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The Chair and Members of Standards  
and Audit Committee

7 February 2023

Dear Councillor,

Please attend a meeting of the STANDARDS AND AUDIT COMMITTEE to be held on WEDNESDAY, 15 FEBRUARY 2023 at 2.00 pm in Committee Room 1, Town Hall, Rose Hill, Chesterfield, the agenda for which is set out below.

AGENDA

Part 1(Public Information)

1. Declarations of Members' and Officers' Interests relating to Items on the Agenda
2. Apologies for Absence
3. Minutes (Pages 3 - 8)
4. Progress Report on the 2022/23 Internal Audit Plan (Pages 9 - 16)
5. External Audit Progress Report (Pages 17 - 38)
6. Risk Management Strategy 2023-2027 (Pages 39 - 78)
7. Treasury Management Strategy 2023/24 (including investment and capital strategy)
  - Report to follow

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Randy', written in a cursive style.

Head of Regulatory Law and Monitoring Officer

**STANDARDS AND AUDIT COMMITTEE****Wednesday, 23rd November, 2022**

Present:-

Councillor Caulfield (Chair)

Councillors Brady  
Kellman

Councillors T Murphy

\*Matters dealt with under the Delegation Scheme

**25 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS  
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

**26 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Christian, Rayner and Snowdon.

**27 MINUTES****RESOLVED –**

That the Minutes of the meeting of the Standards and Audit Committee held on 28 September, 2022 be approved as a correct record and be signed by the Chair.

**28 REVISION OF THE CORPORATE COMPLAINTS PROCEDURES**

Pursuant to Cabinet Minute No. 48 (2022/23), the Transformation Programme Manager presented the revised Corporate Complaints policy and procedure which had been approved by Cabinet on 1 November, 2022. The policy aimed to modernise the Council's approach to complaints handling and embed a "learning from customers" culture which would underpin the delivery of excellent customer services across the Council.

The complaints procedure would be managed within the customer services function and the customer services team would be responsible for identifying trends and compiling reports to share with service managers and the corporate leadership team as well as the Standards and Audit Committee.

In response to Member's questions, the Transformation Programme Manager explained that the aim of the new procedure was to improve the management of complaints in a way that the data could be analysed. Members requested a report on the data gathered over the first quarter to understand how the new system was working.

Members could submit complaints on behalf of residents either through the My Chesterfield system, via phone to the customer contact centre or via email to a dedicated inbox. The Transformation Programme Manager had offered to attend all political group meetings to deliver a support session on the new policy and procedure.

Members expressed concerns that the report had not been considered by the Standards and Audit Committee prior to Cabinet.

**\*RESOLVED –**

That the following decisions approved by Cabinet on 1 November, 2022 be noted:

1. That the revised two stage complaints procedure, as set out in Appendix 1 of the officer's report be approved for implementation.
2. That the co-ordination and oversight of corporate complaints be integrated into the Customer Services function and that Customer Services Advisers take on responsibility for the 'complaint officer' role as set out in the revised complaints procedure.

**29 AUDIT REPORT ON THE 2021/22 STATEMENT OF ACCOUNTS**

The Service Director – Finance submitted a report on the Statement of Accounts for 2021/22, the Audit Completion Report from Mazars, the Council's external auditors, and the Letter of Representation.

The Statement of Accounts, attached at Appendix A of the officer's report, included the Annual Governance Statement, the Movement in Reserves

Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, and the Collection Fund. The Service Director – Finance explained that the external auditors had requested some changes to the final Statement of Accounts and sought delegated authority to agree any final changes to the Council’s Statement of Accounts for 2021/22.

The external auditors were required to “communicate audit matters to those charged with governance”, i.e. the Standards and Audit Committee, and a copy of the external auditor’s report was attached at Appendix 2 of the officer’s report. Michael Norman of Mazars attended the meeting to present the external auditor’s report.

The external auditors were required to obtain written representations from management in respect of fraud, compliance with laws and regulations, contingent liabilities, related party disclosures and post balance sheet events in the form of a Letter of Representation. The letter was attached at Appendix 3 of the officer’s report.

**\*RESOLVED –**

1. That the Statement of Accounts for 2021/22, attached at Appendix A of the officer’s report, be approved.
2. That the Audit Completion Report, attached at Appendix B of the officer’s report, be received.
3. That delegated authority be granted to the Service Director – Finance in consultation with the Chair of the Standards and Audit Committee to make any changes which may be necessary to ensure the completion of the Statement of Accounts by 20 November, 2022, as agreed with the Council’s External Auditor.
4. That delegated authority be granted to the Service Director – Finance in consultation with the Chair of the Standards and Audit Committee to approve the Letter of Representation, attached at Appendix C of the officer’s report, following the conclusion of the audit and the Statement of Accounts for 2021/22.

The Head of the Internal Audit Consortium submitted a report to provide Members with a progress update on the 2022/23 Internal Audit Plan.

Since the Committee last met in September, four reports had been issued with the following levels of assurance:

- ‘Substantial assurance’ – one
- ‘Reasonable assurance’ – three

A summary of the reports issued was attached at Appendix 1 of the officer’s report.

**\*RESOLVED –**

That the update be noted.

**31 STANDARDS AND AUDIT COMMITTEE WORK PROGRAMME 2022/23**

The work programme for the Standards and Audit Committee for 2022/23 was considered.

**\*RESOLVED –**

That the work programme be noted.

**32 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF PUBLIC**

**RESOLVED –**

That under Section 100(a)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A of the Act.

Councillor Brady left the meeting at this point and did not return.

**33 REVIEW OF THE UNREASONABLE COMPLAINTS POLICY**

The Head of Regulatory Law and Monitoring Officer submitted a report on the use and application of the Council’s Policy and Procedure on the

Management of Unreasonable Complaints or Customers. The policy was reviewed annually by the Monitoring Officer and presented to the Standards and Audit Committee for approval.

The policy, attached at Appendix 1 of the officers' report, had been updated to take into account new advice from the Ombudsman.

**\*RESOLVED –**

1. That the report be noted.
2. That the Policy and Procedure on the Management of Unreasonable Complaints or Customers be updated as detailed in Appendix A of the officer's report.

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## Internal Audit Progress Update

<b>Meeting:</b>	Standards and Audit Committee
<b>Date:</b>	15th February 2023
<b>Cabinet portfolio:</b>	Governance
<b>Directorate:</b>	Finance

### 1.0 Purpose of the report

- 1.1 To present for members' information a progress report in respect of the 2022/23 Internal Audit Plan.

### 2.0 Recommendation

- 2.1 That the report be noted.

### 3.0 Reason for recommendation

- 3.1 To update Members on progress against the 2022/23 Internal Audit Plan and to provide assurance on the governance, risk and control processes in place.

### 4.0 Report details

- 4.1 The Public Sector Internal Audit Standards require that the Head of the Internal Audit Consortium periodically reports to the Standards and Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.
- 4.2 The 2022/23 Internal audit plan was approved at the Standards and Audit Committee on the 20th of April 2022.
- 4.3 Attached, as Appendix 1, is a summary of reports issued since this Committee last met in respect of the 2022/23 internal audit plan. This period 2 reports have been issued 1 with Substantial Assurance and 1 with Reasonable Assurance.
- 4.4 The assurance level is awarded in respect of the controls in place and the system's ability to meet its objectives and manage risk in line with the definitions below. The assurance levels have also now been linked to definitions of risk within the risk management strategy.

<b>Assurance Level</b>	<b>Definition</b>	<b>Risk Strategy Link</b>
<b>Substantial Assurance</b>	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.	Negligible/ Low impact – regular reviews plus low - cost improvements
<b>Reasonable Assurance</b>	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.	Low / Medium impact – close monitoring and cost - effective controls required
<b>Limited Assurance</b>	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.	Medium / High impact Unacceptable Risk – Immediate control improvements required
<b>Inadequate Assurance</b>	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.	High / Very High impact Unacceptable Risk – immediate control improvements required

- 4.5 No fraud has been detected.
- 4.6 Appendix 4 shows an up-to-date position in terms of the audits completed so far this year and those in progress. The audit plan for 2023/24 is currently under development and any areas not covered from the 2022/23 plan will be considered for inclusion in this on a risk basis.
- 4.7 In terms of staffing, I can report that we are now fully staffed, the new CBC Auditor started in December 2022, the new Senior Auditor for BDC started on the 23rd January 2023 and the new Auditor for NEDDC is starting in February 2023. There will be a period of settling in and training but being fully staffed will enable a greater completion of the approved audit plans.

## **5.0 Alternative options**

5.1 The report is for information.

## **6.0 Implications for consideration – Financial and Value for Money**

6.1 Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.

## **7.0 Implications for consideration – Legal**

7.1 The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

## **8.0 Implications for consideration – Human Resources**

8.1 None

## **9.0 Implications for consideration – Council Plan**

9.1 Audit reviews help to ensure that the council’s resources and priorities are focused on achieving the objectives within the council plan.

## **10.0 Implications for consideration – Climate Change**

10.1 Whilst there are not considered to be any direct climate change impacts in relation to this report, sound internal control, governance and risk management arrangements will support the achievement of the Council’s objectives.

## **11.0 Implications for consideration – Equality and Diversity**

11.1 None

## **12.0 Implications for consideration – Risk Management**

12.1 Regular audit reviews help to ensure that risk is appropriately managed.

### **Decision information**

<b>Key decision number</b>	
<b>Wards affected</b>	<b>None</b>

### **Document information**

<b>Report author</b>	
Jenny Williams Head of the Internal Audit Consortium Finance	
<b>Background documents</b>	
None	
<b>Appendices to the report</b>	
Appendix 1	Reports issued November 2022 to January 2023
Appendix 2	Progress update on the 2022/23 Internal Audit Plan

**Chesterfield Borough Council – Internal Audit Consortium**

**Report to Standards and Audit Committee**

**Summary of Internal Audit Reports Issued November 2022 to January 2023**

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Report Ref No.	Report Title	Scope & Objectives	Assurance Level	Date			Number of Recommendations	
				Report Issued	Response Due	Response Received	Made	Accepted
10	Bulky Household Waste	To review income collection procedures and orders and payment to the contractor	Substantial	21/12/22	17/01/23	N/A	0	0
11	Expenses and Allowances	To ensure that expenses and allowances claimed are legitimate and paid at agreed rates in line with policy	Reasonable	25/01/23	15/2/23		4 (2M 2L)	Note 1

Note 1 Response not due at time of writing report

H = High Priority M = Medium Priority L = Low priority

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## Chesterfield Borough Council Internal Audit Plan 2022/23

	Complete
	In progress
	Ongoing throughout the year

<b>Main Financial Systems</b>	<b>Priority</b>	<b>Audit Days 2022/23</b>
Main Accounting & the Medium- Term Financial Plan	M	12
HRA Business Plan	M	5
Creditor Payments (Accounts Payable)	H	25
Cash and Banking	H	18
Council Tax	H	20
Housing / Council Tax Benefits	H	20
Gov Grants – Businesses / households	H	15
Housing Rents	H	20
Housing Repairs – Revenue (Voids)	H	20
<b>Total</b>		<b>155</b>
<b>Other Operational Audits</b>		
Brimington Parish Council	N/A	5
Bulky Waste Collection	L	6
Car Parks Income	M	25
Car Allowances / subsistence	L	10
Contract Final Accounts	M	3
Crematorium	M	12
Data Protection – inc PCI compliance	M	12
Economic Development Projects	H	30
EMU Warmth Grants sign off	N/A	5
Homelessness	M	12
Members Allowances / civic expenses	L	10
Private Sector Housing Grants	M	10
Property Rents	M	12
Refuse Collection Domestic	M	12
E.H Other Licences	M	10
Venues	M	20
<b>Total</b>		<b>194</b>
<b>Computer and IT Related</b>		
ICT Transformation Programme	H	12
Network Security / Disaster Recovery	H	15
New system Review / upgrades	N/A	10

<b>Total</b>		<b>37</b>
<b>Cross Cutting Issues</b>		
Corporate Governance and Annual Governance Statement	H	14
Health & Safety	M	12
Sickness absence / wellbeing	M	12
Procurement	H	15
Risk Management	M	8
<b>Total</b>		<b>61</b>
<b>Fraud and Corruption</b>		
National Fraud Initiative		5
Anti -Fraud & Corruption Strategy Review		3
<b>Total</b>		<b>8</b>
Apprenticeships / Training		30
Contingency/ Investigations/Emerging risks/ test schedule updates		35
Financial advice / working groups		25
Audit Committee / Client Officer Liaison		15
<b>Planned Total Days 2022/23</b>		<b>560</b>

## Reserve Areas

Leaseholders  
 Rechargeable Repairs  
 Innovation Centres  
 Sales of Land and Property  
 NNDR  
 Social Media  
 Bonus Scheme



# Audit Progress Report

Chesterfield Borough Council

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Standards and Audit Committee February 2023



1. Audit Progress
2. National publications

# 01

## Section 01: **Audit Progress**

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# 1. Audit progress

## **Purpose of this report**

This report provides the 15 February 2023 Standards and Audit Committee meeting with an update on progress in delivering our responsibilities as your external auditors. It also includes, at Section 2, a summary of recent national reports and publications for your information.

## **2020/21 Audit**

The National Audit Office has issued its auditor instructions for the 2020/21 Whole of Government Accounts process and we have now submitted the required auditor's return. NAO has not yet though communicated the arrangements for the sample of authorities where they require additional audit procedures to be carried out. The Audit Certificate will be issued, and the audit formally closed, when NAO has confirmed their requirements and any further requested work has been completed.

