- It contributes to better decision making, and the process of achieving objectives. When embedded within existing planning, decision taking and option appraisal processes, risk management provides a basis for ensuring implications are thought through, the impact of other decisions, initiatives and projects are considered, and conflicts are balanced. This will influence success and improve service delivery.
- It provides assurance to members, management and auditors on the adequacy of arrangements for the conduct of business and the use of resources. It demonstrates openness and accountability to various inspectorate bodies and stakeholders more widely.
- It leads to greater risk awareness and an improved control environment, which should mean fewer incidents and other control failures. In some cases this can result in lower insurance premiums.

4.1 These are not intangible benefits. By identifying risks earlier, by making sure processes are fit for purpose and not over engineered, and achieving a behavioural shift, risk management will be a process that is justified many times over.

4.2 Our approach to risk management which underpins the policy and provides a vision of what we are aiming for, is summarised below:

“Risk management in Lichfield District Council is all about managing our business threats and opportunities and creating an environment of “no surprises”.

Risk management is the identification, analysis and control of those risks which might prevent an organisation achieving its objectives.

Risk management is not about insurance – not least because most risks faced by organisations are not insurable. Certainly risk transfer is part of risk management, but so is risk retention and control”.

4.3 Risk profiling is carried out at all levels of the organisations with each level feeding up to the next level to ensure that operational risks that could pose greater / corporate-strategic risks are escalated and are not missed.

5 Roles, Responsibilities and Reporting Lines

5.1 The importance of establishing roles and responsibilities within the risk management framework

is pivotal to successful delivery. The consideration of risk must be embedded into corporate policy approval and operational service delivery.

- 5.2 The agreed roles and responsibilities within the risk management framework at Lichfield District Council are outlined in the table below:

Group / Individual	Role
Leadership Team	<ul style="list-style-type: none"> • Provide leadership for the process to manage risks effectively. • Review and revise the risk management policy in accordance with the review period. • Monitor and review the corporate-strategic risk register on a quarterly-monthly basis including the identification of trends, upcoming events and potential new corporate-strategic risks.
Chief Finance Officer Head of Finance and Procurement	<ul style="list-style-type: none"> • To own the risk management policy and ensure effective risk management arrangements in place in accordance with requirements set out in Financial Procedure Rules.
Audit & Member Standards Committee	<ul style="list-style-type: none"> • Monitor the effectiveness of the Council's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management. • To monitor action being taken by the Council to mitigate the impact of potentially serious risks.
Cabinet	<ul style="list-style-type: none"> • To provide strategic direction with regards to Risk Management and be collectively responsible for the Risk Management process. • To consider risk management operation per their Cabinet responsibility.
Cabinet Member (Finance and Procurement, Revenues and Benefits)	<ul style="list-style-type: none"> • Monitor the effectiveness of the Council's risk management arrangements, including the actions taken to manage risks and to receive regular reports on risk management. • To monitor action being taken by the Council to mitigate the impact of potentially serious risks.
Directors/ Heads of Service	<ul style="list-style-type: none"> • To provide leadership and 'champion' the process of managing risks within their areas of responsibility. • To ensure that risk management methodology is applied to all service plans, projects, partnerships and proposals within their areas of responsibility. • To identify and manage business/operational risks. • To ensure that the management of risk is monitored as part of the

	<p>performance management process.</p> <ul style="list-style-type: none"> • Provide assurance to Leadership Team and the Chief Executive that this policy is being complied with. • To ensure that employees attend appropriate risk management training to assist in the implementation of this policy. • To ensure that risk management is a standard agenda item at team meetings. • To review and update their operational risk registers on at least a quarterly basis. • To determine the method of controlling the risk. • To delegate responsibility if appropriate for the control of the risk. • To notify Leadership Team of new risks identified, for consideration for inclusion on the Corporate Strategic Risk Register.
All Staff	<ul style="list-style-type: none"> • To ensure that risk is effectively managed in their areas. • To ensure that they notify their managers of new and emerging risks
Audit Manager/Head of Audit	<ul style="list-style-type: none"> • To ensure that the risk management policy is regularly reviewed and updated. • Promote and support the risk management process throughout the Council. • Advise and assist Heads of Service/ managers in the identification of risks.

