

Audit Committee – 25 January 2021

Risk Management Update – Strategic Risk Register

1. Summary of the report

This purpose of this report is to update Audit Committee with regards to recent risk management activity, and the update of the Strategic Risk Register.

2. Recommendations

- 2.1 That Audit Committee note the updated risks, and changes incorporated, and comment on the updated Strategic Risk Register (SRR), set out at Appendix 1.

3. Background

- 3.1 Recent risk management activity has been carried out to refresh the SRR and ensure it contains current risks facing the council.
- 3.2 Internal Audit, together with officers from finance and insurance & loss control services worked with Executive Directors and Directors from across the council to update the risks, controls and assurances in place.
- 3.3 CMT reviewed the Strategic Risk Register at their meeting on 26th November 2020 and have agreed the changes.

4. Resources and Legal Consideration

- 4.1 Audit Committee's responsibility for risk management includes the following:
- Reviewing the mechanisms for the assessment and management of risk;
 - Giving assurance about the process;
 - Ensuring the Council meets its statutory requirements, as stipulated within the Accounts and Audit Regulations 2015 (reg. 4(1), "the relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk".
- 4.2 Audit Committee is also required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables Audit Committee to exercise its responsibilities in respect of risk management by reviewing the current SRR; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.
- 4.3 Walsall Council's system of internal control comprises the policies, procedures and practices, as well as organisational culture that collectively support the Authority's effective operation in the pursuit of its objectives. The risk management, control and governance processes enable the Authority to respond to significant business

risks, be these of an operational, financial, compliance or other nature, and are the direct responsibility of CMT.

5. Citizen Impact

5.1 There are no implications directly related to this report.

6. Performance and Risk Management Issues

A summary of the updates to the strategic risks is set out below

Risk No.	Risk Description	Lead	Outcome	Updated "current" score	Previous "current" score	Trend
1	Threats to the Economic Growth of Walsall are not identified and mitigated, together with opportunities for sustainable growth being missed	Executive Director Economy, Environment & Communities	Risk controls reviewed and updated	16	16	↔
2	The Proud Programme does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community	Executive Director Resources and Transformation	Risk controls reviewed and updated	12	12	↔
3	Partnership relationships with other sectors and our major suppliers fail to deliver on shared objectives and therefore outcomes for the community	Executive Director Adult Social Care	Risk controls reviewed and updated	12	12	↔
4a	The Council is unable to maintain statutory service standards to support the most vulnerable in society	Executive Director Children's Services	Previously one risk however this has now been split into two to better reflect the different activities and controls between the two services	16	16	↔
4b	Adult Social Care risk of being unable to maintain service standards to support the most vulnerable in society is ongoing	Executive Director Adult Social Care		16	16	↔

Risk No.	Risk Description	Lead	Outcome	Updated "current" score	Previous "current" score	Trend
5	External Changes in Political and/or legislative environment including ongoing impact of Covid-19	Executive Director Resources and Transformation	Risk controls reviewed and updated	6	6	↔
6	There is a lack of community cohesion and resilience placing increased pressure on public sector resources	Executive Director Economy, Environment & Communities	Risk controls reviewed and updated	8	12	↓
7	Failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium-Term Financial Plan to be delivered	Executive Director Resources and Transformation	Risk controls reviewed and updated	16	9	↑
8	West Midlands Combined Authority	Executive Director Resources and Transformation	Risk relating to the West Midlands Combined Authority underwriting risk - Reviewed and incorporated in to Risk 7	-	-	-
9	Reduction in public health and social care budgets are a risk as preventive services are lost causing increased demand	Executive Director Adult Social Care	Risk relating to reduction in public health and social care budgets - Reviewed and incorporated in to Risk 7	-	-	-
10	Risk of Cyber Security attacks	Executive Director Resources and Transformation	New risk formulated following CMT in March 2020	15	N/A	N/A

Further detail regarding the main changes / updates to risks are summarised below:

Risk 4 – this risk has now been updated to provide a separate focus on the risks associated with the authorities statutory children’s safeguarding responsibilities (risk 4a) and the risks relating to provision of services to vulnerable adults (risk 4b).