## **2021/22 Audit**

### ***Financial Statements audit***

We presented our Audit Completion Report to the Standards and Audit Committee in November. We reported that the audit was substantially complete but we were awaiting residual evidence and explanations from management to support valuation inputs and judgements by the Council's internal valuation expert on our samples selected for testing. These delays have continued and there are still outstanding queries with the Council's Valuer. We are hopeful of clearing any remaining points by the end of February 2023 but this remains dependent on the Valuer's response. There are no further matters to raise with Committee at this stage.

We will update the Committee at the February 2023 meeting on the current position and report the final results of our work in our Follow-up Letter which we will issue at the conclusion of the audit.

### ***Value for Money arrangements***

We reported our interim findings in our November 2022 report to the Committee and have continued to keep our risk assessment up to date. There have been no significant changes to our assessment of the Council's arrangements and there are no significant weaknesses or risks of significant weaknesses in the Council's arrangements that we need to bring to the Committee's attention. The Council's financial position, including the current year financial difficulties and challenging medium term outlook across the sector, continues to be an area of focus. We will update our assessment on this and the other criteria covered by the value for money commentary and set out our findings and conclusions in the Auditor's Annual Report which we expect to present to the Committee's next meeting.

# 1. Audit progress (continued)

## 2021/22 Audit (continued)

### *Assurance work*

We have been engaged by the Council to carry out the assurance reporting on the 2021/22 Housing Benefit Subsidy Assurance. This work is in progress and we expect to have reported our findings to DWP by the date of the Committee's meeting. There are no matters arising from the work carried out to date that we need to bring the Committee's attention. DLUHC has not yet issued its instructions for the assurance required on the Pooling of Housing Capital Receipts Return 2021/22 and the engagement for this work will be finalised when the Department's requirements have been confirmed.

## 2022/23 Audit

We are updating our risk assessments and completing our planning for the 2022/23 audit. Our planning and interim audits are due to be carried out in March 2023.

### *Financial Statements Audit*

At this stage we do not anticipate any significant changes in the scope of the financial statements audit opinion work, the approach, risk profile or timeline. There are some important learning points from the 2021/22 audit regarding the information provided to support the Council's property valuations which we will continue to discuss with management with view to avoiding a repetition of the problems encountered.

We have confirmed the requirements of the revised ISA 315 which applies to the Council's 2022/23 audit and underpins the work we are required to carry out to identify and assess the risks of material misstatement. This enhanced standard will require additional audit work and it is likely that we will need additional information and responses from the Council's management beyond those asked at previous audits. We have included a short summary of the key points from the revised ISA315 within Section 2 of this report. We will continue to liaise with management on the information required for our planning and interim audits and take the matters arising into account as part of our risk assessment.

We expect to present our formal 2023/23 Audit Strategy Memorandum to the Committee's next meeting and will continue to update members on progress.

### *Value for Money arrangements*

NAO has confirmed that there are no changes to their requirements for the auditor's value for money commentary on the Council's arrangements for 2022/23. Our assessment will continue to cover the Council's arrangements for:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We will build on the previous year's work and report our updated risk assessment, including our views on the latest Budget and Medium Term Financial Strategy, to the Committee in our formal 2022/23 Audit Strategy Memorandum.

## 2. Revised ISA 315

### Revised auditing standard for Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

*(Effective for audits of financial statements for periods beginning on or after December 15, 2021)*

ISA (UK) 315 (Revised 2019) introduces major changes to the auditor's risk identification and assessment approach, which are intended to drive a more focused response from auditors undertaking work to obtain sufficient appropriate audit evidence to address the risks of material misstatement. The main changes relevant to your audit are outlined below:

- **Enhanced risk identification and assessment**

The standard has enhanced the requirements for the auditor to understand the entity and its environment as well as the applicable financial reporting framework to identify the newly introduced inherent risk factors to drive risk identification and assessment (subjectivity, complexity, uncertainty, change, and susceptibility to misstatement due to management bias or fraud). Using these inherent risk factors, the auditor assesses inherent risk on the "spectrum of inherent risk", at which the higher end lies significant risks, to drive a more focused response to the identified risks. It should also be noticed that the standard requires the auditor to obtain sufficient, appropriate audit evidence from these risk identification and assessment procedures to form the basis of their risk assessment.

The standard also increases the focus on auditors identifying the assertions where the inherent risk lays. For clarity, we include a table of assertions:

Completeness	Is the balance complete?
Accuracy & valuation	Are transactions accurately recorded and assets and liabilities appropriately measured?
Classification	Is the balance classified correctly?
Occurrence	Did the transaction occur?
Existence	Does the item exist?
Rights & obligations	Does the entity own the item?
Cut-off	Is the item recorded in the correct financial year?
Presentation & disclosure	Is the item presented in the accounts appropriately?

## 2. Revised ISA 315

### Consideration of account balances and assessing inherent risks

Under the revised ISA 315 we will make an assessment of the inherent risks associated with the Council's transactions, balances and disclosures. We then determine whether each transaction, balance and disclosure is a 'significant account' (i.e. a significant class of transactions, balances and disclosures) and identify the assertions that are relevant. We then consider the controls the Council has in place and conclude whether or not we consider the audit risk associated to each item is significant, i.e. after taking into account the controls in place is there a significant risk of material misstatement in relation to the relevant assertion. In addition, the revised ISA requires auditors to document more closely the key business process associated with each significant account with a focus on the processes for how transactions are initiated, recorded, processed, and incorporated into the general ledger.

### Greater emphasis on IT

In response to constantly evolving business environments, the standard has placed an increased emphasis on the requirements for the auditor to gain an understanding of the entity's IT environment to better understand the possible risks within an entity's information systems. As a result, auditors are required to gain a greater understanding of the IT environment, including IT general controls (ITGCs). However, the standard acknowledges the fact that there is a need for scalability in gaining this understanding and provides more detailed guidance on how to approach the topic depending on the complexity of the commercial software and/or IT applications.

### Increased focus on controls

In addition to the above, the standard has also widened the scope of controls deemed relevant to the audit. Auditors are now required to increase their understanding of controls implemented by management, as well as assess the design and implementation of those controls, which include ITGCs.

### Impact on the audit of the Council

Our risk assessment procedures will be more granular than in the prior year and we will be seeking more information from the Council to ensure that we can document our detailed understanding of the Council and the environment that it operates in. This will build on the existing strong knowledge of the Council we already have in place from our previous years' audits. In documenting our risk assessment, we will need to input additional time to assess inherent risks of the spectrum that the auditing standard requires.

In terms of IT, we have established a good understanding of the Council's IT environment although we will need to update our assessment following the financial system changes in 2022/23. We will keep this under review as part of our planning and interim audits. We do not plan to test ITGCs as we have designed our approach to gain assurance from substantive testing, which in our view remains the most efficient approach to take.

# 02

## Section 02: **National publications**



# National publications

	Publication/update	Key points
<b>Financial Reporting Council (FRC)</b>		
1	FRC Major Local Audit Inspection Report	Outcome of the FRC inspection of audit quality from 2020/21 audits
<b>Chartered Institute of Public Finance and Accountability (CIPFA)</b>		
2	CIPFA : Audit Committees Practical Guidance for local authorities and police	Guidance and resources for audit committee members.
3	Insourcing in the Public Sector: A Practical Guide (2022 edition)	Guidance for practitioners
4	Update to the Code and Specifications for future Codes for Infrastructure Assets CIPFA Bulletin 12 Accounting for Infrastructure Assets Temporary Solution	An update to the 2021/22 Code, which also updates the 2022/23 Code and will apply to subsequent years until the 2024/25 Code. The bulletin covers the issues to be considered regarding the temporary solution set out in the Code update and the amended Regulations for the accounting and reporting issues relating to infrastructure assets
5	Integrating Care	CIPFA has published a report entitled, 'Integrating care: policy, principles and practice for places'.
<b>Public Audit Forum</b>		
6	Consultation responses to the revised Practice Note 10	The Public Audit Forum (PAF) oversees the development and publication of the Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom which was revised in 2022. PAF has now published the responses to the consultation and final draft amendments. These amendments were approved by the Financial Reporting Council in November 2022.
<b>National Audit Office (NAO)</b>		
7	Guide to Corporate Finance in the Public Sector	The guide uses insights from NAO stakeholder engagement and draws on NAO experience of auditing government interventions and corporate finance activities

# National publications

	Publication/update	Key points
8	Government Shared Services	The NAO published its report Government Shared Services which examines whether the government's latest Shared Services Strategy is on track to deliver.
9	Departmental Overview 2021-22	The NAO has produced an overview of the Department for Levelling up, Housing & Communities' (DLUHC's) spending and performance for 2021-22
<b>Public Sector Audit Appointments Ltd</b>		
10	Publication of the 2022/23 fee scale	External audit fees for 2022/23
11 Page 26	Directory of Auditor Appointments from 2023/24	Auditor appointments for PSAA opted-in bodies
	PSAA announces the number of audit opinions completed for the 2021/22 audits	PSAA has published this year's position on delayed audit opinions.
<b>Department for Levelling Up, Housing and Communities</b>		
13	Technical consultation on consequential changes to the homelessness legislation	This consultation aims to identify and understand the impacts these changes will have on the sector, to ensure local authorities can continue to deliver their homelessness duties effectively and give people the support they need.
14	Local government finance policy statement 2023-24 to 2024-25	The policy statement sets out the government's intentions for the local government finance settlement for the next 2 years.
15	The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022	These amended Regulations provide local authorities with the temporary statutory override option to allow them to progress and resolve any issues relating to their accounting for Infrastructure Assets.

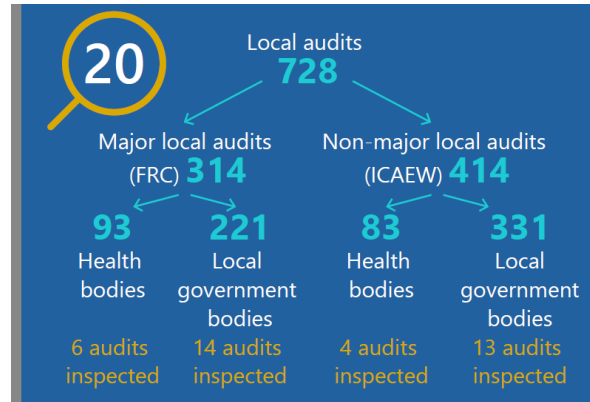
# NATIONAL PUBLICATIONS

## Financial Reporting Council

### 1. FRC Major Local Audit Inspection Report - October 2022

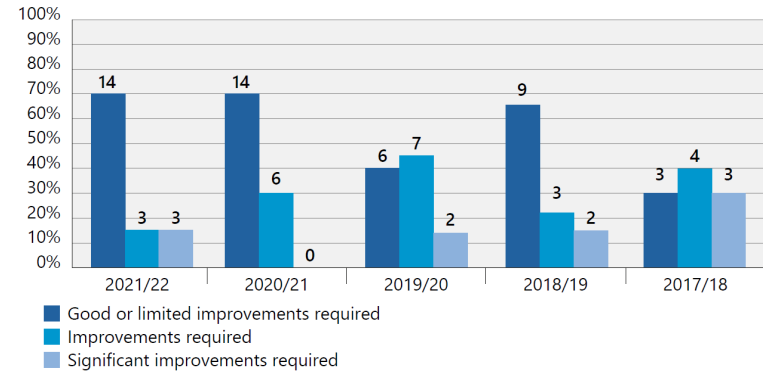
The FRC is responsible for monitoring the quality of the audits of the largest health and local government entities (called Major Local Audits or MLAs). They do this by annually inspecting a sample of MLAs from each of the audit firms who deliver this work. In their most recent publication, they reported on their review of 20 MLAs, three of which related to Mazars. The ICAEW also reviewed 17 non-MLAs (none from Mazars).

Page 27	Audit firms undertaking local audits	Number of major local audits (within scope of AQR inspection)	Market share %	Reviewed by AQR in 2021/22
	Grant Thornton UK LLP	125	39.8%	7
	Ernst & Young LLP	72	22.9%	4
	Mazars LLP	55	17.5%	3
	KPMG LLP	24	7.7%	2
	BDO LLP	21	6.7%	2
	Deloitte LLP	17	5.4%	2
	<b>Total</b>	<b>314</b>		<b>20</b>



Overall, the FRC found that the number of audits categorised as good or limited improvements required has remained consistent with the prior year. However, there was an increase in the number of audits assessed as requiring significant improvements and they deemed this as unacceptable.

All financial statement reviews – for the firms inspected



For Mazars, the FRC found that all 3 2021.22 files reviewed met the expected standards.

This was the second successive year of 100% compliance for Mazars.

Whilst the sample size is small and focused on the higher risk audits, these strong outcomes reflect the investment we have made in people, technical expertise, specialists (such as building an in-house valuation team) and strengthening our audit methodology. Maintaining and improving audit quality is a key objective of the firm and our investment will continue.

# NATIONAL PUBLICATIONS

## CIPFA

### **2. CIPFA : Audit Committees Practical Guidance for local authorities and police 2022 edition – October 2022**

The guidance and suite of publications (only available for those with a subscription) has separate guidance resources for audit committee members in authorities, members of police audit committees, and a supplement for those responsible for guiding the committee. New aspects include legislation changes in Wales and new expectations in England following the Redmond Review.

The link to the publication is here: <https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

### **3. Insourcing in the Public Sector: A Practical Guide (2022 edition), December 2022**

The guide is an information source for public bodies to help widen their understanding of insourcing and support internal discussion on whether services should be brought back in-house and, if so, how they should be brought back in. In recent times, several outsourced arrangements have failed due to poor quality and unreliability of providers. It is important to note that while insourcing does not require a public body to run a full procurement process, it still needs to follow a process and undertake key steps (for example, TUPE and asset transfer) and is equally reliant on the public body having expert and skilled personnel to manage this.