Risk Management Process

6 Risk Identification

- 6.1 The identification of risks is completed at various levels and primarily, risks (and opportunities) relate to the achievement of the Council's objectives. The risks can therefore be at **Corporate Strategic**, Operational, Project, Partnership or Opportunity level. This stage will be repeated regularly to ensure that new and emerging risks arising are identified and recorded on the risk register as appropriate. In addition, risks that are no longer relevant are removed.
- 6.2 The Council acknowledges that no one person is responsible for identifying key risks and that they are identified at various levels and various ways.
- 6.3 As a basis, the following risks must be identified:
- Those that affect the delivery of the strategic plan;
 - Those that affect operational issues i.e. the delivery of a service;

- Those that affect the delivery of a project;
- Those that affect the delivery within a partnership.

7 Recording Risks

- 7.1 The Council's risk register is the primary tool to record risks identified. ~~Currently, the system for recording risks is the Pentana system.~~ All ~~corporate strategic~~, operational, project and partnership risks are recorded.
- 7.2 All risks recorded on the risk register should identify:
- risk description
 - risk owner ~~(responsible Cabinet member and risk 'assigned to'~~
 - gross (unmitigated), current (mitigated) and target risk scores using the 4x4 matrix of likelihood x impact)
 - risk factor /causes of the risk
 - potential effects/consequences of the risk as well as opportunities;
 - risk treatment measures controls in place to the reduce the risk and any actions, timescales and responsibilities required.

8 Reporting Risks

- 8.1 The ~~corporate strategic~~ risk register is reviewed and updated by the Leadership Team ~~each month. A quarterly update is reported to the Cabinet Member (Finance and Procurement, Revenues and Benefits) and quarterly before being reported~~ to the Audit and Member Standards Committee. Red (severe) project risks are also reported at the same time.
- 8.2 All reports to the Council require that any risks inherent within the decision recommended, are identified. The Committee report template is set up so that this is completed. It is the duty of the report writer that the relevant risk register ~~on Pentana~~ is updated to take account of these risks.

9 Reviewing Risks


- 9.1 Risks should be reviewed on a regular basis. The Leadership Team and Head of Audit will provide an overall review of risks to ensure that risks are being consistently scored. The review period will depend on the type of risk. For example, operational risks (those that affect the delivery of a service) will more than likely not need to be reviewed as often as project risks. ~~The Pentana system allows you to set appropriate review periods for each risk.~~ Risks can be added or deleted at any time.

10 Performance Management

- 10.1 The following key performance indicators for the risk management process will be completed:

- The risk management policy will be reviewed and updated fully on a 4 yearly basis (with a 2 year interim review in between).
- Leadership Team will review and update the ~~corporate strategic~~ risk register taking into account emerging and changing risks, on a ~~quarterly~~ monthly basis.
- Risks are reviewed appropriately to the severity/changing nature of the risk.
- Staff are appropriately trained in risk management ~~and the use of the Pentana system.~~


Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place, enabling people	<p>SR1 Pressures on the availability of finance may mean the Council is not able to deliver the key priorities of the strategic plan.</p> <p>The risk is influenced by:</p> <ul style="list-style-type: none"> The spending review. Local Government Finance Reform including New Homes Bonus, Business Rates and the Fair Funding Review. The financial impact of the Covid-19 pandemic in the current year and beyond. Other Government Policy announcements impacting on Local Government such as the Call for Evidence on Business Rates and Procurement Policy Notes. Funding of Council's headline priorities and the shortfall of funding. 	16 (L4xI4)	<ul style="list-style-type: none"> Prudent estimates for Business Rates and New Homes Bonus based on modelling provided by Local Government Finance experts. Risk assessed minimum level of reserves set at £1.6m. Routine budget monitoring reported to Leadership Team, Cabinet and Strategic (OS) Committee. Requirements of the new CIPFA Financial Management Code, information contained in the CIPFA Resilience Index and benchmarking reports from LG Futures. In terms of the Covid-19 pandemic – introduction of enhanced monthly income monitoring and receipt of financial assistance from Government. 	12 (L4xI3) 	4 (L2xI2)	<ul style="list-style-type: none"> Update of the Medium Term Financial Strategy Responsibility: Head of Finance and Procurement /will commence in July 2021 and approval in February 2022 	<p>1st Line:</p> <ul style="list-style-type: none"> Approved Medium Term Financial Strategy including the Capital Strategy covering 5 years plus a 25 year capital investment model. A longer term financial plan covering a 25 year horizon for revenue budgets. Approved Treasury Management Strategy. Production of monthly budget reports to Managers. Procurement Strategy <p>2nd Line:</p> <ul style="list-style-type: none"> Leadership team review of 3, 6, 8 and 12 month reports to Cabinet and Strategic (OS) Committee. Mid-year and outturn Treasury Management reports to Audit and Member Standards Committee. Initial assessment of LDC's level of compliance with the FM Code to Audit and Member Standards Committee 12/11/2020.

