Leicester
City Council

MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE

DATE: **WEDNESDAY, 13 MARCH 2024**
TIME: **5:30 pm**
PLACE: **Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ**

Members of the Committee
Councillor Kaur Saini (Chair)
(Vice-Chair Vacancy)

Councillors Adatia, Cassidy, Dave, Kitterick, Surti and Whittle

Independent Member Mr Bipon Bhakri

Members of the Committee are summoned to attend the above meeting to consider the items of business listed overleaf.

for Monitoring Officer

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- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

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PUBLIC SESSION

AGENDA

FIRE / EMERGENCY EVACUATION
If the emergency alarm sounds, you must evacuate the building immediately by the nearest available fire exit and proceed to the area outside the Ramada Encore Hotel on Charles Street as directed by Governance Services staff. Further instructions will then be given.

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members of the Committee will be asked to declare any interests they may have in the business to be discussed.

3. MINUTES OF THE PREVIOUS MEETING   **Appendix A**
    (Pages 1 - 10)

The minutes of the meeting held on 22nd November 2023 are attached and Members will be asked to confirm them as a correct record.

4. RISK MANAGEMENT & BUSINESS CONTINUITY   **Appendix B**
STRATEGY AND POLICIES 2024   **(Pages 11 - 62)**

The Director of Corporate Services submits a report to the Governance and Audit Committee which presents the Risk Management and Business Continuity Policy Statement and Strategies which provide an effective framework for Leicester City Council to management and respond to key risks facing its services and support the delivery of its Business Plan.

The Committee is recommended to note the report.

5. REGULATION OF INVESTIGATORY POWERS ACT   **Appendix C**
2000 - BI-ANNUAL PERFORMANCE JULY -   **(Pages 63 - 64)**
DECEMBER 2023

The City Barrister and Head of Standards submits a report to the Governance and Audit Committee which advised on the performance of the Council in authorising Regulatory Investigation Powers Act (RIPA) applications from 1st July 2023 to 31st December 2023.

The Committee is recommended to receive the report and note its contents and make any recommendations or comments it sees fit either to the Executive or to the City Barrister and Head of Standards.

6. PROGRESS AGAINST INTERNAL AUDIT PLANS   **Appendix D**
2023/24   **(Pages 65 - 78)**

The Head of Internal Audit Service (HoIAS) submits a report to the Governance

and Audit Committee which provides:

  a) A summary of progress against the 2023-24 Internal Audit Plans
  b) Summary information on progress with implementing high importance recommendations.
  c) Summary of progress against the Internal Audit Plans.
  d) Commentary on the progress and resources used.
  e) Brief details on an independent external quality assessment of Leicestershire County Council's Internal Audit Service

The Committee is recommended to note the contents of the report and make any comments to the HoIAS or Director of Finance.

7.   ANNUAL REVIEW OF THE LOCAL CODE OF   Appendix E
       CORPORATE GOVERNANCE 2024/25   (Pages 79 - 92)

The Director of Finance submits a report to the Governance and Audit Committee for approval, updates to the assurance and corporate governance processes at Leicester City Council and to approve the Local Code of Corporate Governance.

The Committee is recommended to approve the Local Code of Corporate Governance.

8.   PRIVATE SESSION

MEMBERS OF THE PUBLIC TO NOTE
Under the law, the Committee is entitled to consider certain items in private where in the circumstances the public interest in maintaining the matter exempt from publication outweighs the public interest in disclosing the information. Members of the public will be asked to leave the meeting when such items are discussed.

The Committee is recommended to consider the following reports in private on the grounds that they contain 'exempt' information as defined by the Local Government (Access to Information) Act 1985, as amended, and consequently that the Sub-Committee makes the following resolution:-

"that the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it is considered that the public interest in maintaining the information as exempt outweighs the public interest in disclosing the information."

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority).
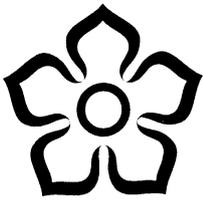
9.   **CYBER-SECURITY UPDATE**   **Appendix F**
                                                                            (Pages 93 - 100)

The Head of IT Operations submits a report informing the Committee of the work carried out by DDaT in relation to Cyber Security during the May 2023 to October 2023 reporting period.

10.   **ANY OTHER URGENT BUSINESS**

Leicester
City Council

Minutes of the Meeting of the
GOVERNANCE AND AUDIT COMMITTEE

Held: WEDNESDAY, 22 NOVEMBER 2023 at 5:30 pm

P R E S E N T:

Councillor Kaur Saini (Chair)

Councillor Adatia   Councillor Whittle
Councillor Bonham   Councillor Ted Cassidy
Councillor Dave   Councillor Kitterick

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Mr Bipon Bhakri – Independent Member

1. **APOLOGIES FOR ABSENCE**

The Chair welcomed those present and led on introductions.

Apologies for absence were received from Councillor Surti. It was noted that Councillor Bonham was to substitute Councillor Surti for the evening.

2. **DECLARATIONS OF INTEREST**

Members were asked to declare any interests they may have in the business to be discussed.

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

Neil Jones, Head of Internal Audit Service, suggested the following amendments to Item 17, Internal Audit Plan 2023/24 and Progress Update:

- 'internal auditor form' be replaced with 'Head of Internal Audit Service from'.
- 'plan' and 'plans' be replaced with 'high importance (HI) recommendation(s)' consecutively.
- 'summary of recourse had been slowed down to' be replaced with 'resources input had been impacted by'.
- 'member of staff' be replaced with 'the Audit Manager'.
- The addition of 'extended' prior to the words 'jury duty'.

RESOLVED:
> That the minutes of the previous meeting held September 2023 be confirmed as a correct record with consideration to the above amendments.

4. STRATEGIC AND OPERATION RISK REGISTERS UPDATE

The Director of Delivery, Communications and Political Governance submitted a report which provided an update on the Strategic and Operations Risk Registers.

Sonal Devani, Risk Management Manager presented the report and the following points were raised:

- It was noted that Appendix 1A noted changes to the Strategic Risk Register, which included a reduction in risks 1.1, 1.2, 3.5, as well as an increase in risks 2.2, 3.1 and 4.2. It was further noted that one risk, Responding to Major Incidents, had been removed.
- It was noted that Appendix 3 detailed the Operational Risk Register Risks and emphasis was placed on the fact that items removed from the register did not correspond to complete removal of the risk and instead referred to the risk level associated to the risk.

Members of the Committee discussed the report and the following points were raised:

- It was noted that the strategic risk removed was being managed at a divisional level and was noted to be at its target score.
- Following a query regarding the impact of lack of staff and issues with recruitment, it was noted that lack of resources, such as staff in in-demand sectors, such as Social Work and Legal Professions was a large-scale issue that spanned many Councils.
- It was noted that the report comes to the Committee twice a year.
- It was noted that the risk of submitting a section 114 notice would lay under risk 2.3 – Financial Sustainability. The Chair noted concerns and requested that a report regarding financial sustainability be brought to the next meeting.
- Following concern about the impact of the Autumn Financial Statement on the Strategic Risk Register, it was noted that a financial settlement would not be received until closer to Christmas and therefore any impact could not currently be indicated.

The Chair and the Committee thanked officers for the report.

AGREED:
> 1. That the report be noted.
> 2. That a report on financial sustainability be brought to the next meeting.
> 3. That comments made by Members of the Committee be

considered by the Director of Delivery, Communications and Political Governance.

5. FINANCE UPDATE AND 2022/23 EXTERNAL AUDIT PROGRESS

The Director of Finance submitted a report which provided an update on the progress of the statement of accounts and external audit findings for 2022/23.

Grant Patterson and Nicola Coombe, External Auditors for Grant Thornton presented the report and the following points were raised:

- It was noted that the report contained audit findings to date and that the final version of the report would come back to the Committee in the near future.
- It was noted that new findings were reported daily and that future reports would reflect any updates received.
- Attention was drawn to page six of the report, which listed ongoing audits being worked on.
- An incident was brought to the Committee's awareness of an instance of overridden control, where a senior officer had posted to the journal by proxy, which was detailed on page ten of the report. Testing was therefore enhanced to gain awareness of the scope of the issue and the results of those tests were to be expected shortly.
- Page 11 and 12 detailed multiple errors found in the risk: 'Presumed Risk of fraud in Revenue Recognition'. It was noted that no further errors were discovered other than the errors initially found however the findings report had not been compiled by the time the report had been submitted to the Committee.

Members of the Committee discussed the report and the following points were raised:

- Members of the Committee alerted officers to visibility struggles of the text in the table on page 23, due to the colour coding. It was noted that the table would be altered in the final report to improve legibility.
- Members enquired about the reasons for the ongoing work in the report. It was noted that multiple errors had been found leading up to and during the construction of the report as well as outstanding pieces of evidence still expected. Members expressed concern regarding the risks the delays in information posed to the report. It was noted that there were multiple factors involved behind the delays, which were further amplified by limited resources and the small scale of team conducting the audits. Members were reassured that the issues were in hand and the team would endeavour to bring the final report back to the Committee in January 2024.
- Members of the Committee requested further information on the objection to accounts to Selective Licensing presented in the report. It was noted that members of the public have the right to question and raise an objection to the auditor, A single resident had challenged the selective licensing fees value for money in October 2023, which was

being processed It was noted that when the objection had been concluded, Grant Thornton would bring back a summary of findings to the Committee, if required.

- Members of the Committee requested further information on the misapplication of beacons presented in the report. It was noted to be regarding the misclassification of council dwellings, in which a 2-bedroomed abode had been misclassified as a 6-bedroom property. It was further noted that a major cause of the issue had been due to changes in personnel. All properties were required to be re-evaluated and would be reported back to the Committee upon completion.
- Members of the Committee raised concern about the risks that journal overrides could present for the Council. It was noted that associated risks had been identified and controls had been put in place to prevent re-occurrences in the future.

The Chair thanked officers for the report.

AGREED:
1. That the report be noted.
2. That comments made in the meeting be taken into consideration in the final report, which was due to be presented to the Committee in January 2024.

6. COUNTER FRAUD ANNUAL REPORT 2022/23 AND MID-YEAR UPDATE

The Corporate Investigation Manager submitted a report to inform the Committee of the work conducted by the Corporate Investigations Team during 2022/23 and the 2023/24 half year April 2023 to September 2023.

Stuart Limb, Corporate Investigations Manager presented the report and the following points were highlighted:

- All Right-To-Buy applications were checked and sources of funding were investigated to ensure the purchase was legit.
- The Corporate Investigations Team collaborated with school admissions teams to validate school applications. Work was also conducted alongside the Housing Department to ensure properties were not being sublet.
- Further to the benefits gained from membership with the National Fraud Network, it was noted that if a fraud attempt occurred at a local authority, the risk would be shared across the network to prevent it from occurring in another authority.

Members of the Committee discussed the report and the following points were raised:

- If a property is determined to be occupied, the Revenue Team would review whether the property falls under the New Homes Bonus Scheme.
- Members enquired about any campaigns regarding the 25% Single Persons Discount as well as fraudulent claims involving single person

properties. It was noted that a third-party organisation was employed to perform a managed service review of the single person discount, which took into account credit references, the electoral register and agency data.

- Members raised concern about non-students living in student accommodation and avoiding council tax. It was noted that the Revenue Section worked alongside Universities to ensure student lists matched property residents in student accommodation.
- Members raised concern about the potential passing on of tenancies of council properties. It was noted that cooperation with the Housing Department was ongoing to check any areas of concern, such as through data matching or reviewing active occupancies. It was noted that while there was a risk that properties were being sublet due to the number of properties under management, the risk was being actively managed and promotion for members of the public to report known sublets would be undertaken.
- It was further noted that Right-to-Return, caused further issues regarding what actions could be taken if the resident declared their intention to return to the property. The Director of Finance noted that an officer from the Housing Department and Homelessness Team would be brought back to provide an update regarding this item at a future meeting.
- Members enquired about any costs or savings accrued from work alongside the school admissions section. It was noted that the Council had a duty to ensure that the right children received the right places at the right schools. It was noted that the financial figure used the pupil grant, which was noted to be approximately £18k, as a guide for assessing costs or savings associated with student places. It was emphasised that applications for more highly sought after schools that were at higher risk were rigorously assessed. It was noted that it was difficult to put a figure on a notion of saving for school places but a review could be undertaken to analyse a better benchmarking system. It was noted that the next report on the item would include calculations on how the notional figure was reached regarding costs or savings for school admissions and the number of instances identified.
- Members enquired about the reasoning behind management requests for access to records of employee's system access. It was noted that there was a variety of reasons required for requests for access, ranging from suspected irregularity or misuse of council property or time or temporary access during staff sickness of absence.

The Chair thanked officers for the report.

AGREED:

1. That the report be noted.
2. That officers from the Housing Department and Homelessness team be invited to a future meeting to provide an update on subletting concerns.

7.   ANNUAL INSURANCE REPORT 2022/23

The Director of Finance submitted a report to the Committee which presented an overview of the Council's internal and external insurance arrangements and provided information on the claims received in recent years, and the results of the claims handling process.

The Head of Finance, Stuart McAvoy presented the report and the following points were raised:

- It was noted that the balance on the insurance fund was £9.8 million, which covers the costs of both known claims and unknown claims.
- It was highlighted that more claims were received regarding Highways.
- It was noted that the previous provider for insurance was pulling out of the market and a new policy was in place to provide cover to affected properties.

Members discussed the report and the following points were clarified:

- Following concern about whether the Council was insured against behaviour of adult's or children's care home staff, it was noted that an insurance policy was in place for employee and public liability.
- Further to questions regarding the nature of motor insurance policy claims, it was noted that the policy included damage to council owned vehicles, similarly to a standard motor insurance policy for individuals.
- Members inquired whether severe weather was covered in an insurance policy considering the climate emergency. It was noted that while there was nothing specific in regard to severe weather, flooding was covered by insurance arrangements. It was further noted that insurance premiums increase as likelihood of flooding increased and that further details on climate related events would be sought and brought back to the Committee.
- Members raised concern about the increase in no-fault claims and queried what was being done regarding these claims. It was noted that each claim was based on and determined by their own merits and the Council would deal with each claim accordingly once fault had been determined.
- Members sought clarity for the spike in property compensation costs in comparison to previous years. It was noted that events and their corresponding claims may be delayed and that some claims fulfilled in a year may apply to a case that had happened several years prior.

The Chair thanked officers for the report.

AGREED:
1. That the report be noted.
2. That further information be provided regarding climate related events.

8.   INTERNAL AUDIT UPDATE

Leicestershire County Council's Head of the Internal Audit and Assurance Service and Audit Manager were present to provide a report on the progress against Internal Audit Plans and the following points were noted:

- It was noted that two high importance (HI) recommendations had been closed, which included GDPR and Bed & Breakfast Emergency Placement.
- Delays were noted for extended and ongoing movements.
- It was noted that Colin Sharpe, Head of Finance, had been consulting with internal audit to assist and provide rigorous checks.

Members discussed the report and the following points were raised:

- It was noted that in context of the number of days provided being light, internal audit was around fifty days shorter than expected, due to the impact of delays and staff absence.
- A combination of reasons were noted for the delays, which included staff absence, delays in client responses, confusion of responsibilities due involvement of multiple departments, and the presence of external consultants, which required certain work to be put on hold.

The Chair thanked officers for the report.

AGREED:
> That the report be noted.

9.   PRIVATE SESSION

RESOLVED:
> That the press and public be excluded during consideration of the following reports in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because they involve the likely disclosure of 'exempt' information, as defined in the Paragraphs detailed below of Part 1 of Schedule 12A of the Act, and taking all the circumstances into account, it was considered that the public interest in maintaining the information as exempt outweighed the public interest in disclosing the information.

Paragraph 3

Information relating to the financial or business affairs of any particular person.(including the authority).

10) FUTURE PROVISION OF THE INTERNAL AUDIT SERVICE

10.   FUTURE PROVISION OF THE INTERNAL AUDIT SERVICE

The Head of Finance submitted a report on the planned changes to the future provision of the Internal Audit Service and work taking place to identify a new provider.

Head of Finance, Colin Sharpe presented the report.

Members of the Committee discussed the report and raised a number of points to which officers provided further explanations and assurances.

The Chair thanked officers for the report.

AGREED:
> 1. That the report be noted.
> 2. That any comments made in the meeting be taken into consideration during future progress on the procurement of a new internal auditor.

11. ANY OTHER BUSINESS

There being no other business, the meeting closed at 7:45pm.

Risk Management and Business Continuity Strategies and Policies 2024

Governance and Audit Committee

Date of meeting: 13th March 2024

Lead director: Andrew Shilliam

1. Summary

The purpose of this report is to present to the Governance and Audit Committee (G&AC) the Risk Management and Business Continuity Policy Statements and Strategies **(Appendix 1 and 2)**, which form an important part of the council's governance arrangements by providing an effective framework for Leicester City Council (LCC) to manage and respond to key risks facing its services and to support the delivery strategic priorities and objectives, and to manage the impacts of potential disruption to ensure continuity of service delivery.

Effective risk management is essential for organisations and their partners to achieve strategic objectives and to deliver and improve outcomes to its stakeholders including local people. Good risk management determines and manages both positive and negative aspects of risk and officers are not required to be risk averse as part of this process (more detail at paragraph 3.3).

2. Recommended actions

G&AC is recommended to note, on behalf of council, the updated:

- Corporate Risk Management Policy Statement and Strategy at **Appendix 1**. This sets out the council's attitude to risk and the approach to be adopted to manage the challenges and opportunities in relation to the Council's strategic objectives; and

- Corporate Business Continuity Management (BCM) Policy Statement and Strategy at **Appendix 2** which provides a framework to consider and manage disruptions to service delivery. This sets out the council's attitude, perception and approach towards implementing business continuity practices.