This practical guide will support public sector practitioners in understanding key areas to focus on when considering insourcing as part of future delivery models.

<https://www.cipfa.org/policy-and-guidance/publications/i/insourcing-in-the-public-sector-a-practical-guide-2022-edition>

# NATIONAL PUBLICATIONS

## CIPFA

### **4. Update to the Code and Specifications for future Codes for Infrastructure Assets (November 2022), and CIPFA Bulletin 12 Accounting for Infrastructure Assets Temporary Solution (January 2023)**

This November 2022 publication is an Update to the 2021/22 Code, but it also updates the 2022/23 Code and will apply to subsequent years until the 2024/25 Code, though these specifications will also be included in the 2023/24 and 2024/25 Codes for completeness. This Update to the Code and future specifications for the Code must therefore be considered against these editions of the Code, or where necessary earlier editions.

<https://www.cipfa.org/-/media/files/policy-and-guidance/cipfa-lasaac/ifrs-based-code-update-infrastructure-assets.pdf>

The January 2023 CIPFA Bulletin 12 provides further practical guidance and covers the issues to be considered regarding the temporary solution for the accounting and reporting issues relating to infrastructure assets. The Bulletin takes into account the matters set out in the amended regulations published in December 2022 (see item 15 later in this report). The objective of the bulletin is to provide guidance on the temporary solution for accounting for infrastructure assets, focussing on the reporting of the derecognition provisions where there is replacement expenditure and particularly for highways infrastructure assets

The temporary solution includes the Update to the Code and Specifications for Future Codes for Infrastructure Assets (Update to the Code) from 1 April 2021 to 31 March 2025 which features a temporary relief not to report gross cost and accumulated depreciation for infrastructure assets and the statutory prescriptions from England and Wales and Scotland

The Bulletin also includes guidance on accounting for the pattern of consumption of economic benefits and service potential i.e. depreciation.

The Bulletin includes guidance on materiality, an overview of different elements of the temporary solution, the accounting requirements for derecognition including the statutory prescription, the impact on accounting policies and the reporting requirements for disclosure of gross cost and accumulated depreciation.

<https://www.cipfa.org/policy-and-guidance/cipfa-bulletins/cipfa-bulletin-12-accounting-for-infrastructure-assets-temporary-solution>

### **5. CIPFA publishes integrating care report – December 2022**

CIPFA has published a report entitled, 'Integrating care: policy, principles and practice for places'. The report provides an overview of the changes since the Health and Care Act 2022 was introduced and discusses what integration is seeking to achieve. It considers the wider health and care landscape in the current climate and addresses the remaining challenges at place level.

The recommendations and case studies it contains are intended to influence the development of further policy and guidance by central government, and to provide support for practitioners at local level. The purpose of the report is to help health and local government partners to find effective solutions to the challenges of health and care integration.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/press-release-cipfa-publishes-integrating-care-report>

# NATIONAL PUBLICATIONS

## Public Audit Forum

### 6. Consultation on Practice Note 10 (Revised 2022): Summary of Responses and Proposed Amendments – December 2022

The consultation on the exposure draft of the 2022 revision of Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (PN 10) closed on 16 September 2022 and this document summarises the responses to the consultation and the amendments the Public Audit Forum (PAF) proposes to make to the final draft as a result.

Part 1 of PN 10 provides guidance on applying auditing, quality management and ethical standards in the public sector. It is important to consider potential changes to PN 10 in the context of PN 10's status as a Statement of Recommended Practice (SORP): a set of sector-driven recommendations on (in this case) auditing practices for the public sector which guide auditors on how to apply the underlying standards, including International Standards on Auditing (UK) (ISAs (UK)), in the specialised context of the public sector. The PAF has no role in determining the principles or requirements which are included in the ISAs (UK). The PAF also has no direct role in setting the financial reporting frameworks for public sector entities (although member bodies of the PAF maintain dialogue with the framework setters).

As set out in the summary of responses included in the report, respondents commented on a range of issues faced by auditors of public sector entities. By far the most-cited issue was the current situation in local audit in England and current delays in completing audits of local authorities. A number of respondents suggested various ways in which the consultation draft of PN 10 might be amended so as to ameliorate some of these issues by reducing the audit effort in particular areas. There were suggestions that the proposed changes to the guidance on applying ISA (UK) 320 Materiality in planning and performing an audit may have a significant impact on local auditors' approach to materiality judgements.

<https://www.public-audit-forum.org.uk/wp-content/uploads/2022/12/Practice-Note-10-Consultation-Response-2022.pdf>

# NATIONAL PUBLICATIONS

## National Audit Office

### 7. Guide to Corporate Finance in the Public Sector - September 2022

The NAO recently published a guide to corporate finance in the public sector. The guide uses insights from NAO stakeholder engagement and draws on NAO experience of auditing government interventions and corporate finance activities. It covers 14 themes over three core areas:

- Principles and concepts
- Organisations and functions
- Transactions

The interactive guide contains insights from 139 NAO reports and sets out key questions for senior decision-makers to consider when overseeing corporate finance activities. It may also be of interest to professionals supporting the government to deliver a range of transactions, including commercial investments, loans and guarantees. While not directly focussed on local public services the guide may be of interest to local auditors and audited bodies.

<https://www.nao.org.uk/insights/guide-to-corporate-finance-in-the-public-sector/>

### 8. Government shared services – November 2022

The NAO published its report Government Shared Services which examines whether the government's latest Shared Services Strategy is on track to deliver. It aims to answer the following questions:

- Has the government made progress since we last reported on shared services in 2016? (Part One)
- Are the right conditions in place for the government to deliver its proposed efficiencies and savings? (Part Two).
- Has the government put in place mitigating actions to address the future challenges it faces in delivering its strategy? (Part Three)

The report concludes the government's previous shared services strategies failed to deliver their intended cost savings and other benefits. Its new Shared Services Strategy is highly ambitious and, while most departments consider the cluster model a sensible approach, there are several fundamental elements yet to be put in place that are jeopardising the success of the strategy. For example, the Cabinet Office is still unclear on the extent of the benefits this programme can be expected to bring. It is difficult to judge what progress has been made on enablers such as process and data convergence.

The reports highlights concerns that these gaps cause uncertainty for departments and mean that the Cabinet Office will repeat past failures. The NAO, therefore, cannot conclude that this programme is on track to demonstrate value for money.

<https://www.nao.org.uk/reports/government-shared-services/#downloads>

# NATIONAL PUBLICATIONS

## National Audit Office

### 9. Departmental Overview 2021-22: Department for Levelling Up, Housing & Communities - December 2022

The NAO has produced an overview of the Department for Levelling up, Housing & Communities' (DLUHC's) spending and performance for 2021-22. DLUHC spends nearly £38 billion each year to support economic growth and housing across the country, in collaboration with local authorities. It has overall responsibility in central government for local authorities' funding. Along with other bodies, DLUHC oversees the core accountability system for local authorities.

The guide summarises the key information and insights that can be gained from the NAO's examinations of DLUHC and related bodies in the sector in England, and DLUHC's Annual Report and Accounts.

<https://www.nao.org.uk/overviews/departmental-overview-2021-22-department-for-levelling-up-housing-communities/>



# NATIONAL PUBLICATIONS

## Public Sector Audit Appointments Ltd

### 10. News release: Publication of the 2022/23 fee scale – November 2022

PSAA has published the 2022/23 audit fee scale following consultation. Information on the fee scale and consultation is available. Most audit work under this fee scale will be undertaken from April 2023 onwards.

The fee scale applies for the audit work to be undertaken by appointed auditors in respect of the 2022/23 financial statements at relevant principal authorities that have opted into PSAA's national auditor appointment arrangements for the period 2018/19 to 2022/23.

Auditors will undertake their work under the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office on behalf of the Comptroller and Auditor General, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

Under the Local Audit (Appointing Person) Regulations 2015, the 2022/23 fee scale must be published by 30 November 2022 and cannot be amended after that date. Any subsequent changes in national requirements or local circumstances relating to the 2022/23 audits will therefore be the subject of fee variations.

The 2022/23 fee scale is the last in the current appointing period which is under the 2017 audit contracts. New contracts will apply from the 2023/24 audit following a procurement during 2022. PSAA will consult on the fee scale for the 2023/24 audit in early autumn 2023.

<https://www.psa.co.uk/appointing-auditors-and-fees/list-of-auditor-appointments-and-scale-fees/2022-23-auditor-appointments-and-audit-fee-scale/>

### 11. Directory of Auditor Appointments from 2023/24 – December 2022

PSAA has published its Directory of Auditor Appointments from 2023/24 following the completion of the 2022 procurement. The Board agreed the appointments at its meeting on 16 December 2022.

<https://www.psa.co.uk/2023/01/directory-of-auditor-appointments-from-2023-24/>

# NATIONAL PUBLICATIONS

## Public Sector Audit Appointments Ltd

### 12. PSAA announces the number of audit opinions completed for the 2021/22 audits – December 2022

This year’s position on delayed audit opinions underscores the scale of the huge challenge that local audit is facing. At the publishing date of 30 November 2022, only 12% of local government bodies’ 2021/22 audit opinions have been given. Although this is slightly higher than last year’s 9%, this year’s publishing date is two months later than the 30 September target for delivery of 2020/21 opinions.

The table below highlights a comparison with previous years.

Year of Account	Publishing Date	Opinions given at the publishing date
2021/22	30 November 2022	12%
2020/21	30 September 2021	9%
2019/20	30 November 2020	45%
2018/19	31 July 2019	57%

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What makes the latest position increasingly alarming is that more than 220 opinions from prior years remain outstanding. As opinions have been given at fewer than 60 bodies for 2021/22, this means that a total of more than 630 opinions are currently late. This year the position has been made more difficult by uncertainties concerning the valuation of infrastructure assets, adding to significant ongoing challenges of recruiting and retaining sufficient staff with the requisite knowledge, skills and experience to both prepare and audit the accounts to the required standard.

<https://www.psa.co.uk/appointing-auditors-and-fees/list-of-auditor-appointments-and-scale-fees/2022-23-auditor-appointments-and-audit-fee-scale/>

# NATIONAL PUBLICATIONS

## Department for Levelling Up, Housing and Communities

### 13. Technical Consultation on Consequential changes to the homelessness legislation – December 2022

This consultation seeks views on the consequential amendments to homelessness legislation as a result of the Renters Reform Bill, namely, the removal of section 21 evictions, assured shorthold tenancies and fixed-term tenancies and aims to identify and understand the impacts these changes will have on the sector, to ensure local authorities can continue to deliver their homelessness duties effectively and give people the support they need.

The scope of the consultation is limited to responses on the legislative technical amendments. The majority of the amendments to the legislation are minor and, while the consultation is open to everyone, most responses are expected to be from local authorities and charities in the homelessness space.

The consultation will run for 7 weeks.

<https://www.gov.uk/government/consultations/technical-consultation-on-consequential-changes-to-the-homelessness-legislation/technical-consultation-on-consequential-changes-to-the-homelessness-legislation>

### 14. Local government finance policy statement 2023-24 to 2024-25 – December 2022

The local government finance policy statement sets out the government's intentions for the local government finance settlement for the next 2 years, providing councils with greater certainty on key aspects of their funding to inform their budget setting process and help them to plan for the future.

For the core settlement the Business Rates Multiplier for 2023-24 will be frozen at 49.9p and Revenue Support Grant (RSG) will increase in line with CPI.

For council tax the bespoke council tax referendum principle of up to 3% or £5, whichever is higher, for shire districts remains.

In respect of the remaining settlement grants, the Rural Services Delivery Grant will remain unchanged, in recognition of the inflationary pressures across the sector the Lower Tier Services Grant will be repurposed along with a proportion of the expired New Homes Bonus legacy payments to create a new one-off, funding guarantee. This will ensure that all authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves, and council tax levels. There will also be new rounds of New Homes Bonus (NHB) payments in 2023-24.

These proposals are subject to consultation which will last for 4 weeks from 19 December 2022 to 16 January 2023.

<https://www.gov.uk/government/publications/local-government-finance-policy-statement-2023-24-to-2024-25/local-government-finance-policy-statement-2023-24-to-2024-25>

# NATIONAL PUBLICATIONS

## Department for Levelling Up, Housing and Communities

### 15. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2022 – December 2022

These amended regulations came into force 25 December 2022. New regulation 30M (3) provides that where a local authority replaces a component of an infrastructure asset, the authority has a choice of how to identify the carrying amount to be derecognised in respect of that component (ie either a nil amount or to follow the Code). Regulation 30M applies to statements of accounts for financial years beginning on or before 1 April 2024, and to those statements of accounts that have not already been certified by a local auditor. The accompanying explanatory memorandum sets out the government's expectation in interpreting the statutory provision which is that where local authorities determine the carrying amount to be derecognised at nil value, no further evidence is required to support this. The government has indicated that 'determination' should be interpreted as a choice by an authority. As set out in the Local Government Act 2003 S.21 (3), where there is conflict between accounting practices specified in regulations and those in Code, the practices in regulations take precedent. The government has indicated that the intent of the Regulations and the Update to the Code is to mitigate the risks of further audit delays or the qualification of accounts due to issues relating to infrastructure assets, as described.

<https://www.legislation.gov.uk/uksi/2022/1232/introduction/made>

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## For publication

### Risk Management Strategy and Strategic Risk Register Review

<b>Meeting:</b>	Standards and Audit Committee
<b>Date:</b>	15.02.23
<b>Cabinet portfolio:</b>	Governance
<b>Directorate:</b>	Corporate
<b>For publication</b>	

#### 1.0 Purpose of the report

- 1.1 To provide an annual progress update report on the Risk Management activities during 2022/23. To also consider for full Council approval the amendments made to the Risk Management Strategy and note the latest version of the Strategic Risk Register.