Risk 6 – following recent changes to the council's structure the lead for this risk has moved from the Executive Director of Resources & Transformation to the Executive Director Economy, Environment & Communities.

Risk 8 – as this risk focussed on the financial underwriting risk to the authority associated with the West Midlands Combined Authority, it has been incorporated within risk 7, which focusses on all areas of financial risk to the authority.

Risk 9 – similarly as risk 9 focussed on potential reductions in social care and public health budgets this risk has also been incorporated within risk 7 as part of this update.

Risk 10 – following previous discussions a new risk has been added to the strategic risk register as part of this review, which focusses on the risk of cyber security attacks.

Additionally, following a request at the Audit Committee meeting held on 23 November 2020 all risks have been updated to provide clarity on assurances that are in place for each risk alongside the existing controls.

The updated risks are attached in full at **Appendix A**.

7. Equality Implications

7.1 There are no implications directly related to this report.

8. Consultation

8.1 Executive Directors and Directors across the council were consulted on the changes. CMT approved these at their meeting on November 26th 2020.

9. Background Papers

Previous reports on Risk Management presented to Audit Committee



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Strategic Risk Register 2020/21



January 2021

No.	Risk	Corporate Goal	Existing Controls and Assurances	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions/Planned Mitigations	Deadline				
	Cause and Effect	Lead											
1	Threats to the Economic Growth of Walsall are not identified and mitigated, together with opportunities for sustainable growth being missed. <ul style="list-style-type: none">Continued uncertainty as to the ongoing effects of the Covid-19 pandemic.Any loss of EU funding not compensated for by domestic funding changes.Resultant economic uncertainty weakens the investment market and the opportunities for our residents to secure sustainable employment.Business Rate income under threat as a result of weakening markets and reducing business confidence.Change in shopping habits threatening town and district centres.Insufficient land available for development.Insufficient funding to bring all brownfield land back into the market place.The end of the Local Growth Fund (LGF) and lack of clarity over the release of phase 2 of the Land & Property Investment Fund (LPIF) by the WMCA.Lack of clarity over new Government replacement funding allocations to the BCLEP, e.g. the introduction of the UK Shared Prosperity Fund (UKSPF).Black Country Enterprise Zone funding could be available to support regeneration activities. <i>The effect would be reduced future income streams for the council, increased unemployment and reliance on services from the community, reduced aspirations for next generation.</i>	Economic Growth Executive Director Economy, Environment & Communities	Existing Controls: <ul style="list-style-type: none">Reviewing investment options for development sites.Economic Growth Programme continuing to March 2021.Strategies and Policies in place.Single Accountable Body status implemented from Feb 2020. <i>Assurances:</i> <i>Strategy and Policy monitoring is part of the ongoing performance management of the organisation so takes place as part of DMT and CMT meetings as well as the input from Members when Policy and Strategy is set and/or reviewed.</i> <i>Internal Audit work on Local Growth Fund – signed off with significant assurance.</i> <i>Government is proceeding The Future High Streets Fund, the Town Deal and the Levelling up fund. Walsall has secured £11M from FHSE, has been allocated £50M from the Town Deal pot, and is participating the plans to allocate the LUF.</i> <i>Site Allocation Document and Area Action Plan adopted by Walsall Council.</i> <i>So far £94million has been approved for Walsall from the LEP’s LGF and LPIF programmes including the remediation of Phoenix 10.</i>	Current Score				1) We continue to influence central government funding streams including the latest brownfield funding and the new levelling up fund. 2) Continued promotion of investment opportunities in a range of media, including Walsall Town Centre and Junction 10 cluster as priorities in West Midlands Investment Prospectus.	July 2021 March 2021				
				4	4	16	Red ↔						
								Target Score				3) Arcadis supporting work to develop the TIP for the Towns Fund bid to bring £50M investment into Walsall and Bloxwich. 4) Walsall Council officers continue to manage the single financial model for all BC Enterprise Zone funding. 5) Staff continuing to participate in local and national EU Exit forums, bringing best practice advice to Walsall businesses 6) Officers and Arcadis are preparing plans to spend the recently secured Future High Streets Fund to best effect. 7) Plans to market Walsall Town Centre with its own branding to increase real estate values, lift the mood, and promote Walsall as a prosperous place to live, work and play.	February 2021 February 2023 March 2021 March 2021 March 2021
				3	3	9	Amber						