3. Detailed report

Risk Management Strategy and Policy 2024

3.1 The council's Risk Management Policy and Strategy are reviewed and updated annually. The Risk Management Strategy sets out how the council can tackle the risks it faces. It plays a vital part in the overall governance framework of the council and is particularly important in the current challenging financial environment.

3.2 To date, improvements have been made in strengthening risk management arrangements within the council's diverse business units. In line with our agreed corporate approach, a review of the Risk Policy and Strategy has taken place to reflect any developments made in the industry and to support internal risk procedures/processes. There have been no major developments that would affect the council's risk management process. The review this year led to **the impact and likelihood scoring guide** being reviewed thoroughly and amended to reflect the current situation around finances, on people (staff and citizens), governance and delivery of the council's objectives **(refer to paragraph 4.1 – last bullet point).** The likelihood scoring guide now includes probability of occurrence in percentage terms. A reminder that an internal development made last year to the Strategic Risk Register was around the way strategic risks are encapsulated. The risk strategy will continue to help embed risk management throughout the council. This strategy helps to embed a coherent risk management system throughout the organisation and ensures officers/staff understand their roles and responsibilities within the process and if followed by staff enables a more consistent risk management approach.

3.3 Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people. Good risk management looks at and manages both positive and negative aspects of risk. Our risk management policy is not aimed at being risk averse. The process allows the council to methodically address the possibility of risks stemming from its activities with the aim of achieving sustained benefit within each activity and across the portfolio of all its activities. The council's risk management process should (and if the policy is complied with, does) allow this 'positive risk taking' to be taken and evidenced. With the council adopting a **'Risk Aware'** approach rather than **'Risk Averse'** and integrating risk management into the council's culture and day-to-day practice, it is in a better position to identify opportunities that may benefit the council (including financial) where associated risks are managed rather than avoided altogether.

Business Continuity Policy and Strategy 2024

3.4 Good practice in relation to any Business Continuity Management (BCM) system emphasises the importance of:

- Understanding the business need and necessity for establishing a BCM policy and strategy;

- Implementing and operating controls and measures for managing disruptive incidents;

- Monitoring and reviewing the performance and effectiveness of BCM; and

- Continual improvement based on objective measurement.

The BCM programme needs to be managed in a continuous cycle of improvement for it to be effective. Therefore, formal and regular exercise, maintenance, audit and self-assessment of the BCM **culture** are essential. To support the effectiveness of this key staff within each division are encouraged to attend the

BCM awareness training sessions delivered by the Risk, Emergency and Business Resilience (REBR) Team. This is formalised at Corporate Management Team and remains a key activity within 2024.

Appendix 2, the BC Policy and Strategy sets out how the council achieves this approach. The council's BCM practices are consistent with the International BC Standard (ISO22301) and ensure that its business continuity responsibilities under the Civil Contingencies Act (2004) are met. Following the progress made in the last few years, the council is further aligning to the standard. However, further ongoing work will enhance business continuity practices at the council, for example, the continuation of updating Business Impact Assessments (BIAs) and carrying out BC testing exercises for each identified critical service every two years.

The BCM framework adopted by LCC contributes towards identifying LCC's critical services and ensures business continuity plans (BCPs) exist for those services. An annual self-certification process is standard practice whereby directors confirm their plans have been reviewed annually as a minimum and tested every 2 years (agreed at CMT). However, plans should also be updated to reflect changes in service areas as and when they occur. All business-critical service BCPs are robustly reviewed every 2 years by REBR.

The implementation of this revised Business Continuity Policy and Strategy will support the delivery of an effective BCM programme including the above-mentioned points.

LCC and the Local Resilience Forum (LRF)

3.5   REBR work with partners/stakeholders to discuss and share best practice and to promote business continuity. LCC's major incident plan, if invoked, is aligned to link to wider LRF emergency response plans and LCC work to ensure we have consistency of approach and work collaboratively to achieve the desired outcome. The Manager for Risk Management Chairs the 'Multi-Agency Business Continuity Group' inviting BCP Officers from partner organisations to share good practice, how they dealt with responding to a BC-related issue and what they have learnt from this. The participants include, for example, blue light services, district authorities, utilities.

4. Key deliverables

The **key deliverables** in both Policies and Strategies include:

4.1   **Risk:**

- Divisional risks effectively aligned to the strategic risks facing the organisation, therefore, improving the links between the ORR and SRR which will be achieved by ensuring communication and implementation of the revised process of how the SRR is populated and presented as agreed at

CMT in November 2022 (see **paragraphs 34 and 35 of the risk strategy** for detailed information);

- Ensuring the Risk Management Framework at the council continues to reflect the organisational structure, and those risks affecting the delivery of the council's priorities and its objectives are properly identified, assessed, managed, monitored and reported;

- Continuance of the process whereby Divisional Directors (and their Heads of Service) have individual risk registers feeding through to the council's Strategic and Operational Risk Register, which is reviewed by CMT, led by the Chief Operating Officer, supported by the Director of Corporate Services and the Manager, Risk Management;

- Continuing to integrate and embed risk management into the council's culture and its everyday business operations. Risk management should be a part of a manager's overall duties. Improving divisional engagement with risk management processes to further embed a culture within the council where risk is anticipated and managed proactively and is part of the daily process. It is not a 'form filling' exercise and should be seen to 'add value'. A risk assessment should be completed and/or updated for each project or contract being let and for all of our significant procedures, as a minimum;

- Increasing recognition of the benefits that can be achieved, operationally and strategically, with effective and embedded risk management;

- Continuing to support the operational service areas in the development and improvement of their individual risk registers by identifying training needs, providing support and guidance and delivering training to them;

- Ensuring it is understood that risk management is a cross-service planning activity and not to be carried out in isolation otherwise risks can be missed;

- REBR attending Directorate DMTs to provide a critical friend approach to the shaping and review of divisional risk registers which will help with achieving the above.

- A training programme has been established for 2024 **(Appendix 5 of the strategy)**. Directors and managers should continue identifying staff requiring risk management training not only through the appraisal process but also through the job specification process. It is the business areas that 'own' and should manage their risks;

- Risk is continued to be considered, identified and assessed in the procurement of goods/services with contractors and partners;

- Emphasising that the risk service is perceived across the council as 'risk advisers' who will assist managers in scoping and managing their risk exposure to enable the implementation of innovative schemes. This team do not manage the council's risks as this remains service areas' responsibility.

Impact and Likelihood Scoring Guide

- A significant change, which has been agreed at CMT, to the Risk Policy and Strategy, is the scoring criteria. The amended scoring criteria are within the strategy **(page 21/22).** The financial limits under impact have been amended to reflect the current climate in terms of financial implications. The **impact scoring guide has been categorised according to impact on various categories.** The likelihood table now has an additional column, **'The Probability of Occurrence'** which includes the likelihood of an event occurring in percentage terms.

4.2 **Business Continuity:**

During the next 12 months the focus in relation to effective BCM will be:

- To ensure the Corporate BCP template is reviewed and updated and made available for council-wide use;

- To ensure BCPs are reviewed and updated accordingly by services, particularly for business-critical services and are submitted to REBR;

- Scoring of business-critical services plans and providing feedback to plan owners;

- Submission of BIAs for each business-critical service alongside the associated BCP to REBR;

- Carry out further BIAs upon request of services if they are deemed to be critical;

- To ensure the continuation of testing all critical service BCPs every 2 two years as stipulated in the Self Certification signed off by directors annually;

- Provide training council-wide and bespoke sessions upon request of services;

- Offer Business Continuity/Emergency Planning services to the community and academies.

Poorly managed incidents could leave the council and its officers exposed to insurance claims. Embedding risk management and business continuity is beneficial to the council to ensure proactive measures are taken in these areas to help maintain the organisation's reputation meeting stakeholder needs, ensure incidents are managed with minimal disruption and claims are kept to a minimum. This opens new doors to insurance premium discounts and reduced excesses as insurers look favourably at organisations that manage their risks. Business Continuity planning also protects the council, ensuring that it can help others in an emergency (facilitated by the BCP).

5.   Financial, legal, equalities, climate emergency and other implications

5.1   Financial implications

The revised Risk Management Policy Statement and Strategy is intended to promote an effective approach to risk across the council, and hence in financial terms minimise the costs of insurance premia, successful claims and responding to incidents

Rigorous, targeted and proportionate BCP arrangements are essential to ensure the council can be confident of recovering effectively from a major incident and with as little additional or abortive expense as possible.

Kirsty Cowell, Head of Finance (Strategy), Ext 37 2377.

5.2   Legal implications

Rigorous Risk Management and BCM arrangements are essential to ensure the council can be confident of ensuring it has proper cover for its legal liabilities.

Kamal Adatia, City Barrister, 37 1401

5.3   Equalities implications

Effective risk management is essential for organisations and their partners to achieve strategic objectives and improve outcomes for local people and therefore is likely to be beneficial to people from across all protected characteristics.

However, in some circumstances, effective risk management will be particularly relevant to those with a particular protected characteristic (for example, safeguarding risks and risks which could result in service disruption). Therefore, a robust risk strategy and policy statement which is embedded effectively will minimise the likelihood of ineffective risk management resulting in a disproportionate impact on those with particular protected characteristics.

A robust approach to business continuity planning will limit the impact of incidents and plays a key role in maintaining service delivery, therefore there will be a positive impact across all protected characteristics.

If business continuity planning is not effective there is a greater risk where a service has been identified as critical. If those critical services were unable to maintain service delivery, there may be a disproportionate impact on those with particular protected characteristic/s, such as age and disability.

The 2024 Corporate Business Continuity Management Policy Statement and Strategy will support a robust approach to business continuity planning and minimise the impact of incidents which could have a disproportionate impact on certain protected groups.

The correct prioritisation in the event of an incident, will ensure that those areas of greater risk, including risks around equalities and human rights will be prioritised provided this is a consideration in any changes that are made

Surinder Singh, Equalities Officer, Ext. 37 4148

5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this paper. However, it is worth noting that the impacts of worsening climate change are among those covered by the council's risk management processes.

It should also be noted that the BCM Policy Statement & Strategy and associated documents play a key role in ensuring the council is prepared for potential incidents and emergencies linked to the increasing impacts of worsening climate change in Leicester, such as flooding and extreme weather.

Aidan Davis, Sustainability Officer, Ext 37 2284

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph/References Within Supporting information
Risk Management	Yes	All of the paper.
Legal	Yes	
Climate Change	No	
Equal Opportunities	Yes	
Policy	Yes	All of the paper.
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

6. Summary of appendices:

Appendix 1 – Risk Management Policy Statement and Strategy

Appendix 2 – Business Continuity Management Policy Statement and Strategy
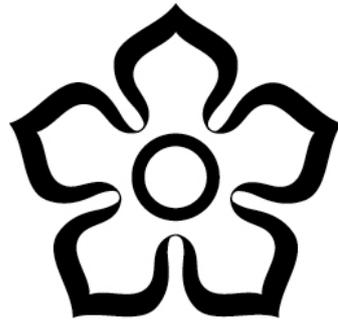
7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a "key decision"? If so, why?

No

Appendix 1

Risk Management Policy Statement and Strategy 2024

21/02/2024
Leicester City Council
Sonal Devani on behalf of Andrew Shilliam

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Enterprise Risk Management

Policy Statement and Strategy 2024

Risk Management Policy Statement

Leicester City Council's (LCC) approach to the management of enterprise risk

Risk management involves identifying, assessing, managing, monitoring, reporting, and communicating the council's threats and opportunities. By doing so effectively, LCC is in a stronger position to deliver its objectives. Risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The Council acknowledges that risk can never be eliminated entirely and accepts the need to take proportionate risks which should be identified and managed appropriately in order to achieve its strategic objectives . However, residual risks may still be high after further controls are identified and implemented. Such risks may relate to activities/projects where the organisation has statutory responsibilities to deliver those services, and in such instances, it is important that risks are being managed effectively and efficiently and the impact is minimised as far as is reasonably practicable should the threat/event occur. By assessing potential problems and developing strategies to address them, we are able to improve our chances of a successful, if not perfect delivery of the project/initiative assessed. The Council recognises that managing risk can also identify positive opportunities which, with the appropriate level of control, may lead to service improvements. The measures which the Council adopts are principles of good management practice which seek to control and balance risk and opportunity. The risk strategy implemented at the Council supports this and ensures that high priority risks are cost effectively managed and provide decision makers at all levels with the information required to make informed decisions.

The key objectives of Risk Management at LCC are to:

1. Proactively identify, manage and act on opportunities and threats to enable the Council to achieve its objectives and integrate risk management into the culture and day to day activities of the Council.

2. Prevent death, injury, damage, losses, and reduce and minimise the cost of incidents and accidents.

3. Comply with governance requirements with risk management (identification of, and plans to manage, risk) forming an integral part of the Council's governance including decisions taken by the Executive and Corporate Management Team (CMT).

4. Make the Executive, CMT and Governance and Audit Committee aware of the potential key strategic and operational risks.

5. Ensure the organisation's risk profile and exposure is communicated top down, bottom up and across the organisation and coordinate targeted action plans designed to manage or reduce the risk profile.

6. Embed, actively support and promote risk management. Raise awareness of the need for risk management to those involved in developing the Council's policies and delivering services and ensure it is understood that risk management is a cross service planning activity.

7. Ensure that a systemic and consistent approach to risk management is adopted throughout the organisation and as part of divisional planning, performance management and models of operation.

8. Supporting a culture of well-measured risk taking throughout the Council's business and informing operational decisions by identifying risks and their likely impact.

9. Ensure risks are considered, actioned and responsibility is assigned in the commissioning, procurement and contract management of goods/services.

10. Manage risk in accordance with best practice and comply with statutory and regulatory requirements, for example Fraud Act, Anti Bribery and Care Acts.

The above objectives will be achieved by:-

1. Ensuring CMT, Directors, Executive and other relevant stakeholders obtain assurance that the Council and its services are managing and mitigating risks that could affect the achievement of the organisation's objectives.

2. Establishing appropriate risk reporting mechanisms and risk communications council-wide. Ensure a process is in place to allow for the submission of Strategic and Operational Risk Registers to CMT, City Mayor and Executive, Governance and Audit Committee and relevant stakeholders.

3. Ensuring the operations and initiatives that are high risk to the Council are reported and monitored through the appropriate channels and via the relevant director to aid informed decision making.

4. Attending Divisional Management Meetings periodically council-wide to provide a critical eye friend on Divisional Risk Register.

5. Providing learning opportunities to Council officers on the risk management process across the Council via a rolling training programme year on year with the option of bespoke training.

6. Keeping abreast of best practice throughout the industry and through the continual review and improvement of the council's risk management practices.

7. Good practice tools to support management of risks applied consistently throughout the council and reinforcing the importance of effective risk management as part of the everyday work of employees and members.

8. Ensuring accountabilities, roles and responsibilities for managing risk are clearly defined, communicated and understood by establishing clear processes, responsibilities and reporting lines for risk.

9. Anticipating and responding to changes in the external environment including changing political, economic, social, technological, environmental and legislative requirements.

10. Horizon scanning and considering emerging risks which should be on the radar (but where impacts are not fully known for such risks).

11. Demonstrating the following benefits of effective risk management:: -

   - Cohesive leadership and effective management controls;
   - Improved resource management – people, time, and assets;
   - Improved efficiency and effectiveness in service and project delivery;
   - Minimising the impact following an incident, damage limitation and cost containment;
   - Better protection of employees, residents and others from harm;
   - Reduction in incidents, accidents and losses leading to lower insurance premiums and improved reputation for the Council.

12. Recognise that it is not possible or expected to eliminate risk entirely, and so have a comprehensive business continuity and insurance programme that protects the Council from significant financial loss, reputational damage or even litigation therefore minimising the impact from an event.

Alison Greenhill   **Sir Peter Soulsby**
Chief Operating Officer   **City Mayor**

Risk Management Strategy

INTRODUCTION

1. This **Risk Management Strategy** provides a structured and coherent approach to identifying, assessing and managing risk. It builds in a process for regularly updating and reviewing risk assessments based on new developments or actions taken and allows communication and reporting of risks that may adversely impact the achievement of the Council's aims and objectives.

2. This strategy builds on, and replaces, the 2023 Risk Management Strategy. Through the continued development and implementation of the strategy, the maturity of the Council's risk management will be reflected in a more enabled and proactive culture of embracing innovative opportunities and managing risks. This strategy helps to embed a coherent risk management system throughout the organisation and ensures officers / staff understand their roles and responsibilities within the process and if followed by staff enables a more consistent risk management approach.

AIMS AND OBJECTIVES

3. The aims and objectives of Leicester City Council's (LCC's) Risk Management Strategy are:-

   - To assist LCC in setting strategy, achieving objectives and making informed decisions;

   - To provide the Executive, Members and senior officers with regular risk management reports that give a comprehensive picture of the Council's risk profile and risk ranking exposure;

   - To provide and assist the Council and its partners to adopt a "fit for purpose" methodology towards identification, evaluation, control and communication of risks and to help ensure those risks are reduced to an acceptable level – the 'risk appetite';

   - To ensure that transparent and robust systems are in place to track and report upon existing and emerging risks which potentially could have a detrimental impact on the Council or influence decision making and affect the achievement of objectives;

   - To help further integrate risk management into the culture and day to day working of the Council and ensure a cross divisional/operational approach is applied;

   - To provide reliable information on which to base the annual strategic and operational risk and governance assurance statements;

   - To consider the limitations of available information in the process of identifying and assessing risk;

   - To encourage well measured risk taking where it leads to improving performance and sustainable improvements in service delivery;

   - To ensure a consistent approach in the identification, assessment and management of risk ('the risk management cycle) throughout the organisation; and

   - To acknowledge that even with good risk management and our best endeavours, things can go wrong and that we learn from this to prevent it happening again. Risk Management is continually improved though learning and experience.

