

Report of the Head of Corporate Assurance

AUDIT AND GOVERNANCE COMMITTEE – 24TH JANUARY 2024

STRATEGIC CONCERNS / RISK REGISTER

1. Purpose of the report

1.1 To provide an update to the Audit and Governance Committee on the current 13 strategic risks and introduce the next scheduled 2 strategic risks to be considered and presented by the appropriate Executive Director.

1.2 Two strategic risks will be considered at this meeting:

- Threat of Fraud/ Cyber – Director of Finance
- Collaboration and Partnership Governance – Director of Finance

2. Recommendation

2.1 The Committee is asked to note the current 13 strategic risks and the updates from the 2 risks presented at the meeting.

3. Current Position

3.1 The Strategic Risk Register was collectively reviewed by the Senior Management Team (SMT) on 5th September 2023. The next review is scheduled for 20th February 2024.

There remain 3 risks classified as **high** (red response rating*) and 10 risks classified as **medium** (amber rating). No risks are classified as **low** (green rating) in relation to the level of response and intervention required.

* NOTE - The response rating reflects the degree of urgency and importance of the interventions and management oversight rather than the inherent risk.

3.2 The actions associated with the 2 strategic risks to be considered by the Committee at this meeting are included in Appendix 1.

3.3 The details of the remaining 11 strategic risks are included, for information, in Appendix 2.

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Date: 12th January 2024

Strategic Risk to be reviewed in the meeting – 24th January 2024

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Threat of fraud and / or cyber-attack against the Council	<p>Risk Description: There is a need to recognise the increasing and constant threat of fraud against the Council. This threat also includes the possibility of a cyber enabled fraud attack being perpetrated against the Council, which could result in a catastrophic loss of systems as well as a financial loss.</p> <p>Risk Assessment: Local authorities and the public sector generally are under a constant and increasing threat from fraud attempts externally by individuals and organised crime groups, whether that is via a direct cyber-attack or impersonation in some way. We also need to be aware of potential internal fraud (corruption/theft) where the risk of this is perhaps changing as individuals come under personal financial pressure and/or an opportunity is seen because of changes in the control/supervision/management arrangements. It is managements responsibility to ensure they and their staff are aware of fraud risks, to spot a cyber based attack and highlight where any concerns exist either in relation to vulnerabilities or indeed if a fraud is suspected. IT Services will need to provide timely and relevant training and awareness in relation to cyber threats as well as maintaining the necessary technical security measures.</p> <p>Action 1 Undertake specific annual fraud risk vulnerability questionnaire in each BU. RAG Rating- Complete</p> <p>Action 2 POD training is reviewed to ensure practical guidance and training is available for all employees. RAG Rating – Green</p> <p>Action 3 POD training developed for specific roles where the risk of fraud is greatest. RAG Rating – Amber</p> <p>Action 4 Develop a communication plan / strategy to ensure important messages are publicised across the Council and in the press as appropriate. RAG Rating- Amber</p>	Potential	Potential	High	Director of Finance

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 5 Plan Fraud Awareness Week / activities for 2023. RAG Rating – Complete</p> <p>Action 6 Provide SMT and the Information Governance Board with updates regarding the latest cyber threats and assurances regarding the technical measures in place and their effectiveness. RAG Rating – Green</p> <p>Action 7 Developed a Cyber Recovery Plan and this was tested as part of a cyber exercise in early December 2023. Meeting planned in February 2024 to review the plan, based on feedback from the exercise, and then further desktop internal testing within IT will be undertaken to test the updated plans. RAG Rating – Amber</p>				
<p>Partnership and Collaboration Governance</p>	<p>Risk Description: Many public services are delivered through partnerships or collaboration as well as emerging devolution arrangements. These must be robust, well governed but flexible and responsive to ensure objectives are met. Weak partnerships or collaborative working can lead to the failure of services, significant financial difficulties, and reputational damage. Key partnerships are: Berneslai Homes, BPL, YPO, Integrated Care Partnership Board, Barnsley FC, BCVS, EHR, SCRMCA.</p> <p>Risk Assessment: Assurance that all partnership and collaborative arrangements are understood and managed through a corporate framework to ensure consistency, good governance, and a focus on the successful delivery of objectives. Particular focus is around the jointly agreed ambitions for Joint Commissioning going forward, the need for "grip and accountability" for the use of resources in the Better Care Fund and clarity of understanding of the impact of the fund on the health and social care system.</p> <p>Action 1 Development of a corporate framework and guidance to support partnership and collaborative working. RAG Rating- Green</p>	Potential	Potential	Medium	Director of Finance

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
	<p>Action 2 Assurance is required regarding the arrangements in place for each partnership and collaboration covering matters such as the make-up of boards and their supporting governance, performance management arrangements, concerns and issues (risks) management, exit arrangements etc. utilising the new framework. RAG Rating- Amber</p> <p>Action 3 Financial monitoring and reporting for Boards and Partnerships are included in the quarterly budget management process for DMT's/BU's RAG Rating - Complete</p> <p>Action 4 Ensure the new framework for the management and governance of partnerships and collaborations is woven into the annual governance review process for 2022/23 RAG Rating - Amber</p>				