Strategic Risk Register 2020/21



January 2021

No.	Risk <i>Cause and Effect</i>	Corporate Goal <i>Lead</i>	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
2	The Proud Programme does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community. <ul style="list-style-type: none"> • Lack of commitment to change; • IT infrastructure does not support change; • Directorates and Services work in disparate way; • The organisation does not have the skills or expertise required to deliver change; • The programme is not focused on the right changes or stretching enough to achieve the targets and outcomes identified; or very stretching, but without the required infrastructure to deliver this. • Lack of capacity to deliver change. • The changes made are not fully adopted by the organisation, new ways of thinking and working are not fully embedded • The organisation cannot sustain the changes made. <p><i>The effect would be that costs of service provision remains above optimum level and opportunity cost of this cannot be removed. The Council would not become fit for purpose to face future challenges. Behaviours and Culture would not change.</i></p>	ALL Executive Director Resources and Transformation	Existing Controls: <ul style="list-style-type: none"> • Governance arrangements approved including commissioning group and WPP Board supported by Proud Programme Office. • Work Force Strategy approved and being implemented taking account of findings from Employee Survey. • WPP workstream delivery has been aligned to services through the development of service transformation plans and this will be the delivery vehicle through which a balanced 2021/22 budget and MTFO will be achieved. • Skills and knowledge transition from PwC to Proud PMO completed. <p><i>Assurances:</i> <i>Monthly oversight by CMT of Proud Programme.</i></p> <p>This risk will remain red for the current financial year due to the impact of Covid-19.</p>	Current Score				1) Embed governance arrangements. Ensure benefits tracked to meet 3 KPI requirements of the WPP. 2) Ensure WPP objectives are clear and well communicated, get organisational buy-in and ensure capacity and capabilities are in place to deliver. 3) Ensure the Corporate Risk Management Framework supports the refreshed Proud programme activity and this is interconnected with the wider framework. 4) Provide adequate PMO resources to ensure appropriate level of assurance is achieved. 5) Put in place change management arrangements to ensure that the programme can meet its statutory obligations and ensure that the right resources are in place to deliver change e.g. HR, legal, property, finance, IT. 6) Workforce Strategy updated. 7) Recruitment to the vacant Director of Transformation and Digital.	31 March 2021
				4	3 ↓	12	Red ↔		
				Target Score					
				4	2	8	Amber		