4. Given the diversity of services offered by the Council, there are a wide range of potential risks that could arise. Therefore, it is essential that responsibility for identifying and taking action to address those risks is assigned and clear. Commitment and involvement of staff at every level is essential to effectively carry out enterprise risk management. Although different staff/managers will have specific duties to assist in this process, it is important that they are aware of and

understand their role. Staff involvement may consider views and comments from other divisional areas/teams who may have had experience of managing similar projects.

ASSURANCE AND REPORTING STRUCTURE OF RISKS AT LCC

5. As part of the risk management and assurance process, our aim is to create a 'no surprises' approach where the commitment and appetite around risks management is set from the top down.

6. All staff and associated stakeholders have responsibility for managing risk, some more than others. Please see **Appendix 1** for full roles and responsibilities.

Pyramid structure from top to bottom:
- Gov & Audit Committee
- City Mayor / Executive
- Corporate Management Team
- Risk, Emergency & Business Resilience
- Divisions, Departments and services
- Management / Corporate functions and third parties / Internal Audit

Within this structure, each party has the following key roles:

- The Governance and **Audit Committee (G&AC)** is responsible for noting the effectiveness of the Council's risk management arrangements, challenging risk information and escalating issues to CMT and Executive via the Manager, Risk Management.

- **City Mayor and Executive** has a leadership and oversight role particularly in challenging CMT and senior managers in relation to the risks identified, mitigating actions and holding them to account to implement effective risk management. The City Mayor and Executive are also responsible for approving risk policies and strategy and receiving regular risk management reports to review;

- **The Corporate Management Team (CMT)** has the risk oversight role and ultimate management accountability. CMT must ensure the risk related control environment is effective; is responsible for approving and reviewing risk policies and strategies; setting the level of risk the Council is prepared to accept **–** it's **'risk appetite'**; receiving 4-monthly risk update reports to review and for approving as well as agreeing and promoting the training programme;

- **Risk, Emergency and Business Resilience (REBR)** develops and coordinates implementation of the Risk Management Strategy and provides a facilitators role, supporting and guiding service areas on how to complete operational risk assessments, whom they

should refer to and deliver corporate risk management and business continuity training. REBR also coordinate, populate and maintain the Council's strategic and operational risk registers, producing 4-monthly risk reports comprising of these risk registers to submit to CMT, City Mayor and Executive (SRR only) and the G&AC (bi-annually);

- **Departments and services** are the **'risk-takers'** and are responsible for identifying, assessing, measuring, identifying risk actionee, monitoring, communicating risk as well as reporting on significant risks associated with their functions or activities and for managing risks within their departments;

- As part of the Council's **combined model, management, third parties (e.g insurers) and Internal Audit** give assurance on the management of risks and the operation/performance of controls.

See **Appendix 1** for further Roles and Responsibilities.

RISK DEFINITION AND APPETITE

7. At LCC, we adopt the definition of risk taken from the **International Risk Management Standard '*ISO31000 – Risk Management Principles and Guidelines standard and BS65000 – Guidance on Organisational Resilience'*:**

    "Risk is the effect of uncertainty on objectives" and an effect could be a positive or negative deviation from what is expected. **ISO 31000** recognises that we operate in an uncertain world.

8. By identifying potential problems with an in-depth risk assessment, the Council can implement controls and treatments that maximise the chance of gain while minimising the chance of loss. It is assumed by many staff, during risk discussions, that all risks must be eliminated. This is not the case. Risk is a part of everyday life and taking risks and acting on opportunities may be a route to success, if managed properly, where the risk appetite is crucial to this process. **Risk Appetite** is defined as '**the amount and type of risk that the organisation is willing to pursue, retain or take** (ISO73 – ISO2002)). **Appendix 2** demonstrates the Council's risk appetite. **The Council is prepared to tolerate risks that fall below the risk appetite line (the prominent black line).** For risks that are scored above the line, the relevant Council officers should consider their occurrence (repetitiveness) and impact, and design controls for implementation to minimise the chance of the risk materialising. This should be monitored periodically. An example of this would be total loss of a building by fire. This is a typical 'high impact' but 'low likelihood' risk that cannot realistically be managed day to day, beyond normal management responsibilities, but if it occurs, would be dealt with by the invocation of an effective Incident Response Plan and appropriate insurance cover which are both significant mitigants for that risk.

9. Risk appetite needs to be considered at all levels of the organisation – from strategic decision-makers to operational deliverers. The Council's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the Council's risk appetite provides the strategic guidance necessary for decision-making and is determined by individual circumstances. In general terms, the Council's approach to providing services is to be innovative and to seek continuous improvement within a framework of robust corporate governance. This framework includes a risk management process that identifies and assesses risks appertaining to decisions being considered or proposed.

10. As such, risk appetite should be considered for every proposal and risk rather than an over-arching concept for the entire Council. There will be areas where a higher level of risk will be taken in supporting innovation in service delivery. Certain areas will maintain a lower than cautious appetite - for example, in matters of compliance with law and public confidence in the Council or safeguarding adults and children. Risk appetite can therefore be varied for specific risks, provided this is approved by appropriate officers and/or members. However, in all circumstances:

- The Council should manage its financial affairs such that no action will be taken which would jeopardise its ability to continue as a going concern; and

- The Council is to secure the legal integrity of its actions always.

Despite this, at times the Council may be forced to take risks beyond its appetite to comply with central government directives or to satisfy public expectations of improved services. The challenge process will determine the decisions made - whether to proceed with such proposals and after careful assessment of the identified risks, and an analysis of the risks compared to the benefits – i.e. cost benefit analysis. A cost benefit analysis also helps decide the appropriate level of commitment to risk management resources. It is important to keep in mind that not all cost benefit is confined to financial measurement and the cost of not taking action should also be considered, for example, the reputational damage from not progressing on an initiative/project/service delivery proposal.

11. LCC's approach to risk is to be **risk aware** rather than **risk averse**, to manage and mitigate the identified risk. As set out in its Risk Management Policy Statement, it is acknowledged that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Directors and members are not opposed to risk. They are committed to taking risks with full awareness of the potential implications and in the knowledge that a robust plan is to be implemented to manage/mitigate them. The Council's risk management process allows this **'positive risk taking'** to be evidenced.

12. **'Positive risk-taking'** is a process of weighing up the potential benefits and impacts of exercising a choice of action over another course of action. This entails identifying the potential risks and developing plans and controls that reflect the positive potentials and stated priorities of the Council. It then involves using available resources, capabilities and support to achieve desired outcomes, and to **minimise any potential 'harmful' impacts**. It is certainly not negligent ignorance of potential risks but, usually, a carefully thought-out strategy for managing a specific risk or set of circumstances.

13. The risk management process ensures that key strategic and operational risks are controlled, minimising the likelihood of an occurrence and its impact should the risk occur and also allows to consider further treatment options (see paragraph 14) and risk communications to take place. It is recognised that there are costs involved in being too risk-averse and avoiding risk, both in terms of bureaucracy and opportunity costs.

14. The Council seeks to identify, assess and respond to all strategic risks that may affect the achievement of key business objectives and plan outcomes. Once a risk has been identified and rated, the Council will adopt a risk response plan based on the nature of the risk. The Council's risk responses include treat, tolerate, terminate or transfer – **refer to paragraph 26** for the detail. Integrating risk transfer strategies requires decisions at the highest levels as the risk appetite will determine the extent to which it is prepared to retain the risk, as opposed to sharing risk by outsourcing or insurance. ISO31000 states the selection of risk treatment options involves balancing the potential benefits of introducing further risk treatment (controls) against the associated costs, effort or disadvantages. The treatment plan should identify the timescale and responsibilities for implementing the selected risk treatments.

15. Having an effective enterprise risk management framework does not mean that mistakes and losses will not occur. Effective risk management means that risks are highlighted, allowing appropriate action to be taken to minimise the risk of potential loss. The principle is simple, but this relies upon several individuals acting in unity, applying the same methodology to reach a sound conclusion and understand that risk management is a cross service planning activity. However, it is recognised that risk management and the analysis is based on judgement and is not infallible or an exact science, and for a more accurate analysis, the appropriate people should be involved who should consider and understand ALL the available information at the time relevant to that activity but be aware there may be limitations on that information. Incidents may still happen, but the Council will be in a better position to recover from these incidents with effective risk controls/business continuity management processes in place. LCC is a "learning organisation" and the Council will seek to learn from adverse risk events. An insurance programme is also in place to cover insurable risks. See below for further information (paragraph 16 and 17).
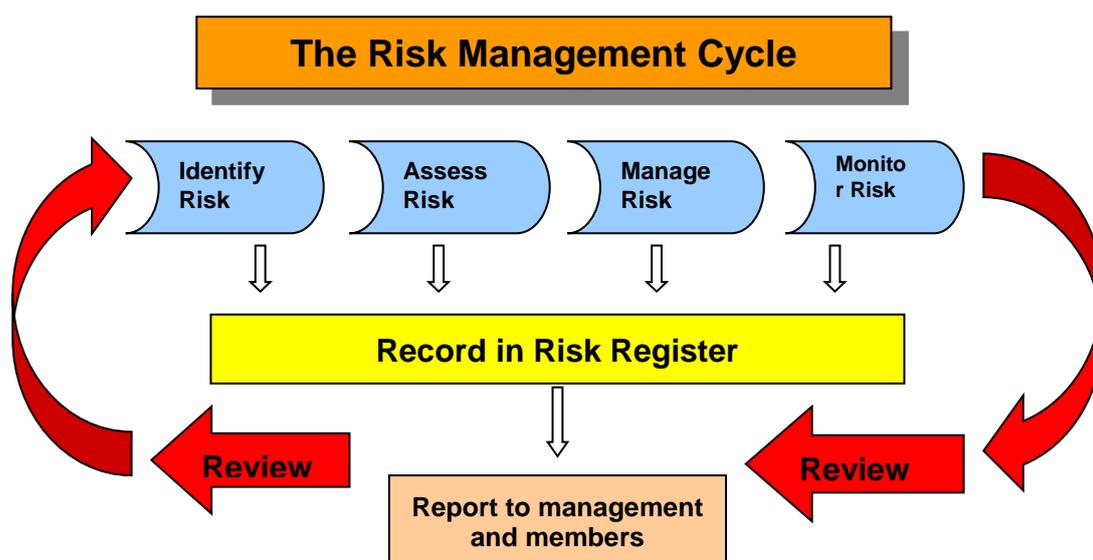
RISK FINANCING

16.   Risk Financing is the process which determines the optimal balance between retaining and transferring risk within an organisation. It also addresses the financial management of retained risk and may best be defined as money consumed in losses, funded either from internal resources or from the purchase of 'external' insurance (such as the catastrophe cover provided by the Council's external insurers). Simply put, it is how an organisation will pay for loss events in the most effective and least costly way possible. Risk financing involves the identification of risks, determining how to finance the risk, and monitoring the effectiveness of the financing technique chosen. Commercial insurance policies and self-insurance are options for risk transfer schemes though the effectiveness of each depends on the size of the organisation, the organisation's financial situation, the risks that the organisation faces, and the organisation's overall objectives. Risk financing seeks to choose the option that is the least costly, but that also ensures that the organisation has the financial resources available to continue its objectives after a loss event occurs. The Council's Insurance Services team currently takes cover with external insurers for the following categories of insurable risk:

- Casualty (Employers Liability and Public Liability)

- Property inc. Terrorism

- Motor

- Fidelity Guarantee

- Engineering

- Professional Negligence

- Official Indemnity

- Personal Accident

- Fine Arts

17.   LCC's strategy for risk financing is to maintain an insurance fund and only externally insure for catastrophe cover. The Council's strategy is to review the balance between external/internal cover on an annual basis in the light of market conditions and claims experience. This balance will be influenced by the effectiveness of the risk management process embedded at the Council.

RISK MANAGEMENT PROCESS

18.   The Council's strategic and individual divisional operational objectives are the starting point for the management of risk. Managers should not think about risk in isolation but consider events that might affect the Council's achievement of its objectives. **Strategic risks** are linked to strategic objectives and operational risks linked to divisional service delivery objectives, therefore, risks that could result from day to day activities need, as a minimum, to be identified and monitored. This is best done by the effective implementation of the risk management process with the use of risk assessments/risk registers **(Appendix 3a for the reporting of service, divisional and strategic risks via a risk register – see paragraph 34 for detail)** which must be maintained and updated on a continuous basis and reviewed formally, every 4 months as per the reporting cycle at divisional and strategic level. However, at management level and below this will be more frequent. **An action plan should be in place to address the controls raised in the risk register/assessment. A formal action plan is compulsory for each strategic risk (See Appendix 4 for control plan template).**

19.   Risk management is to be driven top down, bottom up and across, to ensure risks are appropriately considered. To achieve this, managers should encourage participation with their staff/peers in the process, through regular discussions/reviews. **The risk management process seeks to work with and support the business and not add a layer of bureaucracy or create masses of paperwork.**

20. The process below should be implemented by managers and staff at all levels to identify, assess, control, monitor and report risks. Risk management is intended to help managers and staff achieve their aims and objectives effectively and efficiently. It is not the intention to hinder or restrict them in delivering the objective in question nor becoming risk averse. The process ensures that a consistent risk management methodology is in place and implemented across all the diverse activities of the Council.

21. There are five key steps in the risk management process. These stages are covered in greater detail in the **Risk Management Toolkit** – a step-by-step guide to risk management at LCC - which is available to all members, managers and staff via the REBR pages on SharePoint.

The Risk Management Cycle

Identify Risk	Assess Risk	Manage Risk	Monitor Risk

Record in Risk Register

Review   **Review**

Report to management and members

Please use Appendix 3 (risk assessment/register template to risk assess projects, activities and initiatives. Appendix 3a should be used for reporting of risks to divisional, operational and strategic level as the output from this will result in a risk register (see risk reporting- paragraph 32,33 and 34). The risk toolkit will guide you through this.

22. The risk management process is explained in detail in the **'Identifying and Assessing Operational Risk'** training course, which is now mandatory for staff completing a risk assessment (see **Appendix 5** for the 2024 training schedule) and allows staff to: -

- **Identify risk**, and controls – Officers identify risks and consequences through brainstorming discussions as a group, or discussion with their staff, interviews, seek employee feedback, analyse customer complaints, internal/external audit reports, checklists, flowcharts, risk registers, risk assessment workshop write ups, scenario analysis and SWOT/PESTLE analysis. Controls should be considered and evidenced to manage each risk for the write up of the risk assessment;

- **Assess/Analyse/Evaluate** - management assess the likelihood of risks occurring and the impact on the council/their service objectives using the Council's approved risk assessment form and the 5x5 scoring methodology. Once the risks are scored, this will determine whether the risks are high, medium or low which will help in the prioritisation of risks for urgent attention (see **Appendix 2**);

- **Manage** - management determine the best way to manage their risks e.g. terminate, treat, transfer, tolerate or take the opportunity (see paragraph 26 below);

- **Record risks** – using corporate risk assessment template to record risks (see **Appendix 3**); Use **Appendix 3** if you are risk assessing for a project/activity/initiative or **Appendix 3A** for reporting risks via the risk register tool;

- **Monitor** – management should monitor their risks and the effectiveness of their identified management controls; are controls implemented and need for further controls;

- **Review** - management ensure identified risks are regularly reviewed and if controls have been implemented, whether further controls are necessary or required. This will normally be managed by means of a risk register (see paragraphs 30 - 40 below for more detail).

- **Risk Reporting, communication and consultation:** Communication and consultation with external and internal stakeholders should take place during all stages of the risk management process using the risk register/assessment as a reporting tool.

REBR are available to support this process either by attending or facilitating risk 'workshops' or delivering risk identification and mitigation training to managers and their business teams.

IDENTIFYING THE RISKS

23. In order to identify risks, we need to focus on the aims and objectives of the Council and of any project and activity that contributes to those. Risk is simply defined as **'the effect of uncertainty on objectives'** – ISO31000 Risk Management Standard. As mentioned in paragraph 22, the training session covers in detail how to identify risks. Please refer to **Appendix 3** for the risk assessment template to log risks and its evaluation. **Appendix 6** indicates the different PESTLE categories of risk and **Appendix 6A** are further prompts which staff can utilise to identify risks that are internal/external facing. However, it is not an exhaustive list and officers are reminded that risks may not be present in all categories when they are completing their risk assessment. Other means of identifying risks include previously completed risk assessments, brainstorming exercises involving the relevant stakeholders, complaints received, claims, incident and accident reports.   This is discussed in more detail in the training sessions. Also, staff may need to consider carrying out a dynamic risk assessment as and when required, for e.g. in the case of inclement weather, the original risk assessment may not have considered how to operate on a wet day as it was not anticipated.

    Controls need to be considered and evidenced in the risk assessment/template before the next step (as stated in paragraph 21, LCC assess risks with controls in place)

ASSESS / ANALYSE AND EVALUATE RISKS

24. The primary function of "scoring" risks is to facilitate their prioritisation and assessment against risk appetite. This step involves determining the likelihood of the risk occurring and its impact should it occur. Please see **Appendix 2** for further detail of the scoring mechanism and the definitions utilised at LCC to calculate the level of the risk: - **Impact x Likelihood = Risk score.**

25. This helps to prioritise the risks (risk ranking) which require urgent action using a red, amber, green scoring mechanism (RAG status). The table below indicates how risks that are high, medium and low should be managed.