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	Owner: Head of Finance & Procurement (Section 151 Officer).						<ul style="list-style-type: none"> CIPFA Resilience Index with comparative information to nearest statistical neighbours and all District Councils. Cabinet and Leadership Team are undertaking work to look at options to address the Funding Gap.
							3rd Line: <ul style="list-style-type: none"> External Audit – going concern test and sign off of financial statements 2019/20. Unqualified VFM assessment. Internal Audits of Accountancy and Budgetary Control 2018/19 -substantial assurance, Capital Strategy 2020/21 – reasonable assurance, Capital Accounting 2020/21 – substantial assurance, Income Management 20/21 – reasonable assurance, Procurement 20/21 limited assurance


Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council, developing prosperity, shaping place, enabling people	SR2 Resilience of teams to effectively respond to a further serious disruption to services (e.g. multiple layer disruption arising from flooding, coupled with a local outbreak / subsequent waves of Covid-19 (including the increased risk of transmission of new variants), other pressures - such as seasonal flu). New people into organisation. Owner: Leadership Team	8 (L2xI4)	<ul style="list-style-type: none"> • Mutual aid assistance • Local Resilience Forum (LRF). • Tested business continuity arrangements in place. • Strong links with the Staffordshire CCU and wider LRF. • Actively engaged in ongoing Local Resilience Forum response and recovery work streams. • Experienced (from previous waves / national lockdowns re Covid-19) Leadership Team and supporting teams in place to respond. • Clear structure and plan in place for Covid-19 waves. • Ongoing dialogue with CCU re D20 'BREXIT' risks. • Strategic and tactical flood planning work across LRF, to assist in 	12 (L3xI4) 	6 (L2xI3)	<ul style="list-style-type: none"> • Links to actions arising from recovery strategy e.g. Encourage digital contact, harness and encourage the spirit and commitment shown by the Council and the Community in response Leadership Team / 27 October 2021 • Monitor and build on learning from subsequent pandemic waves and D20 Brexit risks (no significant impacts have arisen since the end of the transition period, however this is being monitored) and ongoing involvement in LRF structures such as SCG and TCG is continuing. 	1st Line: <ul style="list-style-type: none"> • Day to day business continuity plans in place. • Training programme.
							2nd Line: <ul style="list-style-type: none"> • Annual Report to Leadership Team. • CCU test of arrangements feedback. • Response and learning from recent incident at Ridware House. • Report on recovery plan and climate change to Overview & Scrutiny (O&S).
							3rd Line: <ul style="list-style-type: none"> • Internal Audit of business continuity 2019/20 – reasonable assurance, ICT – remote working 20/21 – reasonable assurance. • Flash Covid-19 Risk Assurance Business Continuity, Emergency Planning and Recovery 20/21 substantial assurance

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
			our response and the multi-agency response to such events. This includes identifying 'at risk' areas in the District and specific actions required.			Leadership Team/ 27 October 2021	3rd Line: <ul style="list-style-type: none"> Internal Audits of Accountancy and Budgetary Control 2018/19 -substantial assurance, Capital Strategy 2020/21 – reasonable assurance, Capital Accounting 2020/21 – substantial assurance, Income Management 20/21 – reasonable assurance, Procurement 20/21 limited assurance External Audit – going concern test and sign off of financial statements 2020/21. Unqualified VFM assessment.
A good council, developing prosperity, shaping place, enabling people	SR3: Capacity and capability to deliver / adapt the new strategic plan to emerging landscape. Cabinet review of corporate priorities. Work Place Plan and New Ways of Working with upcoming Peer Review.	6 (L2xI3)	<ul style="list-style-type: none"> Regular review of progress against delivery plan outcomes and prioritisation process agreed between Leadership Team and Cabinet. Robust project management. People strategy. 	6 (L2xI3) ↔	4 (L2xI2)	<ul style="list-style-type: none"> Implementation of people strategy and workforce development plan to take account of 'Better Council'. Head of Governance & Performance / Jan 2022	1st Line: <ul style="list-style-type: none"> Day to day business / service planning, financial planning and performance management. Completion of PDRs. 2nd Line: <ul style="list-style-type: none"> Delivery Plan reported 6 monthly to Cabinet and shared with Overview & Scrutiny.


Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	Owner: Leadership Team		<ul style="list-style-type: none"> Communications to all staff. PDRs linked to Strategic and Delivery Plans. Recruitment activity. PDR completion leading to identifying training and development needs. Monitoring resource demands. Mental health / wellbeing systems in place. 				<ul style="list-style-type: none"> Quarterly updates to LT on people strategy. 3rd Line: <ul style="list-style-type: none"> Internal Audits of People Strategy and Workforce Development 2019/20 – reasonable assurance, Performance Management 19/20 – substantial assurance.
A good council	SR4: Failure to meet governance and / or statutory obligations e.g. breach of the law (e.g. Health & Safety, GDPR, procurement, Safeguarding), lack of openness / transparency in decision making, breach of the constitution. This could lead to fines as well as reputational damage. Subsidy Control Framework and self-assessment risks subject to challenge.	9 (L3xI3)	<ul style="list-style-type: none"> Regularly reviewed constitution, policies and procedures. Meta compliance policy training, testing and acceptance systems. Training and awareness for all staff and members. Effective Overview and Scrutiny and Audit & Member Standards Committee oversight. Codes of Conduct. Internal audit. 	9 (L3xI3) 	6 (L2xI3)	<ul style="list-style-type: none"> Annual Health & Safety Report to be produced for Employment Committee Head of Governance & Performance / December 2021. 	1st Line: <ul style="list-style-type: none"> Day to day processes and Local Code of Governance Forward plans/committee work plans/ delivery plan and service planning. Use of Mod Gov and publication scheme. 2nd Line: <ul style="list-style-type: none"> Annual reports to Audit and Member Standards Committee. Regular reports to leadership team. Transparency data publication.

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	<p>Arrangements in process of being developed, requirement to build in operation and awareness training.</p> <p>Owner: Head of Governance & Performance</p>		<ul style="list-style-type: none"> • Roles of Section 151 Officer and Monitoring Officer. • Shared legal services. • New procurement team. • New Governance Team with additional capacity being recruited. • Review of document storage and filing systems. • Electronic retention of documentation. • Sealed documents held in fire proof room. • Education and development of Service Managers to support teams with advice and guidance. • Training in place for LT October covering H&S. • Meta Compliance training. 				<ul style="list-style-type: none"> • Completed review of document storage. <p>3rd Line:</p> <ul style="list-style-type: none"> • RIPA, ICO and Ombudsman reports/returns. • External audit of Annual Governance Statement as part of the financial statements. • Internal Audits of Ethics 2019/20 – adequate assurance, Health and Safety 2019/20 – adequate assurance, GDPR follow up 2019/20 – limited assurance, Transparency code follow up 2019/20 reasonable assurance, Safeguarding Inc. modern slavery 2019/20 – reasonable assurance, Committee Reporting 2019/20 – substantial assurance, Legal Compliance (shared service agreement) 2019/20 – reasonable assurance, Equalities 2019/20 – substantial assurance, Management of Property (LA

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
							<p>Trading Company) 20/21 – substantial assurance, Procurement 20/21 limited assurance.</p> <ul style="list-style-type: none"> External investigations and lessons learnt exercises to address internal control weaknesses.
A good council, developing prosperity, shaping place,	SR5: Failure to adequately respond to the wider socio-economic environment over which the Council may have little control, but which may impact on the growth and prosperity of the local area, for example, the UK withdrawal from the European Union / Covid-19 crisis, results in an increase in unemployment, business closures coupled with emergence of higher expectation of ongoing support from the Council. Increased demand on Council services such as benefits via increased Universal Credit claims, at	9 (L3xI3)	<ul style="list-style-type: none"> Financial assistance from Government to businesses and the public (Grants, Test & Trace Support Payments) particularly in terms of furlough scheme end Oct 20, potential further implications for individuals and businesses arising from potential local lockdowns and Brexit. Prosperity is a key theme in the new Strategic Plan. Economic Development Strategy is in place. Council's effective presence on the Local Enterprise Partnerships. 	4 (L2xI2) 	4 (L2xI2)	<ul style="list-style-type: none"> Continued delivery of immediate actions to support high street economy and business (including visitor economy and hospitality sector). Further government support – the Welcome back Fund - received to extend timescales and assist with the reopening of high streets and support to local businesses through to March 2022. Additional spend on a variety of projects 	<p>1st Line:</p> <ul style="list-style-type: none"> Day to day delivery of economic development, housing and health and wellbeing strategies. <p>2nd Line:</p> <ul style="list-style-type: none"> Leadership team review of 3, 6, 8 and 12 month Money Matters reports to Cabinet, Strategic (OS) Committee. Health and Wellbeing Strategy delivery reports. <p>3rd Line:</p> <ul style="list-style-type: none"> Internal Audit of Economic Development Partnership Arrangements 2017/18 – adequate assurance, Tourism 2019/20 – reasonable assurance, Housing Benefits – overpayments 2017/18 –