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No.	Risk	Corporate Goal	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
	Cause and Effect	Lead							
3	<p>Partnership relationships with other sectors and our major suppliers fail to deliver on shared objectives and therefore outcomes for the community.</p> <ul style="list-style-type: none"> • <i>Non vibrant voluntary sector;</i> • <i>Weak relationships with Partners;</i> • <i>Lack of supply chain resilience / suppliers of services in market;</i> • <i>Provider fails;</i> • <i>Financial pressures in other sectors reduce the resources they can deploy;</i> <p><i>The effect of this risk materialising would be increased future costs for the Council to deliver the same or reduced services or service disruption due to provider or contractor failure.</i></p>	<p>Communities</p> <p>Executive Director Adult Social Care</p>	<p>Existing Controls:</p> <ul style="list-style-type: none"> • Development of a strategic partnership board and a range of thematic boards to oversee delivery of the priorities in Walsall. • Contract Management Procedures in place. • Robust Relationships with Police/Health/Housing/FE/Schools/Fire/VCR/CDM sector. • Care Home Closure Procedures in place for provider failure. Domiciliary care market closure, attracting the marketplace procedures. Suppliers of food/cleaning materials/other goods and supplies required by Council. • Major contracts have robust response plans in place to be activated if the company fails. • Risk Assessment of major contractors completed. <p><i>Assurances:</i> <i>Quality Audit and Monitoring Resources in Adult Social Care.</i> <i>PwC work across all Directorates.</i></p>	<div>Current Score</div> <div>4</div>	<div>Current Score</div> <div>3</div>	<div>Current Score</div> <div>12</div>	<div>Current Score</div> <div>Red</div> <div>↔</div>	<p>1) New outcome focused contracts to be established for priority aims Increase the percentage of suppliers who are contracted with the Council.</p> <p>2) Additional resources in ASC identified for quality audit and monitoring. QICT established, however, monitoring functions to be scoped as part of HUB implementation.</p> <p>3) Design and implement the Quality assurance and Contract Monitoring function of the Council Hub</p> <p>4) Develop quality surveillance with systems with collective responsibility for the quality of (all) care provision.</p> <p>5) Re-commissioning of the ASC community based services (CBS) Framework to ensure the procurement exercise is completed in a timely manner, alleviating the need for a transitional contract. Re-imagining Home Care on our Service Transformation Plan with this action linked to action 2.</p> <p>6) Strategic Procurement function to be developed in the Council Hub.</p>	<p>April 2022</p> <p>November 2020.</p> <p>Paused due to impact of Covid - revised timeline of 2021</p> <p>Dec 2021 subject to end of COVID</p> <p>Framework in place and contracting Transitional contracts agreed by Cabinet 12.02.2020 with all aligned to March 2023</p> <p>Delay due to Covid-19. New timeline to be established by sub group.</p>
				<div>Target Score</div> <div>4</div>	<div>Target Score</div> <div>2</div>	<div>Target Score</div> <div>8</div>	<div>Target Score</div> <div>Amber</div>		

Strategic Risk Register 2020/21

January 2021

No.	Risk <i>Cause and Effect</i>	Corporate Goal Lead	Existing Controls and <i>Assurances</i>	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
4a	The Council is unable to maintain statutory service standards to support the most vulnerable in society. <ul style="list-style-type: none"> • Demand management - thresholds, understanding and application of thresholds insufficient across the partnership, leading to unnecessary referrals of children and families from single agencies. standards. • Right Help Right Time: Children who do not require specialist services may be open across Children's Social Care. Children's Services become overstretched and are unable to maintain service standards. As a consequence children may not be adequately safeguarded from harm. • Children in specific circumstances are not adequately supported and are left at risk (missing, criminal exploitation, SEND, complex needs/ tier 4 / CSE / exclusion) – intelligence around vulnerable children are not robustly captured or joined up within children's services and across the partnership. • Quality of practice is compromised. • Provision of SENDi services does not meet the needs of children and families Robustness of systems and processes are compromised Quality of EHC plans is poor and are not adequately contributed to by partners Code of practices is not fully implemented Advice and information available to parents and carers is not sufficient or of appropriate quality. Children with special educational needs and disabilities are not supported in a way that maximises their opportunities and outcomes. Parents and carers are not supported and do not have access to appropriate information. The council is not compliant with the SEND code of practice putting us at risk of legal challenge. 	People Executive Director Children's Services	Existing Controls: <ul style="list-style-type: none"> • The new safeguarding practice standards have been reviewed and launched. • The Walsall Proud Programme within children's services is undertaking a review of the model and structure in order to support better prioritisation and direct work with children and families. • There is a MASH action plan, overseen by the LSCB plan that will seek to ensure the routine use of their own designated safeguarding lead rather than making a referral to MASH. • The revised threshold document has been signed off by the board and is due to be launched. • Multi-agency threshold training has been delivered. • Closer monitoring of child exploitation is taking place through strategic management structure and operations groups. • Robust Quality Assurance Framework being implemented. • There is ongoing direct intervention work with head teachers to secure a school place for children missing a school place • Processes for children who go missing have been brought back in house to improve timeliness and quality of return home interviews • Schools causing concern protocol and inclusion strategies have been launched. 	Current Score				1) Vulnerable Pupils Scorecard mapping in place to highlight links between the most vulnerable pupils, social care and youth justice 2) Revised case file audit and QA Framework in place – <i>currently being embedded.</i>	March 2021
				4	4	16	Red ↔		
				Target Score				3) Managers equipped to manage demand in their teams/service area with the introduction of new Performance Dashboards and Power BI reports across the service - <i>currently in place for most of children's social care. To be rolled out across the rest of the directorate</i> 4) Revised IRO and Conference Chair Dispute Resolution Process in place with monthly QA reporting – <i>in place for LAC, in development for CP</i> 5) All Age Exploitation Strategy to be completed 6) Implementation of electronic EHC Hub 7) Review and relaunch of the Local Offer (Nov 2020)	March 2021 September 2021 March 2021 December 2020 Completed November 2020 February 2021
				3	3	9	Amber		