LEVEL OF RISK	OVERALL RATING	HOW THE RISK SHOULD BE TACKLED/ MANAGED
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

MANAGE THE RISKS

26. Once risks and controls have been identified and assessed by management with controls in place **(a risk rating score has been derived)**, managers should then determine how those risks will be dealt with – a process commonly known as the four T's. The risk rating score will also enable risks to be prioritised and influence the use of one or more of the four T's –

- Terminate

- Treat

- Tolerate

- Transfer

Please see below charts for possible actions after assessing and analysis of risks:

4 T's

Impact		Transfer Transfer risk to another party, outsource, insurance	Terminate Stop the activity or do it differently using alternative systems
	High		
	Low	Tolerate Bear losses out of normal operating costs following an informed decision to retain risk, monitor situation	Treat Implement procedures and controls to reduce the frequency or the severity; formulate a contingency plan to reduce service interruption
		Low	**High**
			Likelihood

Likelihood	Impact	4 T's	Actions to take
High	High	**Terminate**	Requires immediate action/avoid or consider alternative ways
High	Low	**Treat**	Consider steps to take to manage risks – reduce the likelihood and/or better manage the consequence
Low	High	**Transfer**	Contingency plan/Insurance cover to bear financial losses/transfer risk to third party/outsource
Low	Low	**Tolerate**	Informed decision to retain risk. Keep under review. Monitor and bear losses from normal operating costs as the cost of instituting a risk reduction or mitigation activity is not cost effective or the impact of the risks are so low so deemed acceptable

At times the council may be expected to take risks beyond its appetite in order to comply with central government directives and where LCC has statutory obligations to deliver services that pose high risk no matter what action is taken.

27.   Taking the opportunity is an enhancement to this process. This option is not an alternative to the above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. **There are two considerations here:**

- Consider whether at the same time as mitigating a threat, an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls good enough to justify increasing the sum at stake to gain even greater advantage?

- Consider also, whether circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resource which may be able to be redeployed for projects that enhance the economy of Leicester.

28.   **Secondary Risk** - It's important to note that it's common for efforts to reduce risk to have risks of their own. These are known as secondary risks. For example, if a project is outsourced/subcontracted a number of secondary risks will be assumed such as the risk that the outsourcing company/subcontractor will fail to deliver.

RISK TREATMENT AND DECISION MAKING

29.   Risk controls and treatment options (4Ts – paragraph 26) should be identified by those who are directly involved in the management of the activity or by experts who have detailed knowledge of the underlying risks and who have actively engaged in the risk identification and evaluation process. Risk control options should be evaluated as the wrong choice can be difficult to unwind.

MONITORING AND REVIEWING THE RISKS

30.   After evaluating the measures already in place to mitigate and control the risk(s) , there may still be some remaining exposure to risk (residual risk). It is important to stress that such exposure is not necessarily detrimental to the Council and ensures that the Council is aware of its key business risks; what controls are in place to manage (mitigate) these risks; and what the potential impact of any residual risk exposure is. This step in the risk process never really ends as monitoring and review of your risk assessment to ensure it stays valid is an ongoing process. The ultimate aim of risk management/assessment is to implement measures to reduce the risks to an

acceptable level. Monitoring and review of circumstances must occur to see whether the measures implemented have reduced risks effectively and whether more should be done. To summarise, are the controls being implemented, are they effective and is the business requirement being met, has the risk changed, do further controls need to be considered, therefore, re-scoring of the risk, and do new risks need to be incorporated or any existing ones deleted.

31.   It is important that those risks that have been identified as requiring action are subject to periodic review, to assess whether the risk of an event or occurrence still remains acceptable and if further controls are needed. Any further action(s) should be determined, noted and implemented. The frequency of reviews should be decided by management, depending on the type and value of the risks identified (see also 32 below). Currently, at LCC, the significant strategic and operational risks are reviewed and reported on a 4 monthly basis to CMT and bi-annually to the G&AC, with strategic risks reported 4 monthly to the City Mayor and Executive, facilitated by the Manager, Risk Management. Below, is a table indicating a **suggested review** of risks dependent on the risk rating whether, high, medium or low.

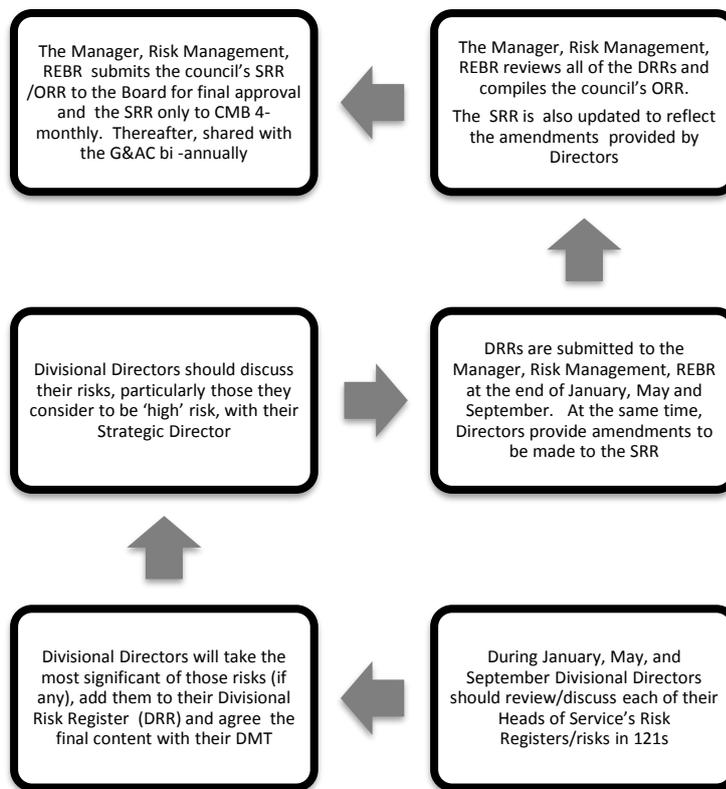**Recommended risk review frequencies as per risk rating:**

Risk Rating	Risk Review Frequency
Red risks	1 – 3 months
Amber risks	3 months
Green risks	6 months

RISK REPORTING

32.   Significant operational risks (scoring 15 and above) should continue to be logged and monitored via the Operational Risk Register (ORR). It is the responsibility of each divisional director to ensure that operational risks are recorded and monitored via a risk register. These registers and the risks identified are aligned to the Council's operating structure. REBR has produced a pro-forma risk assessment/register that **must** be used by all business areas (see **Appendix 3/3A**). Every divisional director is required to use the newly updated Risk Register highlighting which strategic risk the identified divisional risk has an impact on and the PESTLE category it falls under where possible.

33.   The most significant risks (those scored 15 and above) identified by the divisional directors feed into the council's ORR which is managed by CMT and facilitated by the Manager, Risk Management, REBR. CMT is accountable for ensuring that all operational risks are identified against service delivery objectives; that plans are implemented to control these exposures; key risks are included within the individual service plan and that monitoring and communication of risks takes place.

34.   **Reporting of Divisional, Operational and Strategic Risks (use Appendix 3a to log risks)**- The Chief Operating Officer supported by CMT manages and monitors the Strategic Risk Register (SRR) for those risks that may affect the achievement of the council's strategic objectives, with REBR facilitating. Individual risk owners for the SRR will be Strategic Directors and/or those with statutory roles such as the Monitoring Officer and Section 151 officer (specific actions relating to the risk are likely to be owned and delivered by other Directors and Senior Officers). This ensures there is robust strategic ownership and oversight of the most significant risks facing the organisation. The intention is to use the **PESTLE** analysis as a framework for considering the wider context and environment and the risks that this gives rise to. PESTLE is a mnemonic that stands for '**Political, Economic, Social, Technological, Legal and Environmental'** and these themes are built into the approach of when reviewing strategic risks **(Appendix 7** provides a

definition of PESTLE). Risk control action plans (**Appendix 4**) are also required for such risks and to be implemented to manage these exposures. The most significant of these risks, those that may threaten the Council's overall strategic aims, form this register which is reviewed and updated by directors every four months. As part of the overall process of escalation, each strategic director should also have risk on their 121 agenda with their divisional directors at least quarterly and with lead Executive members. One of the significant strategic risks is a serious failing of the management of operational risks by divisional directors.

35. REBR facilitates and supports this process and will continue to maintain the SRR/ORR, using the input from each Divisional Risk Register and the updates provided by the strategic director for the SRR. The SRR/ORR will be reported 4-monthly to CMT, and bi-annually to the G&AC. In addition, the SRR is also reported to the City Mayor / Executive 4-monthly. As part of this process, bespoke training needs may be identified and the REBR team will provide training and support upon request.

36. The process for reviewing and reporting operational and strategic risks at LCC is set out as below:

The Manager, Risk Management, REBR submits the council's SRR /ORR to the Board for final approval and the SRR only to CMB 4-monthly. Thereafter, shared with the G&AC bi-annually	←	The Manager, Risk Management, REBR reviews all of the DRRs and compiles the council's ORR. The SRR is also updated to reflect the amendments provided by Directors
		↑
Divisional Directors should discuss their risks, particularly those they consider to be 'high' risk, with their Strategic Director	→	DRRs are submitted to the Manager, Risk Management, REBR at the end of January, May and September. At the same time, Directors provide amendments to be made to the SRR
↑		
Divisional Directors will take the most significant of those risks (if any), add them to their Divisional Risk Register (DRR) and agree the final content with their DMT	←	During January, May, and September Divisional Directors should review/discuss each of their Heads of Service's Risk Registers/risks in 121s

Key:

DRR – Divisional Risk Registers – compiled using most significant operational risks from Heads of Service risk registers.

ORR – Operational Risk Registers – produced by REBR using the significant risks from the DRRs submitted by Divisional Directors

SRR – Strategic Risk Registers – compiled by REBR using significant risks submitted by Directors and are those risks that may affect achievement of the council's strategic aims.

37. All risks identified, both operational and strategic, will need to be tracked and monitored by regular reviews of the risk registers at 121's with management. This will ensure that any changes in risks

requiring action are identified; there is an effective audit trail; and the necessary information for ongoing monitoring and reporting exists.

38.   Those officers completing risk assessments / registers should use this document as a reporting tool to their line manager in order to aid decision making. The frequency of this reporting should be as and when changes are made to the risk assessment / register particularly where they are significant. However, this is not to become a bureaucratic process and to put it into perspective, the DRR's are revised for 4-monthly reporting to CMT and Executive.

39.   **Document Retention -** It is recommended to save a new copy of the updated risk register rather than overwriting the existing one so that an audit trail of reviews can be evidenced.

40.   To improve the process of risk management, it is worth Divisional Directors noting any emerging risks on the Divisional Register on a separate worksheet. These emerging risks may not be a risk currently but may be so in the future. This is good risk management practice.

PARTNERSHIP RISK

41.   It is recognised that partnership working is a key area where associated risk needs to be identified and controlled. Best practice states that local authorities must meet two key responsibilities for each partnership they have. They must: -

*   Provide assurance that the risks associated with working in partnership with another organisation have been identified and prioritised and are appropriately managed (partnership risks);

*   Ensure that the individual partnership members have effective risk management procedures in place (individual partner risks).

RISK MANAGEMENT TRAINING

42.   An annual programme of training (covering risk and business continuity planning) is available to all staff, managers and members. However, directors and managers should identify staff who require this training through the staff appraisal process (existing staff) and through the jobs specification process (new staff) and appropriate training will be provided by REBR. CMT have made the 'Identifying and Assessing Operational Risk' training mandatory for staff who have to carry out a risk assessment. (See **Appendix 5** for the 2024 training schedule).

INSURANCE LIMITS AND PROCURING OF SERVICES / GOODS (RISK TRANSFER)

43.   Guidance is available on SharePoint on what to consider when determining insurance levels if procuring for services by a contractor or third party. The insurance limits requested are based on the risks the activity will impose and the impacts (risk based rather than blanket limits). The consequences, impact and cost of risk columns of the risk assessment template will help to determine the insurance levels required. The insurances requested are usually Public Liability, Employers Liability and Professional Indemnity (though the latter is not always a pre-requisite).

REVIEW OF RISK MANAGEMENT POLICY AND STRATEGY

44.   This Risk Management Policy Statement and Strategy is intended to assist in the development/integration of risk management from now until December 2024 when the next review is due of this policy and strategy.

45.   All such documents and processes will remain subject to periodic review and with the next planned review to occur in Quarter 4 2024, this allows any changes in process to be aligned to the council's financial year end.

RISK MANAGEMENT AT LEICESTER CITY COUNCIL

46. A robust risk management process should be applied to all our activities during the next 12 months and beyond. To achieve this, priority exposures should be identified, addressed, and incorporated into appropriate risk management strategies and risk improvements into organisation's service delivery. A robust risk process will allow identification of emerging risks and horizon scanning. This should be in line with the Council's priorities. This helps to determine how risks affect such priorities, whether to consider changes in Council operations and to enable us to make well-informed decisions. Risk must be considered as an integral part of divisional planning, performance management, financial planning and strategic policy-making processes. The cultural perception of risk management must continue changing from a 'have-to-do' to a 'need-to-do'. However, this does not need to become a bureaucratic and paper intensive exercise and judgment by the appropriate person should be exercised.

47. The Manager, Risk Management, REBR will continue to maintain a central copy of the SRR/ORR as well as the DRR's. Internal Audit will continue to utilise these registers to assist them in developing the audit plan and producing a programme of audits, which will test how well risk is managed within specific areas of the business – subject to resource being available. The Council's Risk Strategy and Policy will help directors to report appropriately upon their risk and their risk registers, together with other information gathered by Internal Audit through consultations, will be used to formulate the audit work programme which, in turn, allows assurance to be given to both the CMT (officers) and the Governance and Audit Committee (members) that risk is being properly identified and managed at LCC.

48. Consideration should be given as to whether the management of risk should be included in job descriptions for all operational service area managers with responsibility and accountability for risks and be included in every director/manager's objectives and performance appraisal discussion.

49. Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are aware of their responsibilities for risk management and of the lines of escalation for risk related issues. Operational performance linked to risks helps to achieve objectives more effectively and efficiently.

CONCLUSION

50. A certain amount of risk is inevitable to achieve objectives, improve performance and take opportunities, hence the existence of this Policy and Strategy to help the organisation manage those risks and deliver high quality public services and better value for money. The aim of risk management is to 'embrace risk' and acknowledge opportunities can arise from taking risks and not to miss those opportunities.

Appendix 1 - LEADERSHIP, ROLES AND RESPONSIBILITIES

All Councillors	• To consider and challenge risk management implications as part of their decision-making and scrutiny processes.
City Mayor/ Executive	• Agree the Council's Risk Management Strategy and Policy Statement annually. • Consider risk management implications when making decisions and determine the risk appetite for the Council. • Agree the Council's actions in managing its significant risks. • Receive regular reports on risk management activities and a four-monthly review of the strategic risk register. • Approve an annual statement on the effectiveness of the Council's risk controls as part of the statement of accounts. • Consider the effectiveness of the implementation of the risk management strategy and policy.
Governance and Audit Committee	• Receive and note the Council's Risk Management Strategy and Policy Statement annually. • Receive and note the Strategic and Operational Risk Registers update reports. • Challenge risk information and escalate issues for consideration
Strategic Directors	• Responsibility for leading and managing the identification of significant strategic risks. • Ensure that there is a robust framework in place to identify, monitor and manage the council's strategic risks and opportunities. • Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed, timescales, ensuring that they bring about a successful outcome. • Lead in promoting a risk management culture within the Council and with partners and stakeholders. • Approve and maintain the requirements for all CMT reports, business cases and major projects to include a risk assessment (where appropriate). • Ensure risk is considered as an integral part of service planning; performance management; financial planning; and, the strategic policy-making process. • Consider risk management implications when making Strategic decisions. • Management and four monthly review of the strategic risk register. Review and progress actions and capture emerging risks. • Recommend the level of risk appetite for all strategic risks to Executive. • Note, through four monthly review, the operational risk register. Ensure that the measures to mitigate these operational risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. • Ensure that appropriate advice and training is available for all councillors and staff. • Ensure that resources needed to deliver effective risk management are in place.
Corporate Management Team (CMT)	• Responsibility for leading and managing the identification of significant operational risks from all operational areas. • Ensuring that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome. • Lead in promoting a risk management culture within the Council and within their departments. • Approve and endorse the Risk Management Strategy and Policy • Approve regular Risk Registers Report and understand status

	• To respond appropriately and in a timely manner to exceptions in reports to ensure accountability and risk management processes aren't compromised.
Divisional Directors	• Submit Divisional Operational Risk Register (DORR) showing significant Divisional operational risks to Risk Management for consideration of inclusion in the Council's Operational Risk Register. • Escalating risks/issues to the relevant Strategic Directors, where appropriate. • Ensure there is a clear process for risks being managed by their Heads of Service (and where appropriate, their managers and/or supervisors) to be reviewed, at least quarterly, allowing their DORR to be seen as complete. • Embeddedness of risk management within the service areas they are responsible for and promoting a risk management culture. • Ensure compliance with corporate risk management standards. • Ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues. • Identify and nominate appropriate staff for risk management training.
Manager, Risk Management	• To develop and coordinate the implementation of the Risk Management and Business Continuity Policy and Strategy. • Provide facilitation, training and support to promote an embedded, proactive risk management culture throughout the Council. • Assist the Strategic and Divisional directors in identifying, mitigating and controlling the council's risks. • Coordinate, populate and maintain the strategic and operational risk registers of the council's most significant risks which are submitted to CMT and Governance and Audit Committee four monthly . • Review risks identified in reports to Strategic Directors and the Executive. • Ensure that risk management records and procedures are properly maintained, decisions are recorded, and an audit trail exists. • Ensure an annual programme of risk management training and awareness is established and maintained to promote good risk management. • To horizon scan and assess emerging risks and key risks facing the Council. • Advise management of key risk issues • Review External and Internal Audit recommendations to ensure these are picked up and dealt with by the business.
Internal Audit	• Have knowledge of Risk Management Policy and Strategy. • Support the risk management process. • Focus internal audit work on significant risks – risk-based auditing. • Provide the Risk team / Divisions / Departments with updates on risks identified from audits where necessary.
All Employees	• To have an understanding of risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities. • Support and undertake risk management activities as required. • Attend relevant training courses focussing on risk and risk management.
Stakeholders	• Directors and managers should also ensure that all stakeholders (employees, volunteers, contractors and partners) are made aware of their responsibilities for risk management and are aware of the lines of escalation for risk related issues. Risk management is most successful when it is explicitly linked to operational performance

Appendix 2 – RISK APPETITE AND RISK SCORING MATRIX

Key to Table:

The numbers in the boxes indicate the overall **risk score,** simply put:

'Impact score' x (**multiplied) by the 'Likelihood score'.**

The score is then colour coded to reflect a 'RAG' (red, amber or green) status. The solid black line indicates what Directors consider is the council's **'risk appetite'** (see paragraphs 4-12 above) where they are comfortable with risks that sit below and to the left of that line.