#### 2.0 Recommendations

- 2.1 To note the progress made and new updates to the Council's risk management arrangements during 2022/23 including the enhanced oversight of risk management group and development of the directorate risk registers.
- 2.1 To recommend for Council approval of the amended Risk Management Strategy 2023 – 2027.
- 2.2 That the Strategic Risk Register revisions for 2023/24 are noted and that the Strategic Risk Register remains a 'live' document and is updated regularly via the Risk Management Group.

### **3.0 Reasons for recommendations**

- 3.1 To ensure the Council maintains an approved framework for the effective and systematic management of risk.

### **4.0 Report details**

#### **4.1 Risk Management Progress during 2022/23**

Key updates include:

- The Risk Management Strategy has had a full document review
- Improvements to information and access. The strategy and strategic risk register are available via aspire, the Council's intranet and via the Council's website
- Improved risk management timetabling to link in with Council Plan development and the Medium-Term Financial Plan
- The Corporate Risk Management Group continued to meet quarterly with an emphasis on horizon scanning, management of known risks and the updating of key documentation and process improvement
- Quarterly risk management updates were developed for portfolio holders and the Corporate Leadership Team
- Prioritisation for spend of the Zurich Risk Management Reserve and Risk Management budget will continue to use a risk-based approach
- Quarterly updates were completed to the Strategic Risk Register by the Corporate Risk Management Group. The Strategic Risk Register updates were also reported into the Corporate Leadership Team and Portfolio holders.
- An internal Audit of Risk Management arrangements has commenced as of January 2023

#### **4.2 Risk Management Strategy – overview and background**

The Risk Management Strategy for 2023 - 2027 is attached at Appendix 1. This strategy is a framework for the effective and systematic management of risk. This Strategy leads on from the previous one-year strategy 2022/23 considered by Scrutiny and Audit Committee on 16.02.22.

The Strategy enables effective risk management by:

- Supporting the achievement of the Council's vision and priorities
- Providing a consistent approach to managing risk
- Establishing and embedding effective risk management processes to inform good decision making and business planning
- Protecting the Council and our communities from known, foreseeable and anticipated risks

- 4.3 The strategy includes examples of key strategic and operational risks and how applying a consistent approach across the Council enables risks to be



effectively identified and managed. Where necessary the risks can then be treated and or escalated.

- 4.4 Included within the strategy are clear roles and responsibilities definitions, with the Corporate Risk Management Group (accountable to the Corporate Leadership Team) being the “driving force” behind maintaining and continuing to improve risk management arrangements and ensuring compliance with the Risk Management Strategy. What remains important is that all key stakeholders are informed at the earliest opportunity about any changes to or when new risks are identified. For example. New planned projects. A key principle is that risk needs to be addressed at the point at which decisions are being taken. The Risk Management Strategy and work of the Corporate Risk Management Group ensures that risk management is a priority consideration with an emphasis on risks being owned and managed.
- 4.5 Risk identification, appetite and treatment approaches continue to be included within the strategy document. There is clear links to other plans and activities including Emergency Planning and Business Continuity. In terms of training, risk management training is mandatory for all managers and is delivered via Aspire learning. Managers are responsible for cascading risk information and discussing risk with their teams.
- 4.6 The Corporate Risk Management Group will continue to produce quarterly updates for Portfolio holders and the Corporate Leadership Team to raise awareness and enable challenge of risk management activity. Standards and Audit Committee will receive a monitoring report once per annum and Council once per annum.
- 4.7 Risk Management Strategy reviews are now proposed to be every four years and co-ordinated and in sync with the development of the Council Plan and associated delivery plans and the Medium-Term Financial Plan.
- 4.8 Updated Strategic Risk Register – overview and background

The Corporate Risk Management Group have reviewed the Council’s Strategic Risk Register periodically throughout the year utilising a variety of information, data and techniques including:

- Risks escalated via Directorate Risk Registers
- Any new learning from periodic Internal Audit and External Audit reports
- Annual Governance Statement
- Horizon scanning to consider emerging or changing legislative, emergency planning/ business continuity, economic, environmental, technological, insurance and health and safety factors

- 4.9 The Strategic Risk Register summary (Appendix 2) and Strategic Risk Register (Appendix 3) are a reflection of the current risk profiles. The strategic risk register is a live document and will be continuing to reflect risks as their ratings change. Please note, within Appendix 2 a new ‘direction of travel’

column has been added. This is to help provide a summarised assessment where the current assessment is for each strategic risk. There are three categories. Improving, meaning the risk is moving towards an improving picture and the current risk has reduced. No change, means the risk has remained overall consistent. Thirdly, Deteriorated, where the risk as worsened due to new learning and changes to the factors contributing to the strategic risk. There are opportunities built in for escalation and further discussion and action via monitoring and management arrangements with the Corporate Leadership Team, Cabinet portfolio holders and Standards and Audit Committee.

## **5.0 Alternative options**

- 5.1 The committee could choose to retain the current strategy document and arrangements which would not be aligned to other Council strategy documents and review cycles. Updates and proposed changes reflecting the learning so far are now reflected in the revised Risk Management Strategy and Strategic Risk Register.

## **6.0 Implications for consideration – Financial and value for money**

- 6.1 The Council transfers funds during the year to maintain a £5k balance on the Risk Management Reserve which is managed by the Corporate Risk Management Group. This reserve can be used on priority risk management activities which contribute towards preparing for or mitigating key risks.
- 6.2 As part of our insurance contract with Zurich, £2,500 per annum is held by Zurich in a risk management reserve for us to spend on risk related products with Zurich. Previous activities have included risk management training.
- 6.3 Decisions on budget spend for these two small funding pots is delegated to the Corporate Risk Management Group.

## **7.0 Implications for consideration – Legal**

- 7.1 A key element of the risk management process is ensuring measures are in place for legislative compliance across functions and activities. Legal and legislative considerations are on every agenda of the Corporate Risk Management Group to inform the Risk Management Strategy, Strategic Risk Register and Directorate Risk Registers.

## **8.0 Implications for consideration – Human resources**

- 8.1 The Strategic Health, Safety and Risk Manager started in post January 2022, they have continued to help maintained, review and make continuous improvements to the risk management arrangements. The Strategic Health, Safety and Risk Manager has operational responsibility for risk management.

8.2 The membership of the Corporate Risk Management Group has been reviewed to ensure appropriate officer and member representation.

### **9.0 Implications for consideration – Council plan**

9.1 The Risk Management Strategy and Strategic Risk Register underpin and inform the development and delivery of the Council Plan priorities.

### **10.0 Implications for consideration – Climate change**

10.1 Climate Change remains a strategic risk within the Strategic Risk Register, identifying a range of mitigation activity taking place across the Council and where there are further measures to be developed.

## 11.0 Implications for consideration – Equality and diversity

11.1 Equality analysis was undertaken as part of the development of the strategy. No negative impacts have been identified in relation to protected characteristics.

## 12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Failure to accurately identify and assess key strategic risks.	H	M	<ul style="list-style-type: none"> <li>• Risk Management Strategy in place.</li> <li>• SHSRM role added new resource to this area.</li> <li>• Corporate Risk Management Group draw on a variety of information sources and horizon scanning techniques to identify and assess existing and emerging risks</li> <li>• Feed-up and down and across opportunities from Directorate and Strategic Risk Registers</li> <li>• Risk management training</li> <li>• Service reshape options are currently being considered to strengthen overall approach to health, safety, risk and emergency planning liaison</li> </ul>	M	L
Failure to deliver on key mitigation activity for key strategic risks.	H	M	<ul style="list-style-type: none"> <li>• Health, safety and risk team restructure, to build further resilience</li> <li>• Regular review at Corporate Risk Management Group</li> <li>• Monitoring and oversight arrangements developed with Corporate Leadership Team, Portfolio holders, Standards and Audit and Council</li> <li>• Internal Audits of Risk Management</li> <li>• Risk Management identified as a consideration for decision making reports and projects/programmes</li> </ul>	M	M
Failure to identify and manage project risks	H	H	<ul style="list-style-type: none"> <li>• Significant directorate risk register review underway (new template).</li> <li>• SHSRM awareness of key projects, sitting on project teams</li> <li>• Project risk registers</li> </ul>	M	H

### Decision information

<b>Key decision number</b>	<b>1127</b>
<b>Wards affected</b>	<b>All</b>

### Document information

<b>Report author</b>
Grant Ilett - Strategic Health Safety and Risk Manager
<b>Background documents</b>
These are unpublished works which have been relied on to a material extent when the report was prepared.
None
<b>Appendices to the report</b>
Appendix 1 – Risk Management Strategy
Appendix 2 – Strategic Risk Register Summary
Appendix 3 – Strategic Risk Register

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# Risk Management Strategy

Owner: Risk Management Group

Date: February 2023

Review by: February 2027

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## **EXECUTIVE SUMMARY**

This strategy establishes a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council.

Effective risk management will:



- Support the achievement of our Vision 'putting our communities first' and our three priorities: making Chesterfield a thriving borough, improving quality of life for local people and providing value for money services
- Provide a consistent approach to managing risk
- Inform decision making and business planning
- Protect the Council and the communities we serve

Within the strategy we have provided examples of key strategic, operational and governance risks and how applying a consistent approach across the Council enables risks to be escalated where necessary and risks at all levels to be effectively identified and managed.

Roles and responsibilities have been clearly defined, with the Corporate Risk Management Group (accountable to the Corporate Leadership Team) being the "driving force" behind maintaining the full implementation of the Risk Management Strategy. A key principle is that risk needs to be addressed at the point at which decisions are being taken. The Risk Management Strategy and work of the Corporate Risk Management Group ensures that this principle is kept in sharp focus at all times with an emphasis on all reasonable steps being taken to ensure decision makers can fully consider the risks involved in a decision.


Risk identification, appetite and treatment approaches have been developed alongside clear links to other plans and activities including Emergency Planning and Business Continuity. A commitment is also made that all managers will undertake risk management training via Aspire Learning (e-learning) and that additional learning and development requirements for more in-depth issues will be identified via the Corporate Risk Management Group.

The Corporate Risk Management Group will develop quarterly updates for Portfolio holders and the Corporate Leadership Team to raise awareness and enable challenge of risk management activity. Standards and Audit Committee will receive a monitoring report once per annum, and additional reports if required and Council once per annum (as part of the annual review).

## **SECTION 1: Introduction, purpose and aims**

### **1.1 Introduction**

The effective management of risk is an important principle for all businesses to properly address. For local authorities such as Chesterfield Borough Council, managing risk is a key element of our Corporate Governance responsibilities. This risk management strategy seeks to promote the identification, assessment and



response to key risks that may adversely impact upon the achievement of the Council's stated aims and objectives. It also seeks to maximise the rewards that can be gained through effectively managing risk.

To comply with the Corporate Governance requirements the Council must ensure that its procedures are sufficiently formalised and reviewed at regular intervals to identify areas for improvement. This strategy provides clarity regarding the current arrangements for managing risk and to further embed risk management within the thinking of all Council officers and Members.

## 1.2 Purpose

The purpose of this Risk Management Strategy is to establish a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council and makes a real contribution to the achievement of the Council's vision and priorities as described in the Council Plan.

The objectives of the strategy are to:

- Define what risk management is about and what drives risk management within the Council
- Set out the benefits of risk management and our strategic approach
- Outline how the strategy is implemented
- Identify relevant roles and responsibilities for risk management within the Council

Effective risk management will require an iterative process of identification, analysis and prioritisation, action, monitoring and reporting of material risk.

The processes required to deliver these objectives will need to ensure:

- A clear vision, priorities and values identified via the Council Plan and delivery plans and feeding into business planning and project management via the organisational development approach
- Requirement to analyse, prioritise, respond to and monitor material and significant risks including effective reporting and challenge
- Specification of key risk management roles and responsibilities
- Specification of guidance and support arrangements to assist officers in their consideration of risk
- Facilitation of shared organisational intelligence and learning

### 1.3 **Risk management strategy aims**

The following risk management aims have been identified:

- Ensure that risk management is an integral part of corporate and service planning, decision making and project management
- Enables the Council to deliver its priorities and services economically, efficiently and effectively
- Protect the Council's position when entering into new partnerships and/or evaluating existing partnerships.
- Align risk management and performance management to drive improvement and achieve better outcomes
- Guard against impropriety, malpractice, waste and poor value for money
- That appropriate training and guidance is available to officers and members
- Ensure compliance with legislation, such as that covering the environment, health and safety, employment practice, equalities and human rights
- Increase awareness and visibility of different types risk including financial, reputational, environmental, technological, health and safety etc.
- Exploring opportunities and options such as new collaborations, approaches, emerging practices
- To have a performance framework that continues to allow managers to proactively track performance and assess and mitigate risk

We recognise that it is not always possible, nor desirable, to eliminate risk entirely. However, visibility of these areas is essential, so that the Council can explore external options, such as insurance.