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No.	Risk	Corporate Goal	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
	<i>Cause and Effect</i>	Lead							
	<ul style="list-style-type: none">Breakdown in communication with partner organisations.		<ul style="list-style-type: none">Moves have been made to improve relationships with parents and carers.Restructure of SEND Team.Developed SEND Action Plan <p><i>Assurances:</i> A CME task force has been established to ensure that effective processes are in place.</p>					8) Ensure that the code of practice is fully implemented and all requirements are met as per the SEND WSoA.	September 2021

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No.	Risk	Corporate Goal	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
	<i>Cause and Effect</i>	Lead							
4b	Adult Social Care The risk of being unable to maintain service standards to support the most vulnerable in society is ongoing. Safeguarding adults demand continues to be monitored and prioritised to respond to adults with care and support needs experiencing or at risk of abuse and neglect during the current coronavirus pandemic. Nationally there is concern that demand will increase as a result of the pandemic and that this will also impact on staff capacity to respond. There has been evidence of recent increased demand. The Coronavirus Act 2020 has not changed adult social care's statutory duties in this regard. If we do not meet these statutory duties the outcome could be that an adult with care and support needs experiences harm or dies as a consequence of abuse or neglect.	People Executive Director Adult Social Care	Existing Controls <ul style="list-style-type: none"> Issued updated practice guidance in April 2020 and continue to issue key safeguarding multi-agency messages from the Walsall safeguarding partnership to all staff on a weekly or bi-weekly basis. Good relationships with safeguarding partners is supported by appointment of Head of Service as strategic lead for safeguarding. Ongoing monitoring of demand and capacity to ensure this activity is prioritised and resourced appropriately. Additional agency staff supporting access team following an increase in safeguarding concerns being raised. Launch of all age exploitation pathway on 18th September 2020 supports best practice in this area. Launch of new risk enablement tools April 2020 to evidence decision making rationale in response to safeguarding concerns. Clear learning and development offer in place for all staff. <i>Assurances:</i> Ongoing programme of audits in place to provide assurance and inform action plans.	<div>Current Score</div> <div>4</div>	<div>Current Score</div> <div>4</div>	<div>Current Score</div> <div>16</div>	<div>Current Score</div> <div>Red</div> <div>↔</div>	December 2020 Adult Social Care Are engaging in the Walsall Proud CAM work stream to ensure that safeguarding concerns are responded to in a timely and appropriate way to ensure that we are meeting our statutory duties.	Timeline for CAM outside of ASC control, first stage of new telephone systems now operational. "Front door" new arrangements to be agreed by April 2021 AIM -current workshops to shape this before implementation date agreed for 2021.
				<div>Target Score</div> <div>4</div>	<div>Target Score</div> <div>2</div>	<div>Target Score</div> <div>8</div>	<div>Target Score</div> <div>Amber</div>	Adult Social Care are also reviewing the "front door" as we do not have a MASH for adults and we need to ensure that there is a multi-agency response. The AIM project is being developed to support communication with our multi-agency partners.	