LIKELIHOOD (A)		Insignificant/ Negligible 1	Minor 2	Moderate 3	Major 4	Critical/ Catastrophic 5
	Almost Certain 5	5	10	15	20	25
	Probable/ Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely/ Rare 1	1	2	3	4	5

IMPACT (B)

Level of Risk	Overall Rating	How the Risk should be Managed
High Risk	15-25	IMMEDIATE MANAGEMENT ACTION
Medium Risk	9-12	Plan for CHANGE
Low Risk	1-8	Continue to MANAGE

Likelihood	Impact	Actions to take
High	High	**Terminate** - needs immediate action
High	Low	**Treat** - consider steps to take to manage risks
Low	High	**Transfer** - contingency plan/Insurance cover
Low	Low	**Tolerate** - keep under review

	Impact	Score	Impact on Corporate or Service Objectives	Service Impact	Financial	Reputational	Duty of Care	People	Governance
					IMPACT GRID Benchmark Effects				
Criteria	CRITICAL / CATASTROPHIC	5	- Strategic Objectives not met	- Inability to function effectively, council-wide	- Financial Losses in excess of £5m - Budgetary intervention at national level.	- Extensive adverse media interest resulting in front page news story in national press/social media	- Multiple deaths of employees of those in the council's care	- Could lead to resignation of Chief Operating Officer and/or City Mayor - Recruitment and retention difficulties which have resulted in the inability to deliver essential services.	- Serious breach of legal or contractual obligation resulting in National impact with rapid intervention of legislative or regulatory bodies. Service delivery taken over by Central Government. - Corporate manslaughter charges
	MAJOR	4	- Noticeable/ significant impact on achieving strategic/divisional(directorate) objectives	- Major disruption to council's critical services for more than 48hrs (e.g. major ICT failure) causing widespread medium to long term impact on operational efficiency, performance and reputation.	- Financial loss £1m - £5m - Budgetary issues that can only be resolved by Section 151 Officer / Chief Executive / Members.	- Adverse coverage in national press/front page news locally and or social media.	- Suspicious death in council's care	- Could lead to resignation of Strategic Director and/ or Executive Member - Recruitment and retention difficulties which are impacting on the ability to deliver services.	- Breach of legal or contractual obligation attracting medium-term attention of legislative or regulatory bodies. - Major civil litigation and/or national public enquiry
	MODERATE	3	- Moderate impact on achieving service objectives	- Disruption to one critical council service for more than 48hrs	- Financial loss between £100k - £1m - Budgetary issues that can be resolved at Directorate level	- Adverse coverage in local press - Significant complaints, sustained media coverage.	- Serious Injury to employees or those in the council's care where hospital treatment is required	- Could lead to resignation of Divisional Director/ Project Director - Recruitment and retention difficulties which are impacting more than one occupational group / numbers are widespread across the service.	- Attracting short term media attention and potential for litigation/ prosecution from legislative or regulatory bodies. - Major civil litigation and/or local public enquiry
	MINOR	2	- Minor impact on achieving section objectives	- Manageable disruption to internal services - Noticeable internal impact, but service delivery would remain on course to achieve priorities	- Financial loss £50k-£100k - Budgetary issues that can be resolved within Management Team.	- Isolated/one off reports/complaints local media resulting in localised minor reputational damage	- Minor Injury to employees or those in the Council's care where medical treatment is required	- Disciplinary action against employee - Recruitment & retention difficulties being experienced in pockets across the service.	- Minor civil litigation with some local media attention
	INSIGNIFICANT / NEGLIGIBLE	1	- Minimal Impact/no service disruption - Objectives broadly achieved	- Day to day operational problems.	- Financial loss under £50k - Budgetary issues that can be resolved within Service.	- No interest to the media, internal only	- No obvious harm/injury. - Near miss having the potential to cause harm	- Unplanned departure of staff.	- Internal enquiry only which has little external impact and is being dealt within

	Likelihood	Score	Expected Frequency Description	Probability of Occurrence
	LIKELIHOOD GRID **Benchmark Effects**			
Criteria	**ALMOST CERTAIN**	5	Reasonable to expect that the event **WILL** undoubtedly happen/recur, possibly frequently and is probable in the current year. The event is expected to occur	Over **90%** chance of event occurring
	PROBABLE / LIKELY	4	Event is **MORE THAN LIKELY** to occur. Will probably happen/recur, but it is not a persisting issue. Will possibly happen in the current year and be likely in the longer term. There is a significant chance of event occurring.	**61%-89%** chance of event occurring
	POSSIBLE	3	**FAIR LIKELIHOOD** of event occurring. Not likely in the current year, but reasonably likely in the medium/long term. Realistic chance of event occurring	**21%- 60%** chance of event occurring
	UNLIKELY	2	Event **NOT EXPECTED**. Do not expect it to happen/recur. Unlikely to happen in the current year, but possible in the longer term. Could occur in certain circumstances (unlikely chance)	**6% - 20%** chance of event occurring
	VERY UNLIKELY / RARE	1	**EXCEPTIONAL** event. This will probably never happen/recur. A barely feasible event. This will occur in rare circumstances.	**5% or less** chance of event occurring

Appendix 3 – RISK ASSESSMENT / REGISTER TEMPLATE

Completed by: Date completed: xx/xx/23				Risk Assessment/Register						
Business Objective	Risk What is the problem/hazard? What is it that will prevent you from meeting your objectives?	Consequence/effect: *what would actually happen as a result? How much of a problem would it be? To whom and why?*	Existing actions/controls *What are you doing to manage this now?*	Risk Score with existing measures (See Scoring Table) (I x L)	Response Strategy / Action	Further management actions/controls required. *What would you like to do in addition to your existing controls?*	Target Score with further management actions/controls required (See Scoring Table)	Cost (of Impact; of current controls; of further controls)	Risk Owner (*Officer responsible for managing risk and controls*)	Risk Review Date
				Impact / Likelihood / Risk Rating			Impact / Likelihood / Risk Rating			
What is your objective upon which the risk could have an effect? What is it you need to achieve?	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens what will actually be the impact? What will go wrong/	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood and multiply the two together to get the overall risk score. These scores should take into account the existing controls	Select from the 4 T's Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here regardless of whether you have the resource to makes these happen.	Score as per scoring guide for both impact and likelihood taking into account the proposed new controls. Multiply the two together to get the overall risk score.	What will it cost you/the council if this happens? Include also how much the current controls are costing you as well as the cost of future controls	Who is the owner of this risk on a day to day basis? This may not be the owner of the risk register.	When will the future controls be in place or when will the risk be reviewed?

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Appendix 3A – RISK REGISTER TEMPLATE (FOR USE WITH SRR AND RISK REPORTING)

							Risk Assessment/Register							
Completed by : **Date completed: xx/xx/2023**														
Business Objective	**Which category does the risk fall into using PESTLE?** P - Political E - Economic S - Socio-cultural T - Technological L- Legal E - Environmental	**Which Strategic Risk does the risk link to?**	**Risk** What is the problem/hazard? What is it that will prevent you from meeting your objectives?	**Consequence /effect:** what would actually happen as a result? How much of a problem would it be? To whom and why?	**Existing actions/controls** What are you doing to manage this now?	**Risk Score with existing measures** (See Scoring Table)			**Response Strategy / Action** What action / response strategy is most appropriate for the risk identified?	**Further management actions/controls required.** What would you like to do in addition to your existing controls?	**Target Score with further management actions/ controls required** (See Scoring Table)			**Cost (of Impact; of current controls; of further controls)**	**Risk Responder (Officer responsible for managing risk and controls)**	**Risk Review Date**
		Risk management (sharepoint.com)				Impact	Likelihood	Risk Rating (I x L)			Impact	Likelihood	Risk Rating (I x L)			
What is it you need to achieve? Think about what your objective is/what you have to deliver.	Establish theme / category (above) risk comes under. See Process tab for PESTLE definition	Where relevant, refer to the SRR to establish which strategic risk is impacted by risk identified (above link provides access to current SRR on SharePoint). Log strategic risk ref no.	What is the actual risk to your objective? This should be a statement that provides a brief, unambiguous and workable description that enables the risk to be clearly understood, analysed and controlled.	If the risk happens, what will actually be the impact? What will go wrong?	What have you already got in place to either reduce the likelihood of this risk occurring, or to reduce the impact on your area/budget if it does happen? These will be factors that are exerting material influence over the risk's likelihood and impact.	Score as per the scoring guide for both impact and likelihood. Multiply the two together to get the overall risk score. These scores should take into account the existing controls.			Select from the 4T's Tolerate, Treat, Transfer, Terminate	What further action do you feel necessary? Enter here, regardless of whether you have the resource to make these happen.	Score, as per the scoring guide, for both impact and likelihood taking into account the proposed new controls. Multiply the two together to get the overall risk score.			Impact cost - what will it cost you/the Council if this happens? Controls Cost - how much are the current controls costing you and how much will the future controls cost you?	Who is owner of this risk on a day to day basis. This may not be the owner of the risk register nor the person who identified the risk.	When will the future controls be in pace or when will this risk be reviewed

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Appendix 4 – RISK ACTION PLAN TEMPLATE

IDENTIFIED RISK/RISK ACTION PLAN – SRR

<u>**SECTION A – Risk description and existing controls**</u>

Risk description	
Risk theme	
Risk reference	SRR
Risk owner (name and role)	
Current risk score	
Response strategy/action	
Target risk score	
Risk review date	

<u>**Potential Impact/Likelihood**</u>

Provide a brief summary of the risk that you have identified in this section and the likely impact on the organisation's objectives if the risk occurs

Provide a brief explanation of impact of this risk and the why the likelihood is scored as it is (will help with root cause and possible controls)

Existing action/controls already in place

Describe the specific actions and controls that are already in place now to manage the risk

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Current risk score with existing measures

Impact	Likelihood	Risk rating (I X L)

Response strategy: Treat

Further management action/controls:

List the further action(s) that will be taken in addition to existing controls to manage the risk. Complete the action plan in section B:

1. XX
2. XX
3. XX

Target risk score with further management actions/controls

Impact	Likelihood	Risk rating (I X L)

SECTION B – Risk action plan

Action No	Control / Action	Action owner	Target date for implementation	Resources/costs required to implement	Progress update - date action completed / pending (if so why)	Success criteria

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Appendix 5 – 2024 TRAINING SCHEDULE

Risk, Emergency & Business Resilience Training Programme 2024

Below are details of the Risk, Emergency, and Business Resilience (REBR) Training Programme for 2024. If you wish to attend these sessions, please book via the ESS system, under training on the left-hand side of the landing page, enter **risk** on the keywords and press search. Prior to booking, please discuss with and seek your manager's approval. Most of the sessions are limited to between 15 and 20 attendees, so bookings will be on a 'first come, first served basis.

All the sessions will take place virtually on MS Teams and will start promptly at 10.00 am. Sessions tend to run for no more than two and a half hours and should finish by 12.45 pm.

Identifying and Assessing Operational Risks Training

Wed 24 January
Thu 15 February
Tue 05 March
Wed 20 March
Thu 18 April
Tue 07 May
Wed 22 May
Thu 06 June
Tue 25 June
Wed 10 July
Thu 19 September
Tue 29 October
Wed 27 November

(Training delivered by Sonal Devani and Nusrat Idrus)

Since October 2014 this session has been mandatory for all staff who complete an operational risk assessment or risk register. Anyone completing a risk assessment who has not been on this training recently may be exposing the Council to a potential uninsured loss. If in doubt – ask!

This course covers the process of Operational Risk Identification and Assessment and will touch upon identification of mitigating controls. The session includes an outline of the council's Risk Management Strategy and Policy and the role you play in implementing the strategy and policy. The session is for anyone who manages operational risk (manage staff; manage buildings; manage contact with service users or the general public) in their day-to-day role – all tiers of staff from Directors down – and those that let council contracts. The course will lead you through the agreed risk reporting process at Leicester City Council and allow you to identify your role within that process. The practical exercise should help staff complete the council's risk assessment form.

Business Continuity Management Training

Tue 16 January
Wed 07 Feb
Thu 14 March
Tue 14 May
Wed 19 June
Thu 12 September
Tue 08 October
Wed 13 November

(Training delivered by Sonal Devani and Nusrat Idrus)

This course provides an understanding of Business Continuity Management within the organisation. It explains the difference between managing business continuity and merely writing your plan. This understanding will allow you to manage unexpected incidents and get back to the delivery of your business-as-usual service in the event of an unforeseen circumstance. This session is aimed at anyone who has responsibility for a building, staff; and delivery of a service, therefore, needs to have a business continuity plan or would be part of a recovery team needed to restore an affected service after an incident. The session also outlines the council's Business Continuity Strategy and Policy and will explain how that might affect you and your work. A step-by-step guide is provided for completing the council's BCP pro forma. This session should be attended by all Heads of Service and their senior management to ensure that, in the event of a serious, unexpected incident, they understand the processes that will help to ensure the council can continue to operate with minimal impact.

Evacuation Centre Staff Volunteer Training (10.00– 13.00)

Tue 13 February
Wed 17 April
Tue 11 June
Thu 26 September
Thu 21 November

(Training delivered by Martin Halse, and Neil Hamilton-Brown)

The half-day training session gives you an understanding of how an Evacuation Centre is set up and the roles and responsibilities of staff and various organisations. **'What happens to people when there is a fire or flood in the city?'**   Frequently, the council is the first port of call for those caught up in the incident. One of the essential ways the council can help during an emergency is to open an emergency centre to assist those affected, such as what happened during the recent major incident at the Hinckley Road explosion.

Personal/Bespoke Sessions

We accept that, due to staff constraints and timing of leave, it may not be possible for all of your staff with a need to attend these training courses to attend one of the dates above. We continue to offer all of our training to specific groups of staff at times and locations to suit you. All of our training can be condensed to fit whatever time you have available. We can also focus on your own service area's needs and objectives when delivering this training to a bespoke group of staff. Please be aware that we are a small team, and it may be that such a session may take weeks rather than days to be arranged.

If you would like to discuss a bespoke session, please contact:
For Risk and Business Continuity:
Sonal Devani: (sonal.devani@leicester.gov.uk) / 454 (37) 1635
Nusrat Idrus (nusrat.idrus@leicester.gov.uk) / 454 (37) 1623

For Emergency Management:
Neil Hamilton-Brown (neil.hamilton-brown@leicester.gov.uk) / 454 (37) 1341

We would like to assist you in any way we can and are happy to meet you to assist you in identifying the training needs of your staff, whilst at the same time protecting the council's most valuable asset – you and your staff.

Sonal Devani
Manager, Risk Management
Risk, Emergency & Business Resilience

Appendix 6 – CATEGORIES OF RISK

Sources of risk	Risk examples
External	
Infrastructure	Functioning of transport, communications and infrastructure. Impact of storms, floods, pollution.
Political, Legislative and Regulatory	Effects of the change in Central Government policies, UK or EU legislation, local and National changes in manifestos. Exposure to regulators (auditors/inspectors). Regulations – change and compliance.
Social Factors and Public Health	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'. Key Public Health issues.
Leadership	Reputation, authority, democratic changes, trust and branding. Intellectual capital. Culture. Board composition.
Policy and Strategy	Clarity of policies, communication. Policy Planning and monitoring and managing performance.
Technological	Capacity to deal with (ICT) changes and innovation, product reliability, developments, systems integration etc. Current or proposed technology partners.
Competition and Markets	Cost and quality affecting delivery of service or ability to deliver value for money. Competition for service users. Success or failure in securing funding.
Stakeholder related factors	Satisfaction of LCC taxpayers, Central Government, GOEM and other stakeholders. Customer/service user demand.
Environmental	Environmental impact from council, stakeholder activities (e.g. pollution – air and water, energy efficiency, recycling, emissions, contaminated land etc.). Traffic problems and congestion. Impact of activity on climate and climate change.
Operational (Internal influences)	
Finance & Budgets	Associated with accounting and reporting, internal financial delegation and control, e.g. schools finance, managing revenue and capital resources, neighbourhood renewal funding taxation and pensions. Liquidity and cashflow. Interest rates. Credit lines and availability. Accounting controls.
Human Resources, Capability and Capacity	Recruiting and retaining appropriate staff and applying and developing skills in accordance with corporate objectives, employment policies, health and safety.
Supply Chain - Contracts and Partnership	Supply Chain management. Contracts. 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.
Tangible Assets and Equipment	Safety and maintenance of buildings and physical assets i.e. properties; plant and equipment; ICT equipment and control. Public access.
Environmental	Pollution, noise, licensing, energy efficiency of day-to-day activities. Natural events, often weather related.
Project, Processes and Procedures	Compliance, assurance, project management, performance management, revenue and benefits systems, parking systems etc. Research and development.
Professional Judgement and Activities	Risks inherent in professional work, designing buildings, teaching vulnerable children, assessing needs (children and adults).
Safeguarding	Protection of vulnerable adults/children
Corporate Governance Issues	
Integrity	Fraud and corruption, accountability, transparency, legality of transactions and transactions and limit of authority.
Leadership	Reputation, authority, democratic changes, trust and branding.
Information Governance & Data Security/Information for decision making	Data protection, data reliability and data processing. Control of data and information. E-government and service delivery. IT Systems.
Risk Management and Insurance	Incident reporting and investigation, risk analysis or measurement, evaluation and monitoring. Taking advantage of opportunities.