# SECTION 2: Scope and definitions

## 2.1 Strategy scope

Risk includes anything which may prevent the Council from achieving its vision, priorities and service delivery and risk management is the process of identifying what can go wrong and then seeking to mitigate the risk and/or could be an opportunity and seeking to trying to take advantage of it. Risks will be managed through a series of activities including:

- Strategic risk tolerance through the application of our risk scoring mechanism within the strategic risk register, strategies, plans, emergency planning / business continuity and decision making
- At an operational level via service risk registers, business continuity, service and project delivery and effective performance management arrangements
- Good corporate governance provisions as provided by the Standards and Audit Committee's terms of reference
- Incorporated into the Council's Annual Governance Statement
- Examination of the strategic and insurable risks to identify risk reduction measures via the Risk Management Group
- Provide risk assessment evidence for decision making processes via inclusion within committee reports
- Maintain documented procedures and guidance for use across the Council by application of the risk register process and user advice
- Provide officers with suitable information and training to enable them to perform their duty (Risk Management Group).
- Make all partners, providers and contractors aware of the Council's expectations on risk, both generally as set out in the Risk Management Strategy, and where necessary, in particular areas of service delivery

## 2.2 Key definitions

**Risk** – A threat that an event or action will adversely affect the Council's ability to achieve its vision, priorities, perform its duties or meet expectations of its stakeholders.

**Risk management** - Risk is unavoidable, organisations must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the organisation's objectives. It is measured in terms of impact and likelihood.

A glossary of risk management terms and definitions is attached at appendix 2.

## **Section 3: The benefits of risk management**

### **3.1 Why we want to and need to undertake risk management**

Risk management will, by adding to the business planning and performance management processes, strengthen the ability of the Council to achieve its vision and priorities and enhance the value of the services we provide.

The Chartered Institute of Public Finance and Accountancy (CIPFA)/ Society of Local Authority Chief Executives (SOLACE) framework on Strategic Governance requires the Council to make a public assurance statement annually, on amongst other areas, the Council's Risk Management Strategy, process and framework. The framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk.

### **3.2 Benefits of risk management**

Successful application of risk management has many organisational benefits including:

- Achievement of the Council's vision and priorities
- A consistent approach to the way risks are managed throughout the Council
- Improved informed decision making – risks reported and considered within Council decision making
- Becoming less risk averse in innovation
- Improved business planning through a risk-based decision making processes
- A focus on outcomes and not processes
- Improved performance (accountability and prioritisation) - feeds into performance management framework
- Better governance and demonstration of it to stakeholders
- Protecting the Council and our communities

### 3.3 Risk management within decision making

Effective risk management should be applied within all decision making processes at an appropriate scale. The risk management approach should encompass all types of risks and the table below may aid in the identification of risks to the Council.

Sources of risk	Risk examples
<b>STRATEGIC</b>	
<b>Infrastructure</b>	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
<b>Legislative and Regulatory</b>	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors) and other enforcement agencies.
<b>Social Factors</b>	Effects of changes in demographic profiles (age, race, social makeup etc.) affecting delivery of objectives. Crime statistics and trends. Numbers of children/vulnerable adults 'at risk'. The potential affects on community cohesion.
<b>Technological</b>	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
<b>Competition and Markets</b>	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users (leisure, car parks etc). Success or failure in securing funding.
<b>Stakeholder related factors</b>	Satisfaction of the Council's taxpayers, Central Government and other stakeholders.
<b>Political</b>	Local or national political issues that may impact on the Council meeting its objectives
<b>Economic</b>	Affecting the ability of the Council to achieve its commitments. Potential fines and costs associated with prosecutions and other legal action.
<b>Environmental</b>	Environmental impact from Council, stakeholder activities (e.g. pollution, energy efficiency, recycling, emissions, contaminated land etc). Traffic problems and congestion.
<b>OPERATIONAL (Internal influences)</b>	
<b>Finance</b>	Associated with accounting and reporting, internal financial delegation and control, managing revenue and capital resources, funding taxation and pensions.
<b>Human Resources</b>	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health, safety and welfare of officers and others. Loss of corporate knowledge and single points of failure (for critical functions)
<b>Contracts and Partnership</b>	Failure of contractors to deliver services or products to the agreed cost and specification. Procurement, contract and life cycle management, legacy. Partnership arrangements, roles and responsibilities.
<b>Tangible Assets</b>	Safety and maintenance of buildings and physical assets i.e. plant and equipment owned, hired or leased, ICT equipment and control.

<b>Environmental</b>	Pollution, noise, licensing, radiation sources, energy efficiency, of day-to-day activities and decarbonisation targets.
<b>Processes</b>	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc.
<b>Legal</b>	Relating to potential breaches of legislation and monitoring officer role
<b>Physical</b>	Related to physical damage, security, accident and incident reporting, investigation and prevention activity. Health and safety
<b>Professional Judgement and Activities</b>	Risks inherent in professional work, designing buildings, assessing needs (children and adults). Awareness of single points of failure.

Sources of risk	Risk examples
<b>CORPORATE GOVERNANCE</b>	
<b>Integrity</b>	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
<b>Leadership</b>	Reputation, authority, democratic changes, trust and branding.
<b>Policy and Strategy</b>	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
<b>Data and information for decision making</b>	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery.
<b>Risk Management</b>	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

### 3.4 A consistent approach

A consistent approach for all levels of the Council enables risks to be escalated where necessary and strategic risks to be effectively identified and managed. In practice, risks within the Council exist at many different levels (e.g., high level strategic risks to lower level everyday service based risks). For the purpose of this strategy, risks are split into two levels as follows:

**Strategic Risk Register** – the strategic, high level council risks related specifically to the achievement of the Councils vision, priorities and purpose.

**Operational Risks** – service based risks within directorates that may prevent individual service aims and objectives being met (and therefore impact upon the attainment of corporate priorities). Given the changing landscape of local government the importance of projects and partnerships are ever increasing, a specific and tailored risk management approach is required.

The Council’s risk matrix and scores are attached at Appendix 1.

## **Section 4: Roles and responsibilities**

- 4.1 In cases of operational risk, risk management will follow existing service management arrangements. Corporate risks will be managed at senior officer level. The corporate Risk Management Group will be accountable to the Corporate Leadership Team and will be the “driving force” behind maintaining the full implementation of the Risk Management Strategy. The Corporate Risk Management Group Terms of Reference are attached at Appendix 3.
- 4.2 Risk needs to be addressed at the point at which decisions are being taken. Where members and officers are asked to make decisions, they should be advised of the risks associated with recommendations being made. The Council needs to be able to demonstrate that it took reasonable steps to consider the risks involved in a decision. Risks must be addressed within Committee reports. In order to ensure the successful implementation of the strategy, roles and responsibilities have been reviewed and are updated in the following table:



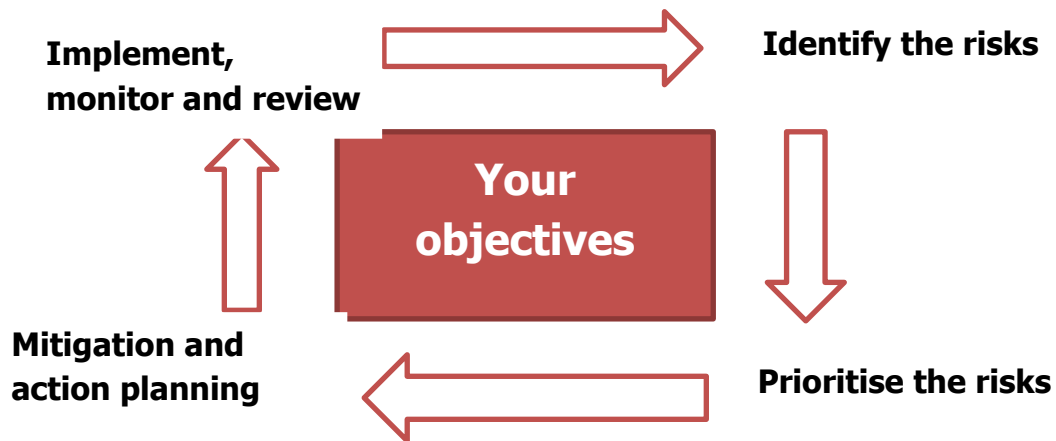
<b>Group</b>	<b>Roles &amp; Responsibilities</b>
<b>Full Council</b>	<ul style="list-style-type: none"> <li>• Formal approval and adoption of changes to the Risk Management Strategy</li> <li>• Periodically approve Strategic Risk Register reviews (not exceeding 1 year intervals)</li> <li>• Contribute to the identification of strategic risks</li> </ul>
<b>Standards &amp; Audit Committee</b>	<ul style="list-style-type: none"> <li>• To review the effectiveness of the Risk Management arrangements</li> <li>• To review and endorse the Risk Management Strategy prior to Council consideration</li> <li>• To receive periodic monitoring reports</li> <li>• Receive reports including the annual statement of Internal Control/external audit reports/effectiveness of internal audit</li> <li>• Contribute to the identification of strategic risks</li> </ul>
<b>Cabinet and committees</b>	<ul style="list-style-type: none"> <li>• To ensure that risk management is a key consideration in decision making reports</li> <li>• Contribute to the identification of strategic risks</li> </ul>
<b>Corporate Leadership Team</b>	<ul style="list-style-type: none"> <li>• Overall responsibility for implementing the risk management framework and embedding risk management throughout the Council</li> <li>• Address strategic issues that cannot be addressed within service budgets or risk management fund of an extreme or high assessment</li> <li>• To ensure that risk management is a key consideration in decision making</li> <li>• Receive and challenge quarterly updates from the Corporate Risk Management Group</li> <li>• Contribute to the identification of strategic risks and co-ordinate Directorate risk registers</li> <li>• To brief the Strategic Health, Safety and Risk Manager on CLT decisions that affect both the strategic and operational risk profiles.</li> <li>• To ensure the Strategic Health, Safety and Risk Manager has sight of relevant committee reports to provide commentary on risk management considerations.</li> </ul>
<b>Portfolio holders</b>	<ul style="list-style-type: none"> <li>• Receive and challenge quarterly updates from the Corporate Risk Management Group</li> <li>• Contribute to the identification of strategic risks</li> </ul>

<b>Group</b>	<b>Roles &amp; Responsibilities</b>
<b>Corporate Risk Management Group (CRMG)</b>	<ul style="list-style-type: none"> <li>• Overall responsibility for ensuring that processes are in place to effectively manage risks within the Council</li> <li>• Continually seek to increase awareness of risk management across the Council</li> <li>• Develop the Risk Management Strategy, Strategic Risk Register and monitoring reports</li> <li>• Horizon scanning and identification of emerging risk areas</li> <li>• Identify and commission task and finish groups where appropriate</li> <li>• Review Directorate risk registers</li> <li>• Review Insurance claims analysis in order to identify ways of reducing or eliminating future claims</li> <li>• Identify good practice and shared learning (both internal and external)</li> <li>• Approve the use of the Risk Management budget and training days</li> <li>• Arranging and providing risk management training as appropriate</li> </ul>
<b>Service Managers (Tier 4)</b>	<ul style="list-style-type: none"> <li>• Ensure that risk management is incorporated into service plans and project plans</li> <li>• Ensure regular review of Service Risk Registers (quarterly)</li> <li>• Review risk treatment schedules as identified by the line managers and team leaders</li> <li>• Review risk action plans and ensure they are implemented</li> <li>• Contribute towards the identification and management of operational risks for their service</li> <li>• Ensure that risks which have been identified are addressed and mitigated and that any high risks are addressed urgently</li> <li>• To provide annual assurance on the effectiveness of controls in place to identify and mitigate risks within their service through the annual service planning process</li> <li>• To maintain awareness of and promote effective risk management techniques (incl. awareness of the strategy and policy) to all relevant staff</li> <li>• Ensure that risk issues are highlighted in decision making reports Where appropriate in consultation with the Strategic Health, Safety and Risk Manager</li> </ul>

<b>Group</b>	<b>Roles &amp; Responsibilities</b>
<b>Line Managers and team leaders</b>	<ul style="list-style-type: none"> <li>• Identify and analyse risks</li> <li>• Undertake assessments at service level</li> <li>• Evaluate risk/perform risk assessment</li> <li>• Prepare risk treatment action plans</li> <li>• Support the development and review of service, directorate and strategic risk registers</li> </ul>
<b>All employees</b>	<ul style="list-style-type: none"> <li>• Manage risk effectively in their job and report opportunities and risks to their service manager</li> <li>• Participate in risk assessment and action planning where appropriate</li> <li>• Adhere to Council policies and procedures</li> <li>• Attend training and development sessions as appropriate</li> </ul>
<b>Project managers</b>	<ul style="list-style-type: none"> <li>• Project leaders have a responsibility to ensure that the risks associated with their projects are identified, recorded and regularly reviewed as part of the project management process</li> <li>• Risk to be a key part of project applications and decisions</li> <li>• That risks are identified on directorate risk registers where appropriate to ensure wider awareness and senior oversight</li> </ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>• Audit the risk management process</li> <li>• Assess the adequacy of the mechanisms for identifying, analysing and mitigating key risks</li> <li>• Provide assurance to senior officers and members on the effectiveness of controls</li> <li>• Use the strategic risk register and relevant operational risks to drive the Internal Audit Plan to ensure resources are used on the areas of highest risk and where the need for assurance is greatest</li> </ul>

## Section 5: Risk Management Process

5.1 The risk management process is the same for the management of both strategic and operational risks. The process comprises of the following four basic steps; these are indicated in the diagram below and should be driven by the Council's objectives.



### Risk identification and risk appetite

At the strategic level, risks may be addressed by a variety of means. These include and having identified a risk there are four basic choices about how to deal with it – the 4T's:

**Treat** the risk (i.e. do something about it)

**Tolerate** the risk – (i.e. accept it as it is)

**Transfer** the risk – (i.e. pass it to someone else, for example insurance)

**Terminate** the risk – (i.e. cease the activity that gives rise to the risk)

### Risk Treatment

The most important part of the risk process is the resulting decisions and actions. This is an important focus of the Council. Risk analysis will identify actions required as well as target deadlines. However, overall responsibility for progress falls to the risk owner.