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No.	Risk	Corporate Goal	Existing Controls and <i>Assurances</i>	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline
	<i>Cause and Effect</i>	<i>Lead</i>							
5	External Changes in Political and/or legislative environment including ongoing impact of Covid-19. <ul style="list-style-type: none">• <i>Brexit</i>• <i>Changes in political direction from government;</i>• <i>Changes in priority locally;</i>• <i>Government driven reform to local government structures / devoluion</i>• <i>Lack of reform – local government finance, social care funding</i> The effect of this risk materialising is that some of the generational change required for example long term regeneration plans or public health driven initiatives may be subject to changing landscape where strategic direction or political landscape changes. EU Exit – Trading Standards - Impact both short, medium and long term on Trading Standards - their portfolio of enforcement responsibilities is almost certainly the largest and most varied in local government and even small changes in law or guidance are difficult to keep up with especially against a back drop of local, regional and national shortfall of officer and specialist resource unprecedented in modern times.	All Executive Director Resources and Transformation	Existing Controls: <ul style="list-style-type: none">• Regular statutory officers’ meetings review and consider national and local environment.• Main record of the council’s statutory obligations is contained within the Constitution.• The council monitors legislative and policy changes and implements change where necessary to ensure it acts lawfully. CMT oversight ensures organisation remains flexible to change.• Medium term financial strategy and rolling 4-year medium term financial outlook in place and regularly reviewed and updated for national and local changes in policy and legislative changes. Enables and supports forward planning and responsiveness to change.• Focus on ensuring there is cross party support and the business driver is the Corporate Plan.• Reshaping of transformation programme approved – WPP• Member of the WM Brexit Commission providing regular updates linked in with central government.• Developed the Local industrial strategy for the WM to support industries post Brexit.• Pooled 50% of government funding alongside other WM authorities given to WMCA to support people and business.• Part of the WM local resilience forum watching brief on emergency planning.• CMT review of Strategic Risks (quarterly)• Formal horizon scanning exercise at least annually for emerging risks, to ensure that on-going activity feeds the processes and formal proactive action plans are in place when is most efficient and effective to do so.• Member of the Brexit MHCLG group, reporting on a weekly basis of concerns and issues, such as resource issues for Trading Standards. <i>Assurances:</i> <i>Management mechanisms in place – no unexpected or unforeseen changes in last 12 months.</i> <i>Peer Review 2017.</i>	Current Score				N/a	N/a
				3	2	6	Amber ↔		
				Target Score					
				3	2	6	Amber		

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Walsall Council

January 2021

No.	Risk <i>Cause and Effect</i>	Corporate Goal <i>Lead</i>	Existing Controls and <i>Assurances</i>	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
6	<p>There is a lack of community cohesion and resilience placing increased pressure on public sector resources.</p> <ul style="list-style-type: none"> • <i>Demographic changes in the Borough;</i> • <i>Increase in hate crime and a feeling of segregation;</i> • <i>Expectations in community around public services are increasing when funding is reducing.</i> • <i>Brexit - Support for residents around status and access to services.</i> • <i>COVID-19 impact on inequalities.</i> <p>The effect of this is reduced satisfaction of residents and increased cost pressure in the future.</p>	<p>Communities</p> <p>Executive Director Resources and Transformation</p>	<p>Existing Controls:</p> <ul style="list-style-type: none"> • Walsall, as one of the five integration areas, has benefited from central government investment. Research by the Belong Network and the University of Kent has drawn a direct correlation between the work of this investment and the increase in community activism and increased cohesion. • Close work with police and other partner organisations through the Safer Walsall Partnership including a resilient communities approach to issues such as hate crime. • Further development of a resilient Communities approach within Walsall to increase work across communities in Walsall. • Demographic data used to inform the corporate planning process. • Increased focus on outcomes in the corporate plan as well as preventive activities to reduce burden on public sector e.g. homelessness reduction. • developing measurable integration strategies with sustainable ESOL learning in the community • Support for residents with the EU Settlement Scheme through partners <p><i>Assurances:</i> "Substantial" assurance from internal audit work 2019/20 on Community Safety</p>	<p>4</p>	<p>2</p>	<p>8</p>	<p>Amber</p> <p>↓</p>	<p>1) The Walsall for All programme now to focus on building a sustainable solution to allow for the work of the organisation to continue. This is expected to be delivered through a combination of MHCLG/Lottery and the Public Sector within Walsall</p> <p>2) Continued development of the Resilient Communities approach within Walsall and increased partnership working.</p> <p>3) Support the Walsall for All Pledge and Race Charter</p>	Ongoing
				4	1	4	Amber		
				Target Score			↓		