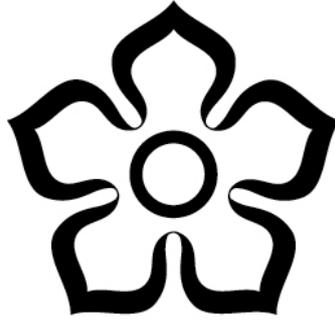# Potential areas of risk / opportunities to consider

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Appendix 7 – PESTLE ANALYSIS FOR CONSIDERATION IN SRR

Context –what might give rise to our strategic risks?

Political – national context, local context, governance structures internal and partners

Economic – national and local economy, inflation, cost of living, supply chains, workforce relations, resources

Socio-cultural - inequality, population demographics, community resilience, public expectations, cohesion

Technological – cyber and technological disruption, data, AI

Legal – new legislation, reforms, post Brexit, changing responsibilities and structures

Environmental– climate change, natural disasters, infrastructure and resilience, pollution, sustainability, assets

Appendix 2

Business Continuity Management
Policy Statement and Strategy 2024

21/02/2024
Leicester City Council
Sonal Devani on behalf of Andrew Shilliam

Table of Contents

Business Continuity Management

Policy Statement and Strategy 2024

Business Continuity Management Policy Statement

Leicester City Council (LCC) is committed to implementing and maintaining a robust and effective Business Continuity Management System (BCMS) as a key mechanism to restore and continue to deliver services in the event of a disruption or emergency, in particular those that are critical. Unexpected disruptive events occur and such events could be **external** like severe weather, utility failure, terrorist attack or flu pandemic, or an **internal** incident such as ICT failure, loss of a major supplier or loss of a key building which could affect the delivery of LCC's services. These events are usually low likelihood, but high impact should they occur and need to be planned for by implementing a robust, effective and efficient Business Continuity Management System(BCMS).

The Civil Contingencies Act 2004 places a statutory duty on the council (as a Category 1 responder) to ensure that it can:

- Respond to an emergency;
- Continue to support emergency response partners and
- Continue to provide critical services to the public.

By pre -planning rather than waiting for incidents to occur, normal business can be resumed more effectively and efficiently. This is essential for those stakeholders who rely on council services and it helps communities retain confidence in the council. Planning minimises firefighting in a real incident, staff are able to respond better, service delivery is resumed at an acceptable level, reputational damage is managed and there is reduced potential for financial loss.

In an internal business continuity incident, it will not be possible to run **all** council services as normal. Priority for recovery will be given to services that are the most essential (business-critical services and activities) – those that the Corporate Management Team (CMT) have defined must be back up and running within 24 hours in a defined priority order, unless a dynamic risk assessment of the situation identifies exceptions to this reflecting particular unexpected circumstances.

The expectation is that all services whether deemed critical or not, should have a Business Continuity Plan (BCP) in place which aligns to the ISO22301 Standard.

The BCM Strategy and Policy sets the framework for our BCM approach, key elements of which include:

- Aligned approach with the International Standard for Business Continuity, ISO22301;

- An Incident Response Plan which is reviewed and updated annually;

- Business critical services determined and agreed by CMT through a Business Impact Analysis exercise;

- Clear roles and responsibilities defined within both the Incident Response Plan and Service BCP's, which staff are fully aware of;

- Management have responsibility for ensuring an effective service level BCP is in place for invocation (in line with the corporate standard) which is reviewed annually and as and when changes take place in the service;

- Corporate training provided to staff on BCM;

- BCM will also apply to the Council's relationships and dependencies on goods, supplies and services delivered by other third parties; and

- The council will implement a programme of BCP testing exercises and learning will be reflected in plans.

The BCM Framework (Policy and Strategy) will be reviewed on an annual basis to ensure continued relevance and to assess that its aims and objectives are being met.

Alison Greenhill   **Sir Peter Soulsby**
Chief Operating Officer   **City Mayor**

Business Continuity Management Strategy

1. DEFINITION

Business Continuity Management (BCM) is be defined as:

> *'A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.'*

ISO22301 Societal security – Business continuity Management systems - Requirements

BCM is about the council preparing for a disaster, incident or event that could affect the delivery of services. The aim is that key elements of a service are maintained at an emergency level and brought back up to an acceptable level as soon as possible. Although the immediate response to a disruption is a key component, business continuity is also concerned with maintenance and recovery of business functions following such a disruption.

BCM is an ongoing process of risk assessment and management with the purpose of ensuring that the council can continue to deliver critical services if and when risks materialise.

BCM is not simply about producing a plan, or even a set of plans. It is a comprehensive management process that systematically analyses the organisation, determines criticality of services, identifies threats, and builds capabilities to respond to them. It should become our 'culture - the way we do things'.

2. SCOPE

BCM is a cross-functional, organisation-wide activity; consequently, the arrangements in this strategy apply to all parts of the council.

Business Continuity will also apply to outsourced contracts, services as well as suppliers, service partners and other relevant stakeholders. This is covered in more detail in section 13. The aim is to ensure that business continuity practices are implemented so that the service provider is able to deliver acceptable standards of service following any disruption they may face. .

3. IMPORTANCE AND BENEFITS OF BCM

The Civil Contingencies Act 2004 places a statutory duty upon the council. As a Category 1 responder under the Act, Leicester City Council (LCC) has a legislative requirement to develop and maintain plans to ensure that it can continue to exercise its functions in the event of an emergency so far as is reasonably practicable. In addition, a clear procedure for invoking BCP's should be in place. Plans should also be reviewed and tested periodically to keep them up to date. Training should be provided to those staff responsible for populating, invoking and reviewing BCPs.

The benefits of having a clear, unambiguous and appropriately resourced Business Continuity Management policy and programme include:

- **Resilience -** Proactively improves resilience when faced with disruption to the council's ability to achieve its key objectives;

- **Communities –** helps to ensure those services which are critical particularly to the city's most vulnerable residents are delivered in as far as possible in order to continue to safeguard and support our communities;

- **Reputation -** Helps protect and enhance the council's reputation as well as reducing the risk of financial loss;

- **Compliance -** Demonstrates applicable laws and regulations are being observed;

- **Cost Savings -** Creates opportunities to reduce the potential cost of disruption and may reduce insurance premiums.   Poorly managed incidents also leave the council and its officers exposed to insurance claims;

- **Delivery -** Provides a rehearsed method of restoring the council's ability to supply critical services to an agreed level and timeframe following a disruption;

- **Management -** Delivers a proven capability for managing disruptions which helps to retain confidence in the council.

BCM arrangements are effective only if specifically built for the organisation. The council's programme is aligned with the principles of ISO22301, the International Standard, and to BS11200 Crisis Management Guidance and Good Practice, a recent standard for Crisis Management which is reinforced by reference to the Business Continuity Institute's Good Practice Guidelines.

4.   METHODOLOGY

The ultimate aim is to embed BCM within the council's culture. Training and education is an ongoing task but awareness and capability is also a product of the structures put in place and the way we manage our programme.

Embedding BCM in the organisation's culture
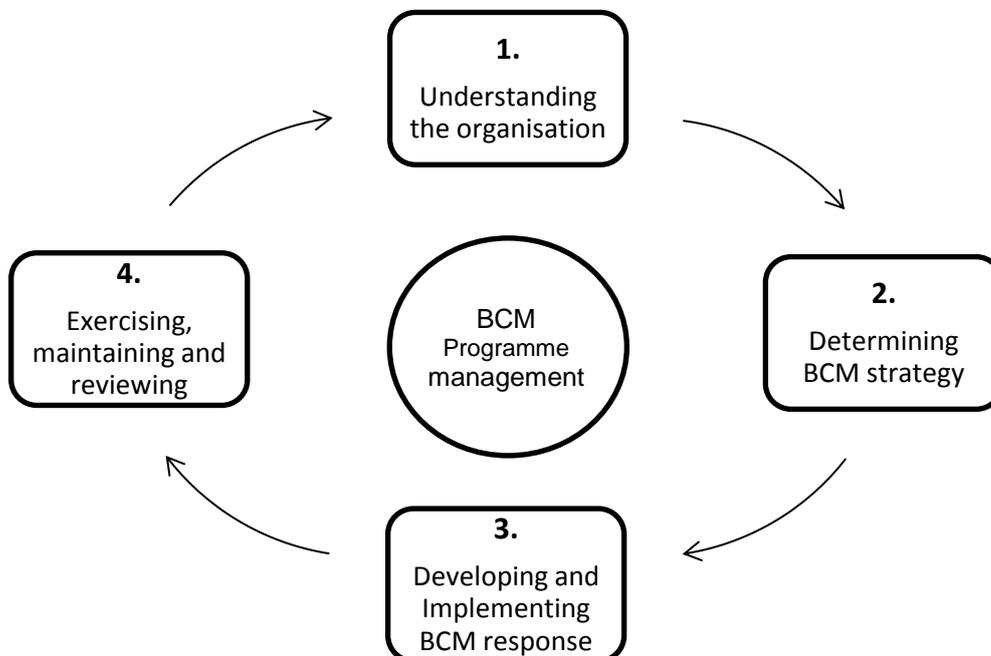
Key stages in a BCM programme are:

1.   Understanding the organisation:

This involves carrying out business impact analysis (BIA) and risk assessments to identify critical activities / functions, evaluate priorities and assess risks to service delivery (see below). This involves in-depth information-gathering:

- **BIA** – identify the critical processes and functions and assessing the impacts on the council if these were disrupted or lost. The BIA measures the impact of disruptions upon the organisation;

- **Risk assessment** – once critical processes and functions have been identified, a risk assessment can be conducted to identify the potential threats to these processes. Specific risks that would have a high local adverse impact are documented in service BCPs with details of contingency arrangements in place.

2.   Determining an appropriate Business Continuity Strategy:

This involves identification of strategies that support the timely and efficient recovery of services, making decisions based on analysis of data gathered in stage 1, setting recovery time objectives for services and determining resources required to mitigate loss and assessing the effectiveness of maintaining the council's ability to deliver critical service functions in the event of a disruption.

BCM strategies at LCC involve:

- Implementing appropriate measures/strategies to reduce the likelihood of incidents occurring and/or reduce the potential impacts of those incidents;

- Taking account of mitigation measures in place;

- Providing continuity for critical services during/following an incident in priority order;

- Plan owners/HoS reviewing/updating their BCP's and the Business Impact Analysis Assessment annually otherwise sooner where required due to changes in the internal or external environment;

- Identifying key staff/teams who would be involved in a response to a BC incident and ensuring they have access to the relevant response plans;

- Factoring services that have not been identified as critical in planning of BC;

- Consider, determine and set communication channels for implementation in an incident.

3.   Developing and implementing a BCM response:

This involves implementing relevant BCM strategies in response to a disruption/interruption.   For LCC this would mean triggering the Incident Response Plan (IRP) and service area BCPs to pull together the organisation's response to a disruption and enable resumption of business units according to agreed corporate priorities. The IRP and service area BCPs ensure that the following actions are considered:

- The immediate response to the incident;

- The interim solutions for maintaining an emergency level of service;

- Reinstatement of full services within realistic timescales.

4.   Exercising, maintaining and reviewing:

- **Testing and Exercise** – Testing ensures plans are in step with organisational and wider external changes and can be audited against defined standards. This enables LCC to demonstrate the extent to which plans are complete, current and accurate and helps identify opportunities for improvement.

- **Maintenance of BCPs –** Ensures the organisation's BCM arrangements and plans are fit for purpose, kept up to date, quality assured and support an effective response.

- **Review and Lessons Learnt -** Assesses suitability and adequacy and effectiveness of the BCM programme and identifies opportunities for improvements. It is imperative that a debrief is held after any incident with the involvement of relevant parties, be it internal or external. Lessons learnt should be reflected by updating BCPs accordingly.

   LCC Critical service BCPs are to be tested every two years as stipulated by LCC's Corporate Management Team.

5. INVOKING THE INCIDENT RESPONSE PLAN (IRP) FOR A BUSINESS CONTINUITY INCIDENT

The IRP is a high-level strategic response plan which is accessible to all on-call senior officers and other relevant staff. This plan will not allow recovery of individual services but co-ordinates the overall approach and supports the recovery of affected services, alongside the use of service area BCPs. The IRP can be invoked by a member of the council's Corporate Incident Response Team (CIRT) as defined within the plan itself.

The IRP can be triggered by serious situations such as:

- Serious danger to lives and/or the welfare of council staff, Members, visitors or service users;

- The disruption of two or more council services by a business continuity incident;

- A business continuity incident which has the potential to affect the Council's ability to deliver its critical services;

- More than one council service area is involved in the response;

- Significant resources are required to respond effectively to the incident;

- Actual or potential disruption to public service is incurred or likely to be.

- A coordinated response, over and above day to day working practices, is required.

- A business continuity incident with the potential to adversely affect the organisation's performance and reputation due to loss of **PEOPLE** and/or **PLANT** and/or **PARTNERS** and/or **PREMISES**.

- Serious loss or damage to key assets;

- Serious impact on the council's financial status or political stability; or

- Emergency situations in Leicester, or the wider Local Resilience Forum area (Leicester, Leicestershire and Rutland).

6. CORPORATE INCIDENT RESPONSE TEAM

The council has put in place a 3-tier incident management structure: - the Strategic (Gold) and Tactical (Silver) teams have control of the situation and are authorised to take all decisions necessary. The

Strategic (Gold) Team have overall control by overseeing, directing and authorising the work of the Tactical (Silver) Team who are managing the response and monitoring the actions which the Operational (Bronze) Recovery teams implement.

The IRP sets out this process in more detail. The constitution of the following teams can change as the BCM response unfolds which are:

Incident Response Team:

- Comprises predominantly of those Directors and Senior Heads of Service who have responsibility for defined Business Critical Services;

- Manages and directs the council's response to a serious incident affecting council services or assets;

- Comprises of the Strategic (Gold) and Tactical (Silver) teams;

  o **Strategic (Gold) Team** sets the response strategy, oversees the response including work-force related matters, and leads on communications (internal and external),

  o **Tactical (Silver) Team** will manage the Operational (Bronze) Recovery teams and keeps the Strategic (Gold) team informed of developments.

Recovery Teams:

- Comprises principally of Heads of Service and their senior managers;

- Collective responsibility for resumption of critical services within their divisions by means of their own individual BCPs;

- Will be directed by and report back to the 'Tactical' (Silver) team reporting to Gold.

The above establishes the command, control and communication system helping to ensure the organisation has clearly documented and well understood mechanisms for responding to an incident regardless of its cause.

Instances may occur where external stakeholders may need to be involved in responding to an incident.

7.   MAINTENANCE OF THE INCIDENT RESPONSE PLAN (IRP)

It is crucial that the IRP reflects ongoing changes within the organisation. This involves revising the document and amending to reflect updates, testing the updated plan, informing and updating the on-call team / authorised personnel. REBR will facilitate the maintenance of this plan and annually will ensure that this undergoes a formal/complete review.

8.   BUSINESS CRITICAL SERVICES BCPs/BIAs

Annually, the Business Continuity & Risk Officer / Manager, Risk Management circulate a reminder to business-critical services plan owners requesting a thorough update of the plan and the associated BIA for submission to REBR. The Business Continuity & Risk Officer facilitates this process. Although, changes should be made to BCPs as and when new staff join or leave, to reflect office moves, procedures changing or a major corporate change, a thorough review is required annually, usually by the financial year end.

Each department is responsible for keeping its contact lists up to date and issuing off-site documentation to new members of staff in their service areas BCPs. These revisions will need to then be distributed to all authorised personnel, who exchange their old plans for the newly revised plans.

9.   LOCATING BCPS

The IRP and business-critical service BCPs are held securely on Resilience Direct (a secure Government IT platform within which LCC have a restricted area) as well as the restricted pages on MS Teams.

BCPs should be saved electronically and onto a memory stick (ensuring that the memory stick is an encrypted one). Holding paper copies is acceptable as this mitigates the risk of total loss of ICT, however, also being cautious of such a method as the plan will contain confidential information. All staff within teams should be aware who has access to their service area BCP. This will ensure smoother and faster recovery following an incident.

10.   ROLES AND RESPONSIBILITIES

The table below details the roles and responsibilities of those involved in the planning and implementation of BCM and invocation of plans.