There are four basic ways of treating an opportunity, which are:

**Enhance** – seek to increase the likelihood and/or the impact of the opportunity in order to maximise the benefit;

**Ignore** – minor opportunities can be ignored by adopting a reactive approach without taking any explicit actions;

**Share** – seek a partner/stakeholder able to manage the opportunity, which can maximise the likelihood of it happening and increase the potential benefits;

**Exploit** – seek to make the opportunity definitely happen by adopting aggressive measures to ensure the benefits from the opportunity are realised.

Where risk control or reduction is required, focus should be given to both the impact and the likelihood of the risk. All actions should be taken within the context of the likely cost of the actions required to reduce the risk. The anticipated level of risk the Council is prepared to accept taking into account the implementation of the actions identified is shown as the Target Risk. This Target Risk will vary depending upon the risk appetite.

## Section 6: Links to emergency planning and business continuity

- 6.1 There is a key link between risk management, emergency planning and business continuity which is vital to their success. While linked they are however different.

**Risk management** is about trying to identify and manage those risks which are more than likely to occur and where the impact on the Council's objectives can be critical or even catastrophic.

**Business continuity management** is about trying to identify and put in place measures to protect the priority (or critical) functions against catastrophic risks that can stop the organisation in its tracks. There are some areas of overlap e.g. where the I.T infrastructure is not robust then this will feature as part of the organisation risk assessment and also be factored into the business continuity plans. Further information about business continuity and our plans is available via the Council's aspire intranet.

**Emergency planning** is about managing those incidents that can impact on the Council's services and wider community (in some cases they could also be a business continuity issue) e.g. a plane crash is an emergency, it becomes a continuity event if it crashes into a Council premise. Further information about emergency planning and our plans is available via the Council's aspire intranet.

## **Section 7: Communication and training**

- 7.1 The latest version of the Risk Management Strategy will be available via aspire intranet and Council Website. Periodic messages will be circulated via the managers e-bulletin to enable cascade via team meetings.
- 7.2 Risk management should be a regular item at Directorate Management Team meetings and team meetings to ensure that all employees can contribute to risk management and that risk can be managed at the most appropriate level.
- 7.3 Risk management training is mandatory for all managers and is delivered via Aspire learning. Additional more in-depth modules and in some cases external courses will also be available where appropriate. The Corporate Risk Management Group can make recommendations around additional learning and development requirements to ensure officers are sufficiently confident to undertake the process of risk identification, controls and monitoring within their service areas.

## **Section 8: Monitoring and review**

- 8.1 The Corporate Risk Management Group will develop quarterly updates for Portfolio holders and the Corporate Leadership Team to raise awareness and enable challenge of risk management activity.
- 8.2 Standards and Audit Committee will receive a monitoring report once per annum and Council once per annum.
- 8.3 The Risk Management Strategy will have a review cycle of every four years. This can be sooner if a significant change is needed prior to the review date.

## Appendix 1 – Risk Matrix

A Risk Matrix is used to assess risks in terms of their likelihood of occurring and the impact they could have. The scores for each factor (likelihood and impact) are plotted on a matrix (see below) to identify those that require management action i.e. focus on the 'red' area. The objective is to devise mitigating actions that will reduce the risk and ideally move the assessment into a safer area of the matrix (green or amber).

**Total Risk Score** = Likelihood x Impact. Rating: 0-8 **Green**, 9-14 **Amber**, 15+ **Red**

### Risk Likelihood

Score 1 – Highly unlikely	Score 2 – Unlikely	Score 3 – Possible	Score 4 – Likely	Score 5 – Very Likely
Previous experience at this or other similar organisations make this outcome highly unlikely to occur.	Previous experience discounts this risk as being unlikely to occur but other organisations have experienced problems.	The Council has in the past experienced problems but not in the past three years.	The Council has experienced problems within the past three years.	The Council is currently experiencing problems or expects to within the next 12 months.

### Risk Impact

Risk Impact	Score 1 – Negligible	Score 2 – Low	Score 3 – Medium	Score 4 – High	Score 5 – Very High
<b>Priorities</b>	No impact on the delivery of the Council's priorities.	It may cost more or delay in delivery of one of the Council's priorities	A number of Council priorities would be delayed or not delivered	The majority of Council priorities would be delayed or not delivered	Unable to deliver all Council priorities
<b>Financial</b>	Less than £5k	Less than £25k	Less than £100k	Less than £500k	More than £500k
<b>Service</b>	No disruption	Some temporary disruption of activities in one service area.	Regular disruption to activities in one of more service areas.	Severe service disruption or regular disruption affecting more than one service.	Severe disruption to the activities of all Council services.
<b>Information</b>	None	Minor – no personal details compromised	Isolated, personal details compromised	Across several services – personal details compromised	Severe personal details compromised
<b>Public engagement and reputation</b>	No loss of trust with the council and no media attention.	Some loss of confidence and trust with some local media attention.	A general loss of confidence and trust and adverse media coverage.	Major loss of trust and confidence and adverse national media coverage.	Severe loss of trust and confidence and adverse extensive media coverage – national

## Risk scoring matrix

<b>likelihood</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>
	<b>4</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>16</b>	<b>20</b>
	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>15</b>
	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>
	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Impact</b>						

## Appendix 2 – Glossary

<b>Risk</b>	Risk can be defined as a threat that an event or action will adversely affect the Council's ability to achieve its objectives, perform its duties or meet expectations of its stakeholders.
<b>Hazard</b>	Anything that has the potential to cause harm.
<b>Risk Management</b>	Risk is unavoidable, organisations' must manage risk in a way that can be justified to a level which is tolerable and as a result, risk is the chance that an event will occur that will impact upon the organisation's objectives. It is measured in terms of consequence and likelihood.
<b>Assessing risks</b>	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Councils objectives.
<b>Contingency</b>	An action or arrangement that can be put in place to minimise the impact of a risk if it should occur.
<b>Control (control measures)</b>	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
<b>Corporate Governance</b>	Set of internal controls, processes, policies, affecting the way the Council is directed, administered or controlled.
<b>Service risk</b>	Significant operational risks which affect the day-to-day activities of the council.
<b>Identifying risks</b>	The process by which events that could affect the achievement of the Council's objectives, are drawn out and listed.
<b>Risk Prioritisation</b>	Risk prioritisation is the process used to evaluate the hazard/ risk and to determine whether precautions are adequate or more should be done. The risk is compared against predetermined acceptable levels of risk.

**Appendix 2 continues on page 19**



## Appendix 2. Glossary: continued.....

<b>Impact</b>	The effect that a risk would have if it occurs.
<b>Issue</b>	An event or concern that has occurred or is taking place and needs to be addressed (as opposed to a risk which has not yet, or might not, occur).
<b>Consequence</b>	A measure of the impact that the predicted harm, loss or damage would have on the people, property or objectives affected.
<b>Likelihood</b>	A measure of the probability that the predicted harm, loss or damage will occur
<b>Risk Treatment</b>	The action(s) taken to remove or reduce risks
<b>Key Risk Driver</b>	Describes the type of risk and what the value of that potential risk is likely to be.
<b>Raw Risk</b>	Worst case scenario – without intervention
<b>Current risk</b>	Current assessment of risk having considered controls already in place to mitigate the risk
<b>Target risk</b>	The best position the Council can get to when all mitigating measures are applied.
<b>Managing and controlling risks</b>	Developing and putting in place actions and control measures to treat or manage a risk.
<b>Control</b>	The control of risk involves taking steps to reduce the risk from occurring such as application of policies or procedures.
<b>Mitigation (Plan)</b>	A strategy that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.
<b>Objective</b>	Something to work towards – goal.
<b>Operational risk</b>	Risks arising from the day to day issues that the Council might face as it delivers its services.
<b>Overall risk score</b>	The score used to prioritise risks – impact multiplied by likelihood.
<b>Risk Assessment</b>	Analysis undertaken by management when planning a new process or changing an existing procedure to identify risks that may occur, their potential impact and likelihood of occurrence. It will also identify the controls needed to control the risk and who is responsible for this.
<b>Risk Register</b>	A risk register is a log of risks of all kinds that threaten an organisation's success in achieving its objectives. It is a dynamic living document which is populated through the organisation's risk assessment and evaluation process. The risk register enables risks to be quantified and ranked. It provides a structure for collating information about risks.

## **Appendix 3 - Risk Management Group**

### **Terms of reference**

#### **Purpose**

Strategic oversight of the Council's risk management arrangements including the development of the risk management strategy, strategic risk register and key monitoring and challenge reports. Horizon scanning for key organisational, reputational, legal, financial and operational risks including the regular review of Directorate risk registers and emerging issues.

#### **Responsibilities**

1. To develop, adapt and maintain the Council's Risk Management Strategy as the formal framework for the identification and management of strategic and operational risks.
2. To develop, review, monitor and challenge the Council's Strategic Risk Register ensuring key risks are identified and effectively mitigated and managed.
3. To review, monitor and challenge Directorate Risk Registers, providing a two way flow of information and development in support of the Strategic Risk Register and ensuring a 'One Council, One Team' approach to risk management.
4. Horizon scanning for new and emerging risk management concerns and opportunities across a broad range of areas including legal, financial, legislative, operational, insurance and partnerships to feed into the Risk Management Strategy and Risk Registers.
5. To provide assurance to Standards and Audit Committee and Full Council that effective risk management arrangements are in place and are improving through periodic update reports.
6. To provide assurance to Cabinet Portfolio holders and Corporate Leadership team with quarterly update reports.
7. To develop and progress task and finish groups on specific areas of interest e.g. major projects, governance, training etc.

## Meeting arrangements

Quarterly Risk Management Group meetings with the opportunity for additional task and finish groups.

The meetings will be chaired and administrated by the Health, Safety and Risk Team within the Directorate Corporate.


## Membership

Cabinet Portfolio – Governance (Chair)  
 Executive Director (Senior Leadership Team Sponsor)  
 Service Director – Corporate (deputy chair)  
 Service Director – Digital, HR and Customer Services  
 Service Director – Economic Growth  
 Service Director – Finance  
 Service Director – Housing  
 Service Director – Leisure, Culture and Community Wellbeing  
 Strategic Health, Safety and Risk Manager (deputy Chair)  
 Head of Internal Audit  
 Regulatory Law Manager and Monitoring Officer  
 Senior Emergency Planning Officer  
 Insurance lead

Appropriate substitutes can be arranged but all areas should be represented

## Quarterly updates and strategy review timetable

Meeting	Activity	Timescale
Risk Management Group	<ul style="list-style-type: none"> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register</li> <li>• Directorate Risk Registers</li> <li>• Horizon Scanning</li> <li>• Start to feed into Annual Governance Statement</li> </ul>	Quarterly
Corporate Leadership Team  (Quarterly report also available to Cabinet portfolio holders for information)	<ul style="list-style-type: none"> <li>• Periodic Risk Management reports</li> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register</li> </ul>	Quarterly

Standards and Audit Committee	<ul style="list-style-type: none"> <li>• Risk Management update</li> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register</li> </ul>	 <b>CHESTERFIELD</b> BOROUGH COUNCIL Annual review of Strategic risk register Review of Risk Management Strategy - 2027
Council	<ul style="list-style-type: none"> <li>• Risk Management update</li> <li>• Risk Management Strategy</li> <li>• Strategic Risk Register</li> </ul>	Annual review of Strategic risk register Review of Risk Management Strategy 2027

### Document Version (update log)

Amendment	Date	By whom
Full document review. The language within the document now reflects a strategy that is implemented and now reflect ongoing arrangements to further embed the aim and objectives. Various formatting updates. Revisions made to the quarterly updates and strategy review timetable. Annual review moved to four yearly reviews (aligned to wider strategy review cycle approach).	06.01.23	GI
DR comments incorporated	09.01.23	GI/DR

## Strategic Risk Register 2022/23 Summary

## Risk scoring matrix

<b>likelihood</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>
	<b>4</b>	<b>4</b>	<b>8</b>	<b>12</b>	<b>16</b>	<b>20</b>
	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>12</b>	<b>15</b>
	<b>2</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>8</b>	<b>10</b>
	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Impact</b>						

## Strategic Risk Register Summary

<b>Ref</b>	<b>Risk</b>	<b>Current risk rating</b>	<b>Target risk rating</b>	<b>Direction of travel</b>
SR1	Maintaining financial sustainability	20	12	Deteriorated
SR2	Project management	15	10	No change
SR3	Capacity to deliver	16	9	No change
SR4	ICT transformation programme	12	9	No change
SR5	Emergency planning and business continuity	12	9	Improving
SR6	Health and Safety	15	10	No change
SR7	Information assurance / governance	16	12	No change
SR8	Procurement and contract management	12	8	Deteriorated
SR9	Council housing provision	12	9	No change
SR10	Safeguarding children and vulnerable adults	12	8	No change
SR11	Non-housing property maintenance	16	12	No change
SR12	Climate Change	16	12	Improving
SR13	Changes to local government structures	20	9	Deteriorated
SR14	EU Exit (transition and evolving market conditions)	9	6	No change
SR15	Covid-19 (coronavirus) ongoing risk	6	6	Improving

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### Strategic Risk Register 2022/23