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No.	Risk	Corporate Goal	Existing Controls and <i>Assurances</i>	Impact	Likeli-hood	Risk score	Status & Trend	Further Actions	Deadline			
	<i>Cause and Effect</i>											
7	Failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium-Term Financial Plan to be delivered. <ul style="list-style-type: none"><i>Demand increases in statutory services;</i><i>Unforeseen expenditure via a fine or extraordinary event;</i><i>Failure in budget management across multiple departments;</i><i>Ongoing costs of Covid-19 – additional costs and loss of income, impact on collection fund, impact on economic growth and jobs leading to increased demand for council services</i><i>Financial risk / uncertainty of exiting the EU and impact on costs of materials to provide services, costs of staffing, economic impact on jobs and potential increased demand for council services</i><i>Lack of certainty around funding.</i><i>Failure of the Combined Authority (CA) to secure appropriate financing of the investment programme; and decision to continue with the programme as is. Consequently Council cannot meet its financial obligation to the CA (underwriting).</i> The effect of this would be to have to use reserves to balance the budget putting future stability and sustainability of finances at more risk. As reserves are set at a Prudent level, replenishment would be required from services, adding to the financial pressure. Having to set an even more challenging savings programme in future years to address lack of achievement from current plans, which would impact services and result in reputational damage. Ongoing impact of Covid may not be manageable – risk of s114 in future years.	Communities Executive Director Resources and Transformation	Existing Controls: <ul style="list-style-type: none">Robust financial planning and budget monitoring processesService Transformation Plans produced.First draft revenue report 2021/22 to 2023/24 submitted to Cabinet October 28th 2020.Regular reporting of financial performance to Cabinet and Scrutiny.Transformation Programme with clear links to savings targets in most cases. WPP beginning to deliver despite redirection of significant resource to support Covid-19 response.CEO/CFO/HOF Monthly meetings include review of financial performance and savings realisation.Annual report to Council by CFO on robustness of the Budget Estimates and Adequacy of Reserves.Comprehensive financial risk assessments in place as part of budget setting process.Adequate corporate reserves and provisions to manage unforeseen financial issues.Service demand trackers in place in ASC and Children’s to monitor, report on and manage volatile areas of demand (care packages, LAC, etc).Silver/Gold governance to manage Covid-19 response – including approvals for Covid-19 spend.Weekly reporting of finances in sitrep to Gold.Frequent reporting corporate financial performance to Cabinet (May, July, September, October to date).WMCA Constitution which sets out voting rights covering approval of WMCA budgets and steps to take if not approved.Scheduled CEX and Leader briefings scheduled so significant concerns are flagged at WMCA Board being the ultimate decision making body. <i>Assurances:</i> <i>Annual review of MTFS and savings tracker by Finance, CMT and Cabinet.</i>	Current Score				1) Finalise plans to balance the MTFO gap. 2) WPP resource and investment plan refresh under way. 3) Review of Spending Review due 25 th November and subsequent Government Settlement 4) Review and impact analysis of expected funding announcements: new National Funding Formula, etc 5) Continue with meeting attendance and quality briefings of WMCA Walsall officers to the CEX and Leader, so decisions that from a Walsall Council position are considered too high risk can be dealt with at WMCA Board.	February Cabinet & Council – for inclusion in budget report December 2020 February Cabinet & Council – for inclusion in budget report When published Ongoing			
				4	4	16	Red ↑					
								Target Score				Amber
				3	3	9						