City Mayor / Executive	• Approve the council's Business Continuity Strategy and Policy Statement annually.
Governance and Audit Committee	• Ensure that the Business Continuity Strategy is produced, approved by CMT and the Executive and updated regularly; • Monitor the effectiveness of BCM arrangements via reports from the Manager, Risk Management • Note and comment on the BC Policy & Strategy
Chief Operating Officer / BCM Champion	• During an incident, lead the council's 'Strategic' (Gold) Incident response.
Strategic and Divisional Directors	• Ensure the BCM policy, strategy and development plan is implemented and resourced appropriately across service areas; • Participate as required in management teams within the Incident Response Plan; • Ensure appropriate staff sit on the 'Strategic' (Gold) and 'Tactical' (Silver) and Operational (Bronze) Recovery teams within the Incident Response Plan; • Ensure each of their Service Areas has an effective and current BCP in place which is reviewed each year; • Annually self-certify that effective plans exist for all their services, that these plans remain current and 'fit for purpose'; and that any testing of those plans has been carried out (with the assistance and support of REBR, if required); • Identify staff for training and keep themselves updated on BCM practice; • Embed BCM culture into the ethos of operational management
Corporate Management Team	• Approve the BC Strategy and Policy annually and ensure implementation
Manager, Risk Management / Business Continuity & Risk Officer	• Co-ordinate the BCM programme; • Produce the Corporate BCM framework; • Provide a critical friend service on reviewing service areas BCPs • Produce the Business Continuity Policy and Strategy and ensure it is reviewed annually; • During an incident, co-ordinate the council's BCM incident response(s), supporting the COO as 'Strategic' lead; • Following an incident, facilitate the 'lessons learned' session(s); • Make available best practice tools (e.g. templates); • Identify training needs and arrange delivery; • Support and advise service areas and LA maintained schools; • Facilitate the self-cert process; • Facilitate BIA Workshops • Facilitate testing and exercising of the council's BCPs when requested by Directors/their teams and undertake testing in business-critical areas at least every other year; • Quality control – review BCM arrangements for services; • Promote BCM in the community.
All Heads of Service / Managers	• Lead Business Continuity arrangements within their area; • Attend training commensurate with their role; • Identify staff from their teams that have a role to play in any recovery for suitable training; • Prepare a recovery plan covering all service delivery functions (priority for critical functions), update at least annually; and, • Implement the agreed arrangements in the event of a disruption.
All Staff	• Familiarisation with business continuity arrangements within their area; • Attend training commensurate with their role; • Engage with testing and exercising; • Respond positively during a crisis.

11. BUSINESS CONTINUITY SELF CERTIFICATION

Annually, all Directors will self-certify that BCPs are in place for all their services and the associated BIA is updated. LCC's BC and Risk Manager will facilitate the process and report to CMT.

12.   MANAGING BC INCIDENTS AND INCIDENT LOGGING

REBR support and advise service areas during a business continuity incident to help manage a response to an incident. Once an incident has concluded, REBR can assist with conducting a debrief and draw out any lessons learnt, involving relevant parties and gather feedback for distribution, and where necessary, services amend BCPs appropriately to reflect any changes.

On-call officers are regularly briefed by REBR on how to deal with internal and external incidents and LCC's response. In addition, they are also briefed on guidance, plans and processes available to them to aid in the response to an incident.

REBR have produced an incident logging template which Senior Officers On call and other relevant officers have access to or will be given access to it the event of an incident. This is found on MS Teams. This is to be used for all major and minor incidents and may help when conducting the debrief.

13.   BUSINESS CONTINUITY AND PROCUREMENT

Contracts for goods and / or services deemed critical to business continuity should include a requirement for each nominated supplier to give an assurance and evidence that robust BCP arrangements are in place covering the goods and/or services provided. When procuring for goods and/or services, the need for business continuity requirements in the specification and/or evaluation criteria must be considered.

14.   BCM IN THE COMMUNITY

The council will participate in appropriate practitioner groups and work with partner agencies to promote BCM in the community and will advise and assist local organisations with their BCM arrangements.

15.   MULTI-AGENCY BUSINESS CONTINUITY WORKING GROUP

The Manager, Risk Management will continue to chair this group which involves partner agencies such as emergency services, utilities, voluntary organisations. These meetings highlight how partner agencies respond to an incident and its business continuity implications and support the sharing of ideas and good practice.

Appendix C
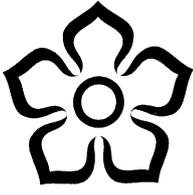
Leicester City Council

WARDS AFFECTED: ALL

Governance and Audit Committee   **13th March 2024**

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Regulation of Investigatory Powers Act 2000
Bi-Annual Performance Report July 2023 - December 2023
_____

Report of the City Barrister and Head of Standards

1.   Purpose of the Report

The report advises on the performance of the Council in authorising Regulatory Investigation Powers Act (RIPA) applications from 1st July 2023 to 31st December 2023.

2.   Summary

2.1   The Council applied for 0 Directed Surveillance Authorisation and 0 Communications Data Authorisations in the period above.

2.2   The Council submitted its annual data to the Investigatory Powers Commissioner's Office in January 2024 on time.

3.   Recommendations

The Committee is recommended to:

3.1   Receive the Report and note its contents.

3.2   Make any recommendations or comments it sees fit either to the Executive or to the City Barrister and Head of Standards.

4   Report

4.1   The Council has applied for 0 Directed Surveillance Authorisation and 0 Communications Data Authorisations in the second half of 2023.

4.2   The Council submitted its annual data to the Investigatory Powers Commissioner's Office in January 2024 on time.

5.   Financial, Legal Implications

5.1   Financial Implications

There are no financial implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed – Kirsty Cowell (Head of Finance) ext. 37 2377.

5.2   Legal Implications

There are no legal implications arising directly from this report, although the Council could incur legal costs should procedures not be correctly followed – Kamal Adatia (City Barrister and Head of Standards) ext. 37 1402.

6.   Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	Yes	HRA Article 8 must be considered for all applications
Elderly/People on Low Income	No	
Risk Management	No	

7.   Report Author / Officer to contact:

Lynn Wyeth, Head of Information Governance & Risk, Legal Services
-   Ext 37 1291

1st March 2024

Leicester City Council Governance & Audit Committee
13th March 2024

Report of Leicestershire County Council's
Head of Internal Audit & Assurance Service

Progress against Internal Audit Plans and an external quality assessment of Leicestershire County Council's Internal Audit Service

Purpose of Report

1. The purpose of this report is to provide:

   Summary of progress against the 2023-24 and prior year Internal Audit Plans including:
   i. summary information on progress with implementing high importance recommendations.
   ii. summary of progress against the Internal Audit Plans.
   iii. commentary on the progress and resources used.
   iv. brief details on an independent external quality assessment of Leicestershire County Council's Internal Audit Service

Recommendation

2. That the contents of the report be noted.

Background

3. The Council's internal audit function was delegated to Leicestershire County Council in 2017.

4. Within its Terms of Reference, the Governance & Audit Committee (the Committee) has a duty to receive regular reports on progress against the internal audit plan, containing activity undertaken, summaries of key findings, issues of concern and action in hand.

5. Most planned audits undertaken are 'assurance' type, which requires undertaking an objective examination of evidence to reach an independent opinion on whether risk is being mitigated. For these audits an assurance level is given as to whether material risks are being managed. There are four levels: full; substantial; partial; and little.

6. 'Partial' ratings are normally given when the auditor has reported to management at least one high importance (HI) recommendation. A HI recommendation denotes that there is either an absence of control or evidence that a designated control is not being operated and as such the system is open to material risk exposure. It is particularly important therefore that management quickly addresses those recommendations denoted as HI and implements an agreed action plan without delay. HI's are reported to this Committee and a follow up audit occurs to confirm action has been implemented. Occasionally, the auditor might report several recommendations that individually are not graded high importance but collectively would require a targeted follow up to ensure improvements have been made.

7. Other planned audits are 'consulting' type, which are primarily advisory and guidance to management. These add value, for example, by commenting on the effectiveness of controls designed before implementing a new system.

8. Grants and other returns are audited, but because these are specific or focused reviews of certain aspects of a process in these cases it is not appropriate to give an assurance level. When they are completed, 'certified' is recorded.

9. Follow up audits relating to testing whether recommendations have been implemented from previous years' audits are undertaken. With this type, assurance levels aren't given because not all of the system is being tested. However, the Head of Internal Audit Service (HoIAS) forms a view on whether the situation has improved since the original audit and that is listed.

10. Also within its Terms of Reference, the Committee has a duty to contribute to and support an external quality assessment of the internal audit function which is a requirement of the Public Sector Internal Audit Standards (PSIAS) to take place at least once every five years.

Progress with implementing high importance recommendations

11. The Committee is tasked with monitoring the implementation of high importance (HI) recommendations which primarily lead to low assurance levels. **Appendix 1** provides a short summary of the issues and the associated recommendations. The relevant manager's agreement (or otherwise) to implementing the recommendation(s) and the implementation timescale is also shown. Recommendations that have not been reported to the Committee before or where some update has occurred to a previously reported recommendation are shown in **bold font.** Entries remain on the list until the HoIAS has confirmed (by gaining sufficient evidence or even specific re-testing by an auditor) that action has been implemented.

12. At the end of the year, as part of the process of determining his annual opinion, the HoIAS takes account of how management has responded to implementing high importance recommendations. Responses are generally

positive however there is recognition that some recommendations do require more time to fully implement.

To summarise movements within Appendix 1 as at 27th February 2024.

- a. New

  - i. Spinney Hill Primary School
  - ii. Herrick Primary School

- b. Ongoing/extended (date initially reported & number of extensions granted)

  - i. Key ICT Controls 2020-21 (September 2022 - 4)
  - ii. Direct Payments (November 2022 - 3)
  - iii. CCTV (July 2023 – 2)

- c. Closed (date initially reported to Committee)

  - i. None this cycle

Summary of progress 31st January 2024

13. **Appendix 2** reports on the position at 31st January 2024. The table shows the status on prior year and 2023-24 audits between the period 1st April 2023 to 31st January 2024:

	Prior year @ 31/01/2024	2023-24 @ 31/01/2024
Outcomes		
High(er) Assurance levels	9	11
Low(er) Assurance levels	1	2
Advisory	3	5
Grants/other certifications	0	14
HI follow ups – completed	3	0
Audits finalised	16	32
Audits in progress	2	38
HI follow ups – in progress	3	2
Not yet started	0	2
Deferred /Cancelled	0	8

3

Summary of resources used in 2023-24 (as at 31st January 2024)

14. To close off prior year audits, progress 2023-24 audits (reported in Appendix 2), and provide additional work relating to requirements such as planning, reporting to Committees etc, at 31st January 2024; Leicester City Council had received 717 days of internal audit input (see below table).

	@31/01/2024	@ 31/01/2024
By type	**Days**	**%**
Relating to prior years audits (*)	94	13
Relating to audits started 2023-24	549	77
Sub-total audits	**643**	**90**
Client management	74	10
Total	**717**	**100**
By position		
HoIAS	22	3
Audit Manager	126	18
Audit Senior (incl. ICT)	297	41
Auditor	272	38
Total	**717**	**100**

(*) These days were utilised either concluding previous years audits or following up on the progress made with implementing audit recommendations where low assurance levels had been reported.

Commentary on progress and resources used

15. Good progress is being made in the delivery of the audit plan, although a number of delays have been encountered. The Head of Finance has helped progress audits, but some have been more difficult; however, it is recognised and acknowledged that Directors and operational staff at the Council are under significant pressures due to competing demands and in some cases staff shortages, which can give rise to delays. It should be noted that auditors have continued to deliver audits, whilst being sensitive to the difficulties experienced by staff in certain divisions of the Council. Naturally this places pressure on audit staff in completing audits, with a number of stop-starts and delays to audits; however, the team has continued to deliver the audit service diligently and professionally, with the aim of delivering at least 800 days as per the delegation agreement. Internal Audit will continue to work with the Head of Finance to help progress audits to ensure there is sufficient audit coverage to allow the Head of Internal Audit Service to provide his opinion on the overall adequacy and effectiveness of the control environment at the year end. A further progress meeting will be held with the Head of Finance before the Easter break. This will be an important meeting to determine whether audits can be completed or need to be postponed into the next financial year.

External Quality Assessment

16. A requirement of the PSIAS is that an assessment of the internal audit function's overall conformance with the Standards is conducted once every five years by a qualified, independent assessor, or assessment team from outside the organisation. The previous External Quality Assessment (EQA) of Leicestershire County Council's Internal Audit Service was undertaken in March 2018 and was an independent validation of the HoIAS' self-assessment. The results were reported to the Audit & Risk Committee at its meeting on 13 June 2018 with the overall conclusion that the Service generally conformed (the top rating) to the PSIAS.

17. In October 2023, the County Council commissioned Robin Pritchard, a very experienced internal audit and risk professional, to undertake an EQA by March 2024. It was agreed that an assessment would be based upon a review (validation) of an evidenced internal self-assessment exercise. This was the same methodology applied in 2018. The EQA will be undertaken remotely and will be conducted in two stages with a readiness check towards the end of January (with an opportunity to make any improvements) before a final and full report in March/April (to be reported to the Governance and Audit Committee at its meeting in July 2024). As well as submission of evidence, the assessor will conduct interviews which may include the Chair of the Committee and a selection of City Council Officers or alternatively use a digital survey questionnaire to gain insight into the value and performance of the internal audit service.

18. Work is underway to provide the assessor with documentation for review.

Financial Implications:

19. There are no direct financial implications arising from this report. However, as a result of the work carried out, assurance regarding the operation of key financial systems is gained and there would be an expectation that implementing internal audit recommendations could improve effectiveness, efficiency and economy.

20. Leicester City Council will not incur any charge for the independent external quality assessment of Leicestershire County Council's Internal Audit Service.

Legal Implications:

21. None.

Equal Opportunities Implications

22. There are no discernible equal opportunities implications resulting from the audits listed.

Climate Emergency Implications:

23. None

Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

24. No.

Is this a "key decision"? If so, why?

25. No.

Background Papers

The Constitution of Leicester City Council
Accounts and Audit Regulations (Amendment) 2015
The Public Sector Internal Audit Standards (revised from April 2017)
The Internal Audit Plans 2022-23 & 2023-24

Officer to Contact

Neil Jones, Head of Internal Audit & Assurance Service
Leicestershire County Council
Tel: 0116 305 7629
Email: neil.jones@leics.gov.uk

Appendix 1	High Importance Recommendations as at 27th February 2024.
Appendix 2	Summary of Internal Audit Service work undertaken between 1st April 2023 - 31st January 2024.

High Importance Recommendations – Position at 27th February 2024

Audit Title (Owner)	Summary of Finding(s) and Recommendation(s)	Management Response	Action Date (by end of)	Confirmed Implemented
Reported March 2024				
Spinney Hill Primary School	**One High Importance recommendation was made** The school should ensure forecast positions provided to the Governors and the Council's Schools Finance team provide more accurate positions particularly as they approach the year end. This will also assist Governors make decisions based on more realistic budget position of the school.	**Awaiting Response**	Feb 24	
Herrick Primary School	**Two High Importance recommendations were made:** 1. The governing body should work closely with the school and the Local Authority Schools Finance team to ensure the deficit position is closely monitored and improvements are made in line with the deficit budget plan (when in place). 2. The school along with the Local Authority should take immediate action to investigate the cause of the large overdraft position on the bank balance. Once resolved, the school should ensure a positive bank balance is maintained.	The school is working closely with the LA's School Finance team and Governors to improve the deficit position and rectify the overdraft position. In December 23 the Head Teacher (HT) presented a 3 year Financial Planning Proposal to deal with the deficit position; a 3 year budget deficit plan has been agreed by Governors, but it is noted that further work is required. The HT has reported that since July 23 there has been a significant fall in overspend as a result of staffing changes and formulation of the development plan; however, it is acknowledged that further work is needed and new measures are being reviewed.	Feb 24 Extend to Jun 24	

Reported July 2023				
2022-23 CCTV (Head of Standards & Development)	Three High Importance recommendations were raised in this report: 1. A decision needs to be made on how the standalone CCTV installations can be captured. and how these should be recorded and managed 2. Compliance reviews should be undertaken on the standalone CCTV installations. 3. Guidance should be developed for Business Risk Owners on the correct processes to follow when procuring a new CCTV system.	1. **Discussions have taken place with officers in the CCTV working group for the best location for the centralised records of these. Currently exploring options for collating information on Open Leicester or a centralised database.** 2. **A new form is to be introduced for CCTV business owners to confirm that they have reviewed their CCTV systems on an annual basis. It is proposed that this compliance check is managed by the Information Governance team, as part of corporate governance around data protection. A CCTV Management checklist has been included in the Best Practice Guide. Organisational Development are currently updating the data protection and information security training modules to make it one combined module. As part of that refresh they have been asked to add an extra slide in the data protection content under the 'Policies and responsibilities' section that points staff with responsibility for CCTV to read the info and CCTV Code of Conduct on the SharePoint site.** 3. **A new procedure has been introduced into the IT procurement process to ensure that Business Owners are aware of their responsibilities should they wish to**	Dec 23 Jan 24 **Extend to Mar 24**	1. No 2. No 3. Yes

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		procure a new CCTV system. Internal Audit has reviewed the documentation and have now cleared recommendation 3.		
Reported November 2022				
(2021-22) Direct Payments (Head of Locality East/SRCT and Care Navigators)	The audit highlighted weakness in the annual review process. One high importance recommendation was made: Annual reviews of the support plans should be undertaken to establish whether the needs of the person on Direct Payments had changed, and the Direct Payments remained appropriate.	**The Head of Locality East/SRCT and Care Navigators presented an overview of Direct Payments report to the Adult Social Care Scrutiny Commission on 25th January 2024. Under future development it reported 'oversight of the achievement of outcomes via a DP is largely managed via the social work review process. Given the challenges regarding overdue reviews, this is recognised as an area of risk and as noted in the Council's audit programme. A dashboard now allows ASC to see at a glance the outstanding overdue reviews by each service area and a risk matrix is being tested, to enable the prioritisation of DP reviews'.** **Work is still ongoing with IT to amalgamate the dashboard with other data. Internal Audit will undertake testing once work is completed.**	Jan 2023 Jun 2023 Dec 2023 Jan 2024 **Extend Jun 2024**	