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	<p>the same time that Council suffering reduced income.</p> <p>Local Enterprise Partnership review and residual role around support. Ongoing relationship change leading to potential increase in future opportunities.</p> <p>Owner: Leadership Team</p>		<ul style="list-style-type: none"> Strong partnership working e.g. Lichfield District Board, Staffs CC, Birmingham Chambers. Lichfield City BID, Burntwood Business Community LGA, DCN, New burdens funding. Partnership influences built into business case considerations. Work with redundancy task force Continue to develop and improve the business contact and relationships locally. 			<p>currently in process of being identified.</p> <ul style="list-style-type: none"> Economic Development, Finance and Revenues and Benefits Services distributing government grants to support businesses impacted by Covid-19 pandemic. Discretionary Additional Restricted Grant scheme providing for direct business support, start up assistance and skills/training. ARG top up monies to be allocated shortly subject to member agreement. Decision taken to defer preparation of new ED Strategy to focus on Covid-19 recovery via the Corporate Recovery 	adequate assurance, Housing Benefits – verification and performance 2016/17 – substantial assurance, Housing Benefits and Council Tax Relief 20/21 substantial assurance


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Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
						Plan and use time to gather intelligence to inform new strategy. <ul style="list-style-type: none"> Council continues to be a member of the County Redundancy Task Group identifying impacts of Covid-19 on local employment levels and particular demographic groups and agreeing responses. Head of Economic Growth and Development/LT 	
A good council, enabling people	SR6: Failure to innovate and build on positives / opportunities / learning arising (including from the Covid-19 situation) to maximise outcomes for the Council, e.g. technological solutions Owner: Leadership Team	9 (L3xI3)	<ul style="list-style-type: none"> ICT service plan. ICT hardware replacement programme. Migration to HIS and implementing of O365. Refurbishment and reorganisation of office spaces. Cyber security e-learning. Engagement Strategy. Capture best practice 	4 (L2xI2) ↔	1 L1xI1	<ul style="list-style-type: none"> Roll out of MS teams and all functions in train for completion later this year, Information & Communications Technology Manager / October 2021 Acceleration of New Ways of Working processes, terms and conditions. Head of 	1st Line: <ul style="list-style-type: none"> ICT hardware replacement programme providing the right equipment for mobile and flexible working. Ongoing monitoring of customer (internal and external) feedback. 2nd Line: <ul style="list-style-type: none"> Monitoring of Lichfield Connects contact levels, trends and reporting on

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
			<ul style="list-style-type: none"> Reinforce a culture of innovation. People strategy. Virtual committee meetings. Business cases required for all major projects. Drive to find ongoing efficiencies as part of service / financial planning process. Customer promise. 			Governance & Performance / As part of recovery planning processes – October 2021 <ul style="list-style-type: none"> Links to actions arising from recovery strategy e.g. Encourage digital contact, harness and encourage the spirit and commitment shown by the Council and the Community in response to recovery Leadership Team / 27 October 2021 	complaints and compliments to Leadership Team. 3rd Line: <ul style="list-style-type: none"> Local Government Ombudsman. Flash Covid-19 Risk Assurance Staff Wellbeing 20/21 substantial assurance