Remaining 11 Strategic Risks as at January 2024

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Financial Sustainability	Risk Description: There are several significant emerging risks facing the Council, some of which are fluid and yet to be quantified but, if unchecked, could potentially pose a major threat to the Council's ongoing financial sustainability.	Actual	Actual	High	Director of Finance
Health Protection Emergency – e.g. COVID 19 Pandemic	Risk Description: To continue working with regional and national partners to ensure a strong and robust local health protection system and leadership to implement effective outbreak management processes in place to monitor disease, prevent harm and protect the health of the population of Barnsley. Arrangements are in place and understood by all stakeholders and complied with, to deal with any health protection emergencies which may arise, and which require an emergency or business continuity response.	Actual	Actual	Medium	ED Public Health & Communities
Inclusive Economy	Risk Description: The Council needs to continue to work with partners to maximise the value of the borough's economy and to livelihoods through the Inclusive Economy Board and the suite of business support measures delivered through Enterprising Barnsley and our Employment and skills team. As well as the potential impact on the Glass Works and the town centre there are wider community implications for Barnsley, its principal towns and other urban centres with the risk of increased unemployment, redundancies, and low levels of job opportunities for young people and those furthest from the labour market. Ongoing work is needed to secure final lettings of the Glass Works, develop the principal towns' economies and to address retail contraction. Further development is required of the town centre to address blighted areas also which are identified in the URBED town centre plan. There is increased risk of recession, constrained growth/ retail spend, rising cost of living and inflationary pressures, all of which impact on our most disadvantaged households. Significant work is needed to ensure that our economically inactive population are equipped to participate in the economy and improve their livelihoods as well as ensuring there are pathways and progression routes for people of all ages to get into, get on and thrive in work.	Actual	Actual	Medium	ED Growth & Sustainability
Zero Carbon and wider environmental commitments	Risk Description: There are significant environmental financial, reputation, business and community risks associated with our work to ensure the Council achieves its ambition to be Zero Carbon by 2040 and that the Borough can be zero carbon by 2045. Present delivery performance trajectory means we will likely miss the targets without significant changes.	Actual	Actual	High	ED Growth & Sustainability

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
Potential for a Safeguarding failure in Adult Social Care	Risk Description: Whilst we are confident that controls are in place to minimise the potential for safeguarding failures there remains a need to continually appraise these and be able to identify any changes which may weaken current levels of assurance. Factors which may impact and should be assessed include; the impact of Covid 19 upon families and workforce capacity which could increase workload pressures, increasing incidence of poverty which could impact on demands for services and lead to increases in caseloads, future financial settlements could impact on service provision, challenges with the viability of the external residential care market, awareness of pressures in the system e.g. workload pressures leading to decrease in staff attendance at meetings etc. If the system breaks down potential for huge reputational damage.	Potential	Potential	Medium	ED Place Health and Adult Social Care
Meeting our statutory responsibilities under the Care Act 2014	Risk Description: The Care Act 2014 is a statutory requirement of the Local Authority and with the combined impact of the pandemic, reform programme requirements, cost of living crisis there are concerns that we could have challenges in meeting our statutory responsibilities.	Potential	Potential	Medium	ED Place Health and Adult Social Care
Organisational Resilience	Risk Description: Need to understand issues around leadership, general workforce capacity and welfare (exhaustion, fragility) to recognise that organisational resilience is not as high as it was pre-pandemic and therefore continue to find ways for the organisation to recover post pandemic. Work has commenced on a culture change programme - Enabling Barnsley. This action to be kept under review as the risk moves in "waves" and we need to monitor the impact on the organisation as we come out of the pandemic.	Actual	Actual	Medium	ED Core Services
Emergency Resilience	Risk Description: There is a need to ensure that the Council has robust mechanisms in place to prepare for, respond to and recover from civil emergencies and business interruptions, and comply with the Council's statutory duties as a Category One responder under the Civil Contingencies Act 2004. Following discussion at Core DMT the risks relating to resilience will be revised to two risks: one relating to emergency resilience (including in relation to health emergencies) and one relating to cyber/IT resilience (splitting the latter from fraud risk).	Actual	Potential	Medium	ED Core Services
Educational Outcomes Progress	Risk Description: Concerns that educational outcomes progress for all children across Barnsley may not be sufficient, with particular concern around improving outcomes for vulnerable cohorts.	Potential	Potential	Medium	ED Children's Services

Risk Title	Risk Description	Impact	Status	Response Rating	SMT Owner
SEND	Risk Description: Ensure the Local Area SEND and Alternative Provision Partnership effectively delivers the Local Area Inclusion Plan (Improvement Programme), Written Statement of Action and Safety Valve Programme to ensure that children with SEND are fully included, engaged and connected with their education setting and wider community leading to positive outcomes educationally, socially and emotionally leading to independence and an effective preparation for adulthood.	Actual	Actual	Medium	ED Children's Services
Potential death of a child / safeguarding failure in Children's Services	Risk Description: A need to continually appraise the controls to minimise the potential for death of a child or safeguarding failure in children's services - need to be able to identify any changes which may weaken current levels of assurance. Factors which may impact should be assessed include: the impact of Covid 19 upon both families and workforce capacity, increasing poverty which have increased need and demands for services, increasing caseloads, which presents a risk. Future financial settlements which could impact on service provision, awareness of system pressures e.g., workload. If systems break down there is potential for huge reputational damage - seen across a number of UK authorities - including removal of Director of Children's Services, and government imposition of Commissioners to run services until improvements are made.	Potential	Potential	Medium	ED Children's Services