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No.	Risk <i>Cause and Effect</i>	Corporate Goal	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
			<i>Covid-19 financial register and risk register implemented and updated and reported weekly to Gold.</i> <i>Attendance of Walsall officers and members at key Boards and Groups within the WMCA Governance structure, including Programme Board, Investment Board, s151 Working Group, Land & Housing Board etc.</i> <i>Annual Internal Audit of core financial systems.</i> <i>External audit conclusion on the council's arrangements for securing value for money.</i> <i>Internal Audit of support provided to suppliers during Covid-19 which provided a 'Good' level of assurance and identified no required actions.</i>						

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No.	Risk	Corporate Goal	Existing Controls and Assurances	Impact	Likelihood	Risk score	Status & Trend	Further Actions	Deadline
	<i>Cause and Effect</i>								
10	Risk of Cyber Security attacks. With the council's increasing reliance on digital service delivery if the council is affected by a cyber-attack which would necessitate IT services being withdrawn whilst remedial work is undertaken to restore systems, then it could have a detrimental impact on our ability to deliver some or all services including : support for vulnerable adults and children, ability to contact the council, customer self-serve capability via web and contact centre, impact on financial income and council reputation.	ALL Executive Director Resources and Transformation	Existing Controls: A multi layered approach: <ul style="list-style-type: none"> PSN compliance (This regime covers areas such as keeping software up to date). ICT security roadmap, the engagement with Microsoft is nearly concluded but a team has been dedicated to improve our services along the guidelines recommended by Microsoft and the National Cyber Security Council (NCSC). Training and skills transfer to ICT staff in managing cyber. regular external and internal penetration testing. Continue receiving alerts from external sources related to Security examples of these sources are Microsoft, Janet (Internet service provider), NCSC, WARP and Government Security group. Staff training including mandatory IG accreditation. Regular updates and reminders to staff through Inside Walsall. Banner alerts inside emails to remind staff not to open unsolicited attachments. Assurances: <ul style="list-style-type: none"> Continue audits via Internal Audit. 	5	3	15	Red New	The Microsoft Cyber project will complete the full implementation of the improvements by early December 20 There is planned activity to run a Phishing simulation test. IG Training is an annual requirement.	December 2020 April 2021 From April 2021
				3	3	9	Amber	The new blue print for the ICT service has a dedicated Cyber function within it. Currently cyber resilience work is undertaken as part of the Network Team.	

Risk Management Quick Guide

Current (C) – with the current controls/mitigations

Target (T) – the score that brings the rating to within appetite for the risk.

Direction of Travel (Trend):

↓ Risk score reduced ⇔ no change to risk score ↑ risk score increased

Risk appetite level – Risks above this level will need particular resources and focus

Risk Matrix

I
M
P
A
C
T

Risk acceptance level (activity below which attracts minimum effort and resources)

5 Catastrophic			10C		
4 Severe		2T 3T 4T 6T 6C	2C 3C	4C 1C 7C	
3 Material		5T	1T 10T 7T		
2 Minor					
1 Negligible					
	1 Rare	2 Unlikely	3 Possible	4 Probable	5 Almost Certain

LIKELIHOOD

Risk Ratings: 1 – 4 = low risk (Green) / 4 – 10 = medium risk (Amber) / 12 – 25 – high risk (Red)

Likelihood and Impact guide.

Likelihood			Impact		
Score 1-5	% chance	Time Frequency	Score 1-5	Disruption to Services and/or Residents affected or aware	Budget
1 Rare	< 10%	Rare occurrence	1 Negligible	Minor disruption to services <i>Up to 5%</i>	>1%
2 Unlikely	10 - 30%	Once in 5 years	2 Minor	1-2 weeks <i>Up to 10%</i>	>5%
3 Possible	30-60%	Once 2 years	3 Material	Up to one month <i>Up to 25%</i>	5-10%
4 Probable	60-90%	Once a year	4 Severe	1 – 3 month <i>Up to 50%</i>	10-20%
5 Almost Certain	> 90%	within 6 months	5 Catastrophic	Over 3 month <i>Over 50%</i>	20%