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
A good council	SR7: Threat to the Council's ICT systems of a cyber-attack following dramatic increase in remote working which if successful could result in loss of data / loss of access to applications – which may incur fines / reputational damage. Increased number of sophisticated 'phishing' attacks with increased time taken to investigate and remediate. Move away from purely email to other platforms such as 'Teams'. Failure by staff to complete ICT training and the take up of MFA.	3 (L1xI3)	<ul style="list-style-type: none"> • Use of firewalls and virus protection to manage cyber security, including penetration testing. • Strong access level controls (including remote access). • Training and regular awareness raising to staff of risks. • Digital strategy. • PSN compliance checklist. • Revision of Service Business Continuity Plans to incorporate lessons learnt from COVID-19. • IT Auditor provision resourced from August 2021. • Adoption of multi-factor authentication. 	9 (L3xI3) 	2 (L1xI2)	<ul style="list-style-type: none"> • The move to Health is sufficiently complete that we have been able to end the contract for our hardware maintenance and support with ANS. The migration has presented the opportunity to also upgrade some of our servers to the latest version of Windows Server and close down the oldest servers with the additional security benefits that this brings. • The email migration to Office 365 has been completed and the next stage will be to 	1st Line: <ul style="list-style-type: none"> • Day to day operation of ICT Training programme for all staff. • Up to date versions of software and implement all IT security patches.
							2nd Line: <ul style="list-style-type: none"> • Regular monitoring and reporting on security issues to Leadership Team. • External penetration testing. • Full Council wide adoption of multi-factor authentication.

Appendix 1: Strategic Risk Register – October 2021

Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
	Owner: Head of Corporate Services		<ul style="list-style-type: none"> Development of monthly management reports for follow up of staff not completing mandatory training. 			<p>roll out the Office 365 desktop software along with Teams and starting the migration of our file server to Microsoft OneDrive.</p> <ul style="list-style-type: none"> Bringing these elements together opens further opportunities in relation to security and to look at how people log into our systems with the intention of reducing our reliance on passwords and increasing the use of other authentication methods such as secondary devices and biometrics. 	<p>3rd Line:</p> <ul style="list-style-type: none"> Internal Audit of business continuity 2019/20 – significant assurance (DR plan noted as an action), Cyber Security 2019/20 – reasonable assurance, IT Governance 2019/20 – adequate assurance, IT Application Controls – follow up 2019/20 – reasonable assurance, ICT – remote working 20/21 – reasonable assurance. Flash Covid-19 Business Continuity 20/21 substantial assurance. ICT Audit Procurement to review risk environment. ICT Audit Needs Assessment completed. Review of Microsoft 365 2021/22.

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Strategic Plan Link	Risk & Owner	Original Score	Mitigating Controls	Current Score	Target Score	Actions Responsibility / Timescale	3 Lines of Assurance
						<ul style="list-style-type: none"> Review of risk scores completed due to increase in 'phishing attacks'. Completed. Full enrolment of staff adopting multi-factor authentication. Head of Corporate Services. Message from Leadership Team and reminder to staff of importance of MFA and training. Completed. Review mandatory training requirements. Session for Councillors concerning switch on of MFA to be arranged. December 2021. 	

Appendix 1: Strategic Risk Register – October 2021

Key to 3 lines of assurance:	
1 st Line	Day to day operations of internal control systems
2 nd Line	Management oversight and monitoring controls
3 rd Line	Independent assurance from Internal / external audit and other independent assurance sources (e.g. HSE, BFI)
Other Horizon Scanning Risks Arising October 2021:	
Impact on the organisation arising from the devolution / local recovery white paper which was due in September 2020 and has now been postponed to 2021. Not a strategic risk at present, to include as a horizon scan until more information is known and impact on operations can properly be assessed.	
Impact on Council activities via the Government's legislative timeframes and planning activities arising from the Planning Bill detailed in the Queen's Speech.	
Risks arising from staff leaving key posts.	
Transition to new payroll provider – removed.	
Sunset clause on Regulations allowing remote council meetings ends early May 2021 on going management of expectations around broadcasting of meetings.	
Elections review by Association of Electoral Administrators (AEA) and challenge around legislation in the reduction of time for provision of elections.	
Resourcing requirements for the retention and filing of legal documentation.	
To balance the delivery of service specific objectives against the priorities and demands from Members/Cabinet to ensure continued alignment with Strategic Plan.	
Legal Shared Service – capacity and resilience	
Disabled Facilities Grants	
Economic pressures due to energy price reviews/inflation rates and index linking to prices.	
Impact of withdrawal of government support measures (furlough), Universal Credit and implications for businesses and residents.	