Risk ref	Risk description and impact	Existing controls to mitigate the risk	Current risk rating			Further mitigating action identified and dates for completion	Target risk rating			Risk lead
			Likelihood	Impact	Risk rating		Likelihood	Impact	Risk rating	
SR1	<p><b>Maintaining financial sustainability</b></p> <p>Budget pressures, increased income volatility and uncertainty around local government finance. Significant pressures include:</p> <ul style="list-style-type: none"> <li>Potential changes around government policy e.g. business rates (retention, growth and appeals), new homes bonus and fair funding</li> <li>Cost pressures e.g. pensions, pay inflation, pay policy decisions, real living wage, interest rate charges, service charges, energy prices etc.</li> <li>Concerns around inflation affecting key income streams – council tax, rent etc.</li> <li>Asset management and capital programme e.g. fall in capital receipts, reduced rental income, increasing borrowing required to fund capital programme, ten year maintenance plan for buildings</li> <li>Income streams – volatile market conditions</li> <li>Legacy impacts of Covid 19 on income and impacts difficult to predict during the pandemic</li> <li>External influences on MTFP (inflation, interest rates, supply chain cost rises in goods and services, significant rise in utility costs, legacy issues with Brexit, cost of living crisis)</li> <li>2022/23 - pay rise impacts on Council's budget.</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Re-assessment of range and scope of services currently provided and of Council Plan priorities to reduce costs</li> <li>Review of the asset management plan</li> <li>Short-term use of reserves</li> <li>Critical external audit inspection/ audit reports</li> <li>Damage to Council's reputation</li> <li>Loss of confidence from elected members and the public</li> <li>Negative impact on staff morale</li> </ul>	<ul style="list-style-type: none"> <li>Five year medium term financial plan in place – reviewed on a quarterly basis</li> <li>Govt financial settlement announced a 2 year blueprint for Council spending. Of 3% increases for 2023/24 and 2024/25.               <ul style="list-style-type: none"> <li>No changes to new Homes Bonus calculations</li> <li>No plans at this time for Govt funding reforms.</li> </ul> </li> <li>The Council Plan 2023 - 2027 The plan identifies the Council's key priorities, objectives and commitments over a four year period.</li> <li>MTFP includes prudent assumptions re: income levels and challenges</li> <li>Budget monitoring and reporting (to CLT, Scrutiny, Cabinet, Council)</li> <li>Internal audit controls and reporting</li> <li>Capital strategy and asset management plan</li> <li>Monthly budget monitoring</li> <li>Expenditure and vacancy control procedures</li> <li>SLT/CLT monitoring of progress in delivering Action Plan for achievement of savings to address future years deficits</li> <li>Monthly monitoring of impact of pandemic on current &amp; future year financial position</li> <li>MTFP / in year budget review with all Directorates and services 2022/23 financial year.</li> <li>Tier 4 manager briefing on financial position of Council (Nov 22)</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Ongoing in year budget review and potential savings.</li> <li>Horizon scanning activities to inform quarterly review of the MTFP – Identifying emerging pressures and opportunities</li> <li>Assessment of implications of external pressures as further details become available – feeding into MTFP and updating assumptions</li> <li>Responding to key Government consultation activity and lobbying where necessary for fair and improved funding settlements including new burdens</li> <li>Delivery of the 2022/23 savings plan and income targets</li> <li>Ensuring that all external funding opportunities to mitigate the impact of the pandemic are identified and maximised</li> <li>Renegotiating utility contracts in 2022/23 into 2023/24</li> <li>HLC pool incident – business interruption costs being calculated.</li> </ul>	3	4	12	TC
SR2	<p><b>Project management</b></p> <p>Effective project and programme management to deliver key activities and change agenda.</p> <ul style="list-style-type: none"> <li>Lack of effective project management approach, tools and governance leads to ineffective planning and delivery of key activities and change agendas.</li> <li>Insufficient planning or having no plan at all to support delivery of key activities and change agendas can lead to lack of output delivery, Inadequate resources being available and overspend of budgets.</li> </ul>	<ul style="list-style-type: none"> <li>In April 2021 Joint Cabinet and Employment and General Committee approved a new Corporate Project Management Framework and supporting resource to ensure implementation over the next two years</li> <li>Recruitment to key posts has now been completed</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Full implementation of the Corporate Project Management Framework</li> <li>This will provide a robust and pragmatic approach, tools and governance to support effective delivery of key activities and change</li> </ul>	2	5	10	RON

Risk ref	Risk description and impact	Existing controls to mitigate the risk	Current risk rating			Further mitigating action identified and dates for completion	Target risk rating			Risk lead
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	<ul style="list-style-type: none"> <li>Lack of effective project management will undermine effective performance management and monitoring of key activities and change</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Unplanned expenditure of resources and budget leads to stresses on staff and services and creates budget pressures.</li> <li>Activities and change are not delivered to the required outputs/outcome.</li> <li>Diminishing Political support due to the failure to deliver on promised activities and change by Officers.</li> <li>Reputational damage both within and outside of the Council due to output delivery failure and deadlines not being achieved.</li> <li>Failure to deliver the ambitions of the Council Plan</li> </ul>	<ul style="list-style-type: none"> <li>Boards developed to oversee significant programmes e.g. ICT improvement programme, Staveley Town Deal, Heart of Chesterfield</li> <li>Ongoing projects are a significant source of resource strain on directorate resources in current financial pressures. Necessary technical, specialist and H&amp;S resource is being prioritised to support.</li> </ul>								
SR3	<p><b>Capacity to deliver</b> Ensuring that we have the right skills and capacity to deliver the council's priorities and core services.</p> <ul style="list-style-type: none"> <li>Workload demands exceed capacity</li> <li>Loss of key people within the organisation e.g. loss of corporate memory and key skills</li> <li>Lack of training - due to for example budgetary pressures</li> <li>No effective succession planning</li> <li>Difficulties in recruitment and retention of key skills / staff</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Inability to deliver services to the desired standard or projects effectively</li> <li>Performance suffers due to low morale &amp; job fears</li> <li>Increased sickness (stress related)</li> <li>Impact on staff health &amp; well being</li> <li>Financial e.g. severance costs arrangements</li> </ul>	<ul style="list-style-type: none"> <li>The Council's People Plan has been developed and is progressing well</li> <li>HR Business Partners have worked alongside service managers to develop effective performance, development and succession plans.</li> <li>Effective corporate vacancy control processes are in place.</li> <li>Employee Assistance Programme implemented</li> <li>Employee performance reviews and development conversations</li> <li>Hybrid working policy (temp) and hybrid working agreements</li> <li>Centralised training budget is in place and prioritised so that essential training is provided and desirable training is supported where budget allows.</li> <li>Tier 4 restructure implemented to improve capacity and resilience</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Development and delivery of the next People Plan</li> <li>Incorporating the learning from IIP 2022 into the development of the new People Plan</li> <li>Hybrid working group and sub-groups works continue through 2023/24.</li> <li>Training needs analysis work for all directorates and services</li> </ul>	3	3	9	RON
SR4	<p><b>ICT Transformation Programme</b></p> <ul style="list-style-type: none"> <li>Lack of resources and expertise to develop the infrastructure and manage the technology life cycle</li> <li>Ad-hoc development and flawed project documentation</li> <li>Reliance on external expertise and resources</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Inefficient &amp; expensive services</li> <li>Poor service outcomes</li> <li>Additional Project delays and costs</li> </ul>	<ul style="list-style-type: none"> <li>In-house ICT team – key recruitment to strengthen expertise within the Council</li> <li>ICT improvement programme developed and approved</li> <li>Delivery monitored via ICT Improvement Board</li> <li>Engagement of Overview and Scrutiny</li> <li>Salesforce platform, with core elements implemented including the MyChesterfield digital account – enabling access to a range of CBC services online</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Embed into Corporate Project Management Framework</li> <li>Training and development plans implemented, ensuring knowledge, skills and competency is maintained</li> <li>Regular review and adjustment of programme priorities</li> <li>Next phases of the programme are currently being developed</li> <li>Software developments and new updates being support (housing)</li> </ul>	3	3	9	RON
SR5	<p><b>Emergency Planning and Business Continuity</b> Ensuring that we are able to respond effectively to unexpected events, minimising any damage caused and keeping services running. Risks include inadequate or untested plans to respond to extreme events e.g. severe weather, pandemic etc.</p> <p><b>Potential impact</b></p>	<ul style="list-style-type: none"> <li>Strong Emergency Planning and Business Continuity partnership arrangements in place with DCC</li> <li>Active member of the Local Resilience Forum</li> <li>Staff trained and experienced for strategic and tactical roles</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>6 monthly cyber security desk top exercises</li> <li>Key exercises throughout the year on specific emergencies</li> <li>Maintain Emergency Planning and Business Continuity documents update cycles</li> </ul>	3	3	9	DR



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	<ul style="list-style-type: none"> <li>Loss of damage to life or property</li> <li>Financial (loss of revenue / additional costs)</li> <li>Disruption to service</li> <li>Damage to reputation</li> </ul>	<ul style="list-style-type: none"> <li>Robust Emergency Plan and Business Continuity Plan in place</li> <li>Key plans updated and available via resilience direct</li> <li>Regularly updated key contacts and out of hours document</li> <li>Flooding and severe weather plans updated</li> <li>Test exercises undertaken</li> <li>Snow Wardens scheme continuing</li> <li>ICT improvement programme approved, which will improve ICT controls</li> <li>Cyber security assessment completed</li> </ul>				<ul style="list-style-type: none"> <li>Continued engagement with Derbyshire LRF – ensuring training of staff is up to date</li> <li>New Emergency Planning Liaison Officer – handovers and training taking place.</li> </ul>				
SR6 Page 73	<p><b>Health and Safety</b> Protecting the Public &amp; Staff (Health &amp; Safety) - to ensure that we have systems in place to reduce the risk of accidents occurring and their severity.</p> <ul style="list-style-type: none"> <li>Failure to manage the health &amp; safety risk of the Council's undertakings</li> <li>Lack of training</li> <li>Budget pressures</li> <li>Ageing infrastructure</li> <li>Lack of awareness and understanding of duties and responsibilities.</li> <li>Resource limitations on the services</li> <li>Legacy resource supporting asbestos and fire assessment</li> <li>Ongoing Projects requiring significant H&amp;S support (e.g. SMH project)</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Death or injury</li> <li>Damage to property or the environment</li> <li>Litigation or prosecutions</li> <li>Financial - claims and increasing insurance premiums</li> </ul> <p>Damage to reputation</p>	<ul style="list-style-type: none"> <li>Strategic Health, Safety and Risk Managing started Jan 2022 – increased capacity for this core statutory function, with Corporate H&amp;S adviser.</li> <li>Oversight by Health and safety Committee with Service Director H&amp;S reports.</li> <li>Corporate H&amp;S policy and procedures reviewed regularly</li> <li>Established Corporate H&amp;S team (for health, safety and Risk Team, Directorate H&amp;S adviser and Project manager (H&amp;S) roles in Housing. (Feb 22)</li> <li>Health and Safety key element of management and staff team meetings</li> <li>Directorate and team inspections (policy and templates in place)</li> <li>Consultation arrangements in place for trade unions and safety representatives</li> <li>Health and Safety key feature of personal development plans and reviews</li> <li>H&amp;S plans for services</li> <li>Risk assessments and safe systems of work.</li> <li>Aspire learning (eLearning) – range of H&amp;S learning and development (some mandatory)</li> <li>Learning and Development training budget for funding external facilitated training courses.</li> <li>Internal audit consortium audits</li> <li>Professional networks (Derbyshire Safety Group and Nottinghamshire Safety Group)</li> <li>Council wide SHE (Evotix) H&amp;S management software system</li> <li>Health and Safety forum to drive health and safety improvements (task and finish group).</li> <li>Strategic H&amp;S review completed 2022.</li> </ul>	3	5	15	<ul style="list-style-type: none"> <li>Deliver and establish ongoing H&amp;S review work. Including policy, procedures, training, audits, inspections, training, resource and governance arrangements..</li> <li>Health, safety and risk service restructure</li> <li>Corporate H&amp;S Policy review and wider policy review programme</li> <li>Deliver proactive internal HSR team - monitoring programme 2022/23</li> <li>Deliver internal facilitated training programme 2022/23 to supplement elearning and external facilitated training</li> <li>Support Directorates H&amp;S training needs analysis review programme.</li> <li>Enhanced utilisation of technology to support H&amp;S development across the organisation.</li> <li>Continue to support the ongoing arrangements of other software. Such as integration and development of salesforce across services for the staff caution list etc.</li> <li>Incorporate legislation and regulation changes 2022/23 and known future legislation to receive royal sent into H&amp;S policies</li> <li>PPE Regulations 2022</li> <li>Fire Safety Legislation changes</li> <li>Protect Duty legislation changes pending.</li> </ul>	2	5	10	DR

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		<ul style="list-style-type: none"> <li>Respiratory protective equipment new policy approved July 2022.</li> <li></li> </ul>								
SR7	<p><b>Information Assurance / Governance</b> Protection from internet facing assets and data security – to comply with the statutory and other requirements to ensure that the data we hold is held securely.</p> <ul style="list-style-type: none"> <li>Lack of cyber security controls</li> <li>Failure to patch ICT systems</li> <li>ICT systems which are unsupported</li> <li>Lack of cyber security knowledge</li> <li>Data breach</li> </ul> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Service disruption</li> <li>Data exchange with Government departments restricted</li> <li>ICT network suffers breach or attack</li> <li>Reputational damage</li> <li>Financial loss</li> <li>Information Commissioner sanctions</li> </ul>	<ul style="list-style-type: none"> <li>PSN compliance achieved</li> <li>Monitoring in place</li> <li>ICT health check commissioned annually</li> <li>ICT health check mitigation plan in place</li> <li>ICT improvement programme includes information assurance / security as a key pillar</li> <li>Increased knowledge, skills and competence of staff</li> <li>Information Assurance framework developed</li> <li>Information assurance policies and procedures reviewed</li> <li>Mandatory training in place</li> <li>Data Protection Officer appointed</li> <li>Information Rights officer appointed</li> <li>Data protection Impact Assessments built into project governance framework</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>ICT improvement programme delivery</li> <li>Full engagement in annual health checks and improvement plans</li> <li>Cyber security desktop exercises</li> <li>Horizon scanning activities and responding to key consultations</li> <li>Engaging with Information commissioner best practice and learning and development opportunities</li> </ul>	4	3	12	RON / GR
SR8	<p><b>Procurement and Contract Management</b> Ensuring that contracts are procured properly and deliver value for money. Risks include failure to comply with procurement and contract management legislation.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Financial impact (valuable funding is used for rectification costs)</li> <li>Increase in staff resource to defend the challenge</li> <li>Potential litigation and fines being procured</li> <li>Reduced value for money</li> <li>Discouraged providers may not tender for the contract in the future - potentially reducing the portfolio of providers</li> </ul>	<ul style="list-style-type: none"> <li>Experienced in-house procurement team recruited</li> <li>Procurement policy and documentation regularly reviewed</li> <li>Procurement portal developed and imbedded</li> <li>Review of procurement data and data cleanse completed</li> <li>Dedicated procurement &amp; legal team to support where necessary on contract management</li> <li>Scheme of delegation and guidance available, registers and online information</li> <li>Staff training completed</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Implementation of category management within the new service</li> <li>Continuing delivery against newly developed procurement strategy</li> <li>Ongoing training and development of staff in new procurement processes</li> <li>Regular internal audits being implemented</li> </ul>	2	4	8	RON
SR9	<p><b>Council Housing Provision</b> The provision of Social Housing - ensuring that the Council is able to support delivery of social housing and that there is a sustainable 40 year business plan for the Housing Revenue Account. Key risk factors include:</p> <ul style="list-style-type: none"> <li>Legislative change</li> <li>Introduction of a new regulatory framework for LA Housing providers</li> <li>Building Safety Bill</li> <li>Changes to definition of decent homes</li> <li>Housing White paper</li> <li>Changes to the rent setting formula</li> <li>Changes to local housing allowance</li> <li>Increasing inflation rates</li> <li>Increased interest rates</li> </ul> <p><b>Potential impacts</b></p>	<ul style="list-style-type: none"> <li>Effective Business Planning to model the implications of changes</li> <li>Effective housing operational management &amp; policy framework to collect rents, manage voids and sustain tenancies</li> <li>Effective cost management of operational services repairs and housing management services</li> <li>Effective customer engagement</li> <li>Quarterly assessment of Right to Buy receipt spend integrated into Quarterly Capital programme review</li> <li>Implementation of integrated housing management system</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Annual review of the HRA Business Plan</li> <li>Quarterly review of the Housing Capital Programme.</li> <li>Assessment of borrowing approach, including the debt repayment policy</li> <li>Stock conditioning survey</li> <li>Review of repairs and maintenance standards and lifecycles of building components &amp; asset performance</li> <li>Reshaping Housing Service to deliver a more effective frontline</li> </ul>	3	3	9	JD

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	<ul style="list-style-type: none"> <li>Reduced resources within the Housing Revenue Account business plan due to additional interest payments due to extra borrowing requirements, falling rent collection rates and increased void rent loss</li> <li>Increase in Right-to-Buy sales loss of stock and inability to replace the stock which is sold due to reduced resources.</li> <li>Risk of being required to repay retained Right to Buy 1-4-1 receipts to Government</li> <li>Increased administrative burden in implementing new policies.</li> <li>Increased costs of meeting Building safety bill and revised decent homes standard</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Complaints Procedure</li> <li>Annual report to tenants <ul style="list-style-type: none"> <li>service delivery</li> <li>and future improvements in relation to the Housing Regulator's Consumer</li> </ul> </li> <li>Standards: <ul style="list-style-type: none"> <li>Tenant involvement and empowerment standard</li> <li>Tenancy Standard</li> <li>Home Standard</li> <li>Neighbourhood and community</li> <li>Value for money standard</li> </ul> </li> </ul>				<ul style="list-style-type: none"> <li>housing management service to tenants</li> <li>New decent homes standards</li> <li>New Social housing regulator implications</li> <li>Fire safety and building regulation changes 2022/23</li> </ul>				
SR10 Page 75	<p><b>Safeguarding children and vulnerable adults</b> Safeguarding Children and Vulnerable Adults - the ability to fulfil our moral and legal obligations to ensure a duty of care for children and vulnerable adults across our services and facilities. Risks include inadequate policies, procedures, learning and development partnership working to safeguard children and vulnerable adults living in our communities, using our services and to protect the council, its staff, elected members and volunteers.</p> <p><b>Potential impacts</b></p> <ul style="list-style-type: none"> <li>Negative impact on the well-being of children and vulnerable adults</li> <li>Reputation damage</li> <li>Public expectations / reaction</li> <li>Loss of Trust</li> <li>Loss of Member confidence</li> <li>Loss of staff morale</li> <li>Critical external inspection / investigation</li> </ul>	<ul style="list-style-type: none"> <li>Senior Leadership Team/ Corporate Leadership Team Safeguarding lead roles identified</li> <li>Safeguarding group established to develop effective response, audit and share best practice</li> <li>Strong dialogue and engagement with key partners on Derby and Derbyshire Safeguarding children partnership and Derbyshire safeguarding adults board ' member of the Derbyshire districts subgroup</li> <li>Policies and procedures are up to date</li> <li>Learning and development arrangements in place for members and staff</li> <li>Annual audit / self-assessment</li> <li>Regular internal audits</li> <li>Effective partnerships with community and voluntary sector</li> <li>Organising welfare checks where concerns identified</li> <li>Full engagement with VARM processes</li> <li>Anti-social behaviour strategy 2022-2025</li> </ul>	3	4	12	<ul style="list-style-type: none"> <li>Keeping up to date with legislative changes, policy changes and best practice</li> <li>Monitoring trends and horizon scanning via Derbyshire districts group and CBC group</li> <li>Maintaining annual section 11 audits and improvements</li> <li>3 yearly Internal audits – 2021/22 audit gave substantial assurance</li> </ul>	2	4	8	DR
SR11	<p><b>Non-housing property maintenance</b> The Council owns and manages a significant portfolio of non-housing properties used for a variety of purposes including CBC operational buildings and a large commercially let portfolio. This requires a planned and fully funded maintenance programme.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Service disruption if buildings are not safe and well maintained</li> <li>Service disruption for commercial tenants if buildings are not safe and well maintained</li> <li>Loss of rental income and additional costs</li> <li>Large costs of repair and maintenance</li> <li>Health and Safety risks</li> <li>Reputational damage</li> <li>Legal disputes</li> </ul>	<ul style="list-style-type: none"> <li>Internal audit report completed – identifying improvements required</li> <li>Condition survey of buildings is underway - Progress during 2021 was directly affected by the Covid-19 pandemic response.</li> <li>Work is in progress to draw the current tranche of 10-year maintenance reports together, to assess the current position, gaps for future requirements and associated costs. However, additional resource is required to enable this detailed and extensive piece of work to be completed within the necessary timescales. This will be allocated on an urgent basis and timescales for completion reviewed.</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>The Asset Management Group has identified this as a priority risk</li> <li>The Executive Director will be taking a report with both financial and non-financial recommendations to the appropriate Boards/Committee to establish agreed plans and appropriate resources to mitigate this risk once all of the appropriate information becomes available.</li> </ul>	3	4	12	AM / NJ

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SR12	<p><b>Climate Change</b> Ongoing global warming leading to higher sea levels and extreme climate conditions.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Potential changes around government policy and targets</li> <li>Cost pressures e.g. adapting to new requirements and opportunities</li> <li>Resource capacity – increasing area of focus impacting all council activities</li> <li>Failing to reach key climate change targets</li> <li>Asset management – property portfolio carbon neutrality challenges</li> <li>Place leadership challenges around climate change education and engagement with communities</li> <li>Environmental changes leading to more frequent extreme weather occurrences</li> </ul>	<ul style="list-style-type: none"> <li>Council declared a climate emergency</li> <li>Climate Change Action Plan 2020 – 2023 developed and is currently being delivered</li> <li>Climate Change Strategy 2023 – 2027 developed with annual action plan</li> <li>Key targets established – CBC to be carbon neutral by 2030 and Chesterfield Borough by 2050</li> <li>Full time Climate Change Officer and Climate Change Assistant appointed</li> <li>Regular performance updates to Cabinet and Overview and Scrutiny Challenge</li> <li>Strong Climate Change partnership established with DCC and district councils to maximise climate change actions via Vision Derbyshire</li> <li>Community engagement with key local and regional groups</li> <li>Local democracy programme focusing on Climate Change to educate and engage children and young people</li> <li>Climate Action Now campaign developed to educate and engage communities</li> <li>Range of activities including sustainable business award category and workshops with Destination Chesterfield</li> <li>Climate Fresk training</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>Climate Change Action Plan ongoing open actions</li> <li>Periodic Overview and scrutiny engagement</li> </ul>	4	3	12	DR
SR13	<p><b>Changes to Local Government structures</b> Levelling Up White Paper sets Government's policy position re: Levelling Up, devolution and local government re-organisation. This may be a voluntary position or mandated. This follows on from a raft of local government re-organisation activity following the Cities and Devolution Act 2015.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>More complicated landscape for governance and service delivery with potential for combined authorities, mayoral combined authorities, unitary authorities</li> <li>White Paper states that there is a case for wholesale local government reform but this should be locally led not top down</li> </ul>	<ul style="list-style-type: none"> <li>Developed a research and discussion paper identifying the key issues</li> <li>Following national LGR activity</li> <li>Membership of key sector support organisations – LGA, EMCs, DCN</li> <li>Developed with the support of PWC viable alternative to unitarisation – Vision Derbyshire – a collaborative approach for the county council and districts</li> <li>Case for change developed and submitted to Government</li> <li>Vision Derbyshire pilots have been completed</li> <li>Several authorities formally signed up to Vision Derbyshire delivery phase which includes a resource package and governance arrangements</li> <li>CBC officially signed up to Vision Derbyshire participation in October 2021</li> </ul>	4	5	20	<ul style="list-style-type: none"> <li>Continue to update research and maintain discussions with political and officer senior leadership</li> <li>East Midlands Mayoral County Combined Authority development.</li> <li>Democratic and Elections impacts and resource for election and transition to new ways of working.</li> <li>Continue to work in partnership with Derbyshire County Council, Derby City and other boroughs and districts.</li> <li>Ongoing dialogue with Government regarding local Government administration and delivery.</li> <li>East Midlands Councils – review of Vision Derbyshire</li> </ul>	3	3	9	DR
SR14	<p><b>EU Exit (transition and evolving market conditions)</b> Responding to issues post EU exit transition period 31.12.20. This will include changes to the way in which the UK works with the EU will potentially create difficulties for the Council, businesses and residents</p> <ul style="list-style-type: none"> <li>Legislative changes across functions and services</li> <li>Supply chain challenges and access to good and supplies</li> </ul>	<ul style="list-style-type: none"> <li>Reacting to changing market conditions</li> <li>Ongoing management of the current market conditions.</li> <li>Council departments and officers continue to manage evolving situation</li> </ul>	3	3	9	<ul style="list-style-type: none"> <li>Continue to monitor and evaluate impact on functions, services, staff and essential supplies</li> </ul>	2	3	6	CD



Risk ref	Risk description and impact	Existing controls to mitigate the risk	Current risk rating			Further mitigating action identified and dates for completion	Target risk rating			Risk lead
			Likelihood	Impact	Risk rating		Likelihood	Impact	Risk rating	
	<ul style="list-style-type: none"> <li>Challenges filling vacancies</li> </ul> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>Legislative changes across functions and services</li> <li>Government new trading treaties and agreements</li> <li>Employment law changes</li> <li>Communications challenges in supporting residents and business community</li> <li>Potential impact medium term financial plan</li> <li>Potential community cohesion impacts</li> <li>Potential challenges with availability of supplies</li> </ul>	<ul style="list-style-type: none"> <li>reacting to unknowns during the pre- EU exit and transition period.</li> <li>Access to and signposting enquiries to latest government guidance.</li> <li>Known supply challenges being managed and mitigated where possible.</li> <li>Availability of skilled persons to fill vacancies</li> </ul>								
SR15	<p><b>COVID-19 (Coronavirus) ongoing risk</b></p> <p>During the Covid-19 pandemic - the ability to fulfil our moral and legal obligations to ensure a duty of care for employees, contractors, visitors and service users across our services and facilities. The ability to respond effectively to unexpected events, minimising any losses caused and keeping services running.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>Risk of serious ill-health or death to employees, contractors, visitors and service users.</li> <li>Increased workloads stressful to staff and detrimental to mental wellbeing.</li> <li>Financial (loss of revenue / additional costs)</li> <li>Damage to reputation</li> </ul>	<ul style="list-style-type: none"> <li>National Public health and NHS advice.</li> <li>Ongoing Coronavirus risk assessment, instructions and guidance in place.</li> <li>Emergency plan and Emergency planning liaison officer and deputy emergency planning liaison officer in place in case of a new escalation.</li> <li>HRBP continue to support absences from work. Covid treated like any other flu/cold absences as of April 2022.</li> <li>Seasonal flu vaccine available to employees (requests to HR)</li> <li>Lateral flow testing equipment, prioritised to employees working with vulnerable customers.</li> <li>Covid frequently asked questions and guidance updated and circulated October 2022.</li> <li>Coronavirus (Covid-19) information hub on the Council's intranet (aspire)</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>Reviews will be completed as and when necessary</li> </ul>	2	3	6	RO

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Document Review		
Review points	Officer reviewed	Comments
February 2022	DR/GI	Complete re-write
July 2022	GI	Periodic review
December 2022	GI	Periodic review, comprehensive in nature. Post RMG meeting and Govt Announcement 13.12.22
January 23	GI	Additional updates

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