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Reported Sept 2022				
Key ICT Controls (2020-21) (Head of IT Operations)	**The audit identified a number of weaknesses, three high importance recommendations were made in the report:** 1. **Adequate Disaster Recovery (DR) governance arrangements should be established.** 2. **A High-level Disaster Recovery Test Strategy should be developed with lower-level assessments being undertaken for individual DR tests as they are planned.** 3. **Resiliency testing of the network and key applications should be planned and undertaken as soon as possible**	**Tests were undertaken by IT in December 2023. Due to some issues identified from the testing a review of the technical architecture for the network was undertaken.** **New DR tests are to be undertaken by IT following the revised network architecture. This is likely to be by the end of February 2024 at a small scale and then if further large scale testing is required this will be undertaken in March 2024.**	**Dec 2022** **April 2023** **Nov 23** Jan 24 **Extend to Mar 24**	1. Yes 2. Yes 3. **No**

Appendix 2: Leicester City Council Summary of Internal Audit work 31st January 2024

Appendix 2: Leicester City Council 2023-24 Audit Plan (includes prior year audits b/fwd) - Audits Finalised as at 31.01.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Assurance Level
2022-23	Planned	Internal Control	SEND Funding	Substantial Assurance
2022-23	Planned	Governance	Contract Audits : Evaluation Process	Substantial Assurance
2022-23	Planned	IT & Information Governance	IT Audit: Cyber security	Substantial Assurance
2022-23	Planned	Governance	Health & Safety phase 2	Substantial Assurance
2022-23	Planned	Governance	Constitutional changes	Substantial Assurance
2022-23	Planned	Governance	Climate change and carbon emissions (phase 1&2)	Substantial Assurance
2022-23	Planned	Internal Controls & Governance	Childrens Placements	Substantial Assurance
2022-23	Planned	Risk Management	Information Governance - 3rd Party Data Management	Substantial Assurance
2022-23	**Planned**	**Governance**	**Contract Audits : Consultancy Contract**	**Substantial Assurance**
2022-23	Planned	Governance	CCTV	Partial Assurance
2022-23	Planned	Governance	Risk of governance failings	Complete
2022-23	Planned	Risk Management	Strategic Risk Management Process	Complete
2022-23	Added to Plan	Internal Control	Imprest Account (A&A)	Complete
2023-24	Planned	Contract Audit	PFI Project - Waste RE-Procurement	Substantial Assurance
2023-24	Planned	Internal Control	Montrose Primary School	Substantial Assurance
2023-24	Planned	Internal Control	Housing Stores	Substantial Assurance
2023-24	Planned	Internal Control & Governance	School Financial Audits - Montrose Primary School	Substantial Assurance
2023-24	**Planned**	**Internal Control**	**Transforming Cities Fund**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**Construction (Design & Management) Regulation - Phase 2**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**Contract Auditing - Bid Rigging**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**School Financial Audits :Wolsey House Primary School**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**Council assets transferred**	**Substantial Assurance**
2023-24	**Planned**	**Governance**	**Contract Audit: Agency**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**IR35**	**Substantial Assurance**
2023-24	**Planned**	**Internal Control**	**School Financial Audits : Herrick Primary School**	**Partial Assurance**
2023-24	**Planned**	**Internal Control**	**School Financial Audits : Spinney Hill Primary School**	**Partial Assurance**
2023-24	Planned	Internal Control	Multiply Funding Grant	Certified
2023-24	Planned	Internal Control	LLEP - Core Growth Hub Grant Funding	Certified
2023-24	Planned	Internal Control	Adriatic 7 Limited Service Charges	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 1	Certified
2023-24	Planned	Internal Control	Home Upgrade Grant Phase 1(HUG 1)	Certified
2023-24	Planned	Internal Control	Grant Audit - Bus Services Operator Grant (BSOG)	Certified
2023-24	Planned	Internal Control	Leaseholder Accounts	Certified
2023-24	Planned	Internal Control	Supporting Families - Claim 2	Certified
2023-24	Planned	Internal Control	Grant Audit - Changing Places Fund	Certified
2023-24	Planned	Internal Control	Local Transport Capital Funding	Certified
2023-24	Planned	Internal Control	Disabled Facilities Grant	Certified
2023-24	**Planned**	**Internal Control**	**Local Authority Delivery Phase 3 (LAD 3) Grant**	**Certified**
2023-24	**Planned**	**Internal Control**	**Supporting Families - Claim 3**	**Certified**
2023-24	**Planned**	**Internal Control**	**Social Housing - Decarbonisation Fund Wave 1**	**Certified**
2023-24	Added to plan	Internal Control	Post Room Move	Complete
2023-24	Added to Plan	IT & Information Governance	BACs/DD - Phase 1	Complete

| 2023-24 | Added to Plan | IT & Information Governance | Mobile Chip and PIN - A&A | Complete |

Appendix 2: Leicester City Council 2023-24 Audit Plan (includes prior year audits b/fwd) - Audits Finalised as at 31.01.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Assurance Level
2023-24	**Added to Plan**	**IT & Information Governance**	**IT Audits - DWP Data Security (A&A)**	**Complete**
2023-24	**Added to Plan**	**Internal Control & Governance**	**ContrOCC and Online Financial Assessments**	**Complete**

Appendix 2: Leicester City Council : 2023-24 Audit Plan (includes prior year audits b/fwd) - Status of audits awaiting completion as at 31.01.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Current Milestone
2022-23	**Planned**	**Governance**	**Haymarket**	**Revised Draft Issued**
2022-23	**Planned**	**Governance**	**Contract Audits : Contract monitoring**	**Revised Draft Issued**
2023-24	**Planned**	**Internal Control**	**Car Parking Income**	**Draft issued**
2023-24	**Planned**	**Internal Control**	**Major Financial Systems(MFS) - Fleet Services**	**Draft issued**
2023-24	**Planned**	**Internal Control & Governance**	**Self-Assessment against CIPFA Code of Practice on Fraud**	**Draft Issued**
2023-24	**Planned**	**Internal Control**	**School Absence Monitoring**	**Draft issued**
2023-24	**Planned**	**Internal Control & Governance**	**School Financial Audits - Catherine Primary**	**Draft issued**
2023-24	**Planned**	**Internal Control & Governance**	**School Financial Audits - Merrydale Infant School**	**Draft issued**
2023-24	**Added to Plan**	**IT & Information Governance**	**BACs/DD - Phase 2**	**Draft awaiting to be issued**
2023-24	**Planned**	**Internal Control**	**Bus Lane Penalty Enforcements (BLPE)**	**Draft awaiting to be issued**
2023-24	**Planned**	**Internal Control**	**Major Financial Systems(MFS) - Payroll**	**Draft awaiting to be issued**
2023-24	**Planned**	**Internal Control**	**Household Support Fund**	**Draft awaiting to be issued**
2023-24	**Planned**	**Internal Control**	**GP Payments**	**Draft awaiting to be issued**
2023-24	**Planned**	**Internal Control**	**Subsidy Control Regime**	**Draft awaiting to be issued**
2023-24	Planned	Internal Control	Major Financial Systems(MFS) - Creditors	Work in Progress
2023-24	Planned	IT & Information Governance	IT Audit - Concerto upgrade	Work in Progress
2023-24	Planned	Internal Control	SEND Transport	Work in progress
2023-24	**Planned**	**Internal Control & Governance**	**Corporate Landlord**	**Work in progress**
2023-24	**Planned**	**Risk Management**	**Suppliers BC Plans**	**Work in progress**
2023-24	**Planned**	**Internal Control**	**Major Financial Systems(MFS) - Treasury Management**	**Work in progress**
2023-24	**Planned**	**Internal Control**	**Workspaces**	**Work in progress**
2023-24	**Planned**	**Internal Control & Governance**	**Parks & Open Spaces**	**Work in progress**
2023-24	**Planned**	**Internal Control & Governance**	**Levelling Up Projects**	**Work in progress**
2023-24	**Planned**	**Internal Control**	**Disposal of Assets**	**Work in progress**
2023-24	**Planned**	**Internal Control & Governance**	**Selective Licencing**	**Work in progress**
2023-24	**Planned**	**IT & Information Governance**	**Payment Card Industry (PCI) Compliance**	**Work in progress**
2023-24	**Planned**	**Internal Control & Governance**	**School Financial Audits - Moat Community College**	**Work in progress**

2023-24	Added to Plan	Internal Control & Governance	School Financial Audits - Dovelands	Work in progress
2023-24	Planned	Internal Control	Procurement Bill	Planning
2023-24	Planned	IT & Information Governance	IT Audits - Key ICT (includes Cyber Security follow-up)	Planning

Appendix 2: Leicester City Council : 2023-24 Audit Plan (includes prior year audits b/fwd) - Status of audits awaiting completion as at 31.01.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Audit Title	Current Milestone
2023-24	Planned	Internal Control & Governance	School Financial Audits - Madani Schools	Planning
2023-24	Planned	Internal Control	Schools Finance	Planning
2023-24	Planned	Risk Management	Fire and building safety - owned and occupied buildings	Planning
2023-24	Planned	Internal Control & Governance	Revenue & Benefits Savings	Planning
2023-24	Planned	Internal Control	Income Procedures	Planning
2023-24	Planned	Internal Control	Assets Valuation	Planning
2023-24	**Added to Plan**	**IT & Information Governance**	**BACs/DD - Phase 3**	**Planning**
2023-24	**Planned**	**Internal Control**	**Contract Audit : Due diligence**	**Planning**
2023-24	**Planned**	**IT & Information Governance**	**IT Audits : ONE Education System**	**Planning**
2023-24	**Planned**	**Internal Control**	**Contract Audit : Low value contracts/Contract monitoring**	**Planning**
2023-24	Planned	Internal Control	Supporting Families - Claim 4	Not started
2023-24	Planned	Internal Control	Zero Emission Bus Regional Areas Grant	Not started

Appendix 2: Leicester City Council : HI recommendations follow ups as at 27.02.2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Title	Current Milestone
2019-20	Planned	IT & Information Governance	GDPR#2	Complete
2021-22	Planned	IT & Information Governance	Key ICT General Controls	In progress
2021-22	Planned	Systems & Governance	Direct Payments	In progress
2021-22	Planned	Internal Controls & Governance	Bed & breakfast Emergency Planning	Complete
2022-23	Planned	Internal Controls & Governance	Construction Projects (CDM Compliance)	Complete
2022-23	Planned	Internal Controls & Governance	CCTV	In progress
2023-24	**Planned**	**Internal Controls & Governance**	**Herrick Primary School**	**In progress**
2023-24	**Planned**	**Internal Controls & Governance**	**Spinney Hill Primary School**	**In progress**

Appendix 2: Leicester City Council 2023-24 Audit Plan - Deferred/Cancelled/Reserve Audit as at 31/01/2024

Audit Plan Yr	Plan State	Audit Plan Area Names	Title	Current Milestone
2023-24	**Planned**	**IT & Information Governance**	**IT Audits : CRM/Gladstone**	**Cancelled**
2023-24	**Planned**	**Internal Control**	**Fostering & Adoptions**	**Cancelled**

2023-24	Planned	Governance	Procurement Dashboard	Defer to 2024-25
2023-24	**Planned**	**Governance**	**LLEP**	**Defer to 2024-25**
2023-24	**Planned**	**IT & Information Governance**	**IT audit - Unit 4 Development Project**	**Defer to 2024-25**
2023-24	**Planned**	**Internal Control**	**Transforming Cities Fund - TCF 1**	**Defer to 2024-25**
2023-24	**Planned**	**Internal Control**	**Transforming Cities Fund - TCF 2**	**Defer to 2024-25**
2023-24	**Planned**	**Internal Control**	**ULEV Taxi Infrastructure Scheme Project Grant**	**Defer to 2024-25**

Annual Review of the Council's Local Code of Corporate Governance

Governance & Audit Committee

Decision to be taken by: Governance & Audit Committee

Date of meeting: 13 March 2024

Lead director: Amy Oliver, Director of Finance

Useful information

■ Ward(s) affected: All

■ Report author: Kirsty Cowell

■ Author contact details: Kirsty.Cowell@Leicester.gov.uk

■ Report version number: 1

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1. Summary

1.1.   To present the Local Code of Corporate Governance to the Audit and Risk Committee for approval.

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2. Recommended actions/decision

2.1   The Governance & Audit Committee is recommended to:

- Approve the Local Code of Corporate Governance 2024/25, Appendix 1

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3. Background

3.1 The Council has a Local Code of Corporate Governance and a Governance & Audit Committee. The committee has prescribed terms of reference that form part of the Council's constitution and are designed to enable to Committee to discharge its functions both as 'those charged with governance' generally and as 'the Board' under the Public Sector Internal Audit Standards (PSIAS)

3.2 There are clear linkages between these components in making up the Council's overall system of corporate governance. In order that they remain relevant and fit for purpose, each of these documents is subject to regular review.

3.3 Reporting on actual compliance (i.e., what we have achieved as an organisation in this regard) will be reported in due course through the Annual Governance Statement which is presented alongside the Statement of Accounts.

3.4 The Governance & Audit Committee's terms of reference were reviewed as part of the change from the Audit & risk Committee and approved by Full Council on 6 July 2023.

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4. Local Code of Corporate Governance

4.1   A central component of the Council's system of governance is its Local Code of Corporate Governance. This reflects the main components set out in the CIPFA and SOLACE guidance Delivering Good Governance in Local Government: Framework. The Local Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards.

4.2 The Local Code of Corporate Governance is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, as each year the Council conducts a review of compliance with the Code. The results of this feed into the annual review of the effectiveness of the Council's system of internal control, thereby contributing to the Annual Governance Statement.

4.3 The Code was refreshed for 2023/24 to ensure it sets out the Council's objectives and reflects the controls in place. It has been reviewed for 2024/25 and reference to a number of key plans updated.

4.4 The Local Code of Corporate Governance is given at Appendix 1.

5. Financial, legal, equalities, climate emergency and other implications

5.1 Financial implications

Adequate and effective systems of corporate governance and assurance and an effective Governance & Audit Committee are all central components in the processes intended to help ensure that the Council operates efficiently, cost effectively and with integrity. Such arrangements support the processes of audit and internal control that will help the Council as it faces financially challenging times.

5.2 Legal implications

Part 2 of the Accounts and Audit (England) Regulations 2015 obliges the Council to ensure that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk. The Council must conduct a review at least once in a year of the effectiveness of its system of internal control and following the review, must approve an annual governance statement.

Kevin Carter, Head of Law Ext 4197

5.3 Equalities implications

There are no direct equalities implications arising from the report. Good corporate governance underpins confidence in public services and should be transparent to all stakeholders. Corporate governance is about the systems, processes, and values by which the Council operates and by which it engages with, and is held accountable to, our communities and stakeholders. Ensuring openness and comprehensive stakeholder engagement is important in effective corporate governance.

Equalities Officer, Surinder Singh, Ext 37 4148

5.4 Climate Emergency implications

There are no significant climate emergency implications directly associated directly with this report. Aidan Davis, Sustainability Officer, Ext 37 2284

5.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with effective systems of governance and control, which are an important safeguard again
Risk Management	Yes	The whole report concerns the governance and assurance processes, a main purpose of which is to give assurance to Directors, the Council and this Committee that risks are being managed appropriately by the business.

6. **Background information and other papers:**
   - Governance & Audit Terms of Reference presented to Council 6 July 2023
   - Annual review of the Council's Local Code of Corporate Governance presented to Audit & Risk Committee 18 January 2023.

7. **Summary of appendices:**

Appendix 1 – Local Code of Corporate Governance

8. **Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

9. **Is this a "key decision"? If so, why?**

No

Local Code of Corporate Governance 2024/25

INTRODUCTION

The Council's Code of Corporate Governance is based on the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework 2016"

The International Framework defines Governance as arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The framework goes on to state to deliver good governance in the public sector both governing bodies and individuals working for them must aim to achieve their entity's objectives while acting in the public interest at all times.

Leicester City Council is committed to the principles of good corporate governance as identified in the CIPFA/SOLACE guidance. Its commitment is confirmed through the adoption of its Local Code of Corporate Governance and its publication of the Annual Governance Statement.

This document sets out Leicester City Council's *Local Code of Corporate Governance for 2024/25* and the processes for monitoring its effectiveness. The Code provides the framework for the Council to achieve its aims and objectives.

CORE PRINCIPLES

The Council's Code of Corporate Governance is based on the seven core principles. The illustration below shows the principles of good governance in the public sector and how they relate to each other.

Achieving the Intended Outcomes While Acting in the Public Interest at All Times

HOW THE COUNCIL ENSURES GOOD GOVERNANCE

The following details how the Council ensures good governance and complies with the CIPFA/SOLACE "Delivering Good Governance Framework" (2016).

Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
We have the following codes and rules which are followed:
• Constitution
• Financial Procedure Rules
• Code of Conduct for Members
• Code of Conduct for Employees
• Anti-fraud, Bribery & Corruption Policy
• Whistleblowing Policy
• Information Governance & Risk Policy
• Anti-Money Laundering Policy

Ensuring openness and comprehensive stakeholder engagement.
We show openness and engagement through the following:
• Open Council & committee meetings with published minutes
• Published Executive Decisions
• Scrutiny of Executive projects through commissions
• Call in periods for Executive decisions
• Public engagement through consultation, representations and petitions
• Use of social media engagement on key projects and partnership working
• Publication of Freedom of Information Act responses and transparency data
Defining outcomes in terms of sustainable economic, social and environmental benefits
The City Mayor has set out a strategic vision underpinned by ten priorities which relate to:
• Supporting people
• Supporting communities
• A good home
• A good job
• Safe, clean streets
• Climate ready
• Our well-being

• Our children and young people
• Our quality of life
• Our care services
Determining the interventions necessary to optimise the achievement of the intended outcomes
The priorities are supported by the following key plans:
• Budget Strategy
• Leicester's Care, Health and Wellbeing Strategy 2022-2027
• Knife Crime and Serious Violence Strategy 2021-2023
• Local Transport Plan 2011-2026
• Tourism Action Plan 2020-2025
• Active Leicester 2023-2028 Strategy
• Voluntary, Community and Social Enterprise Engagement strategy: 2023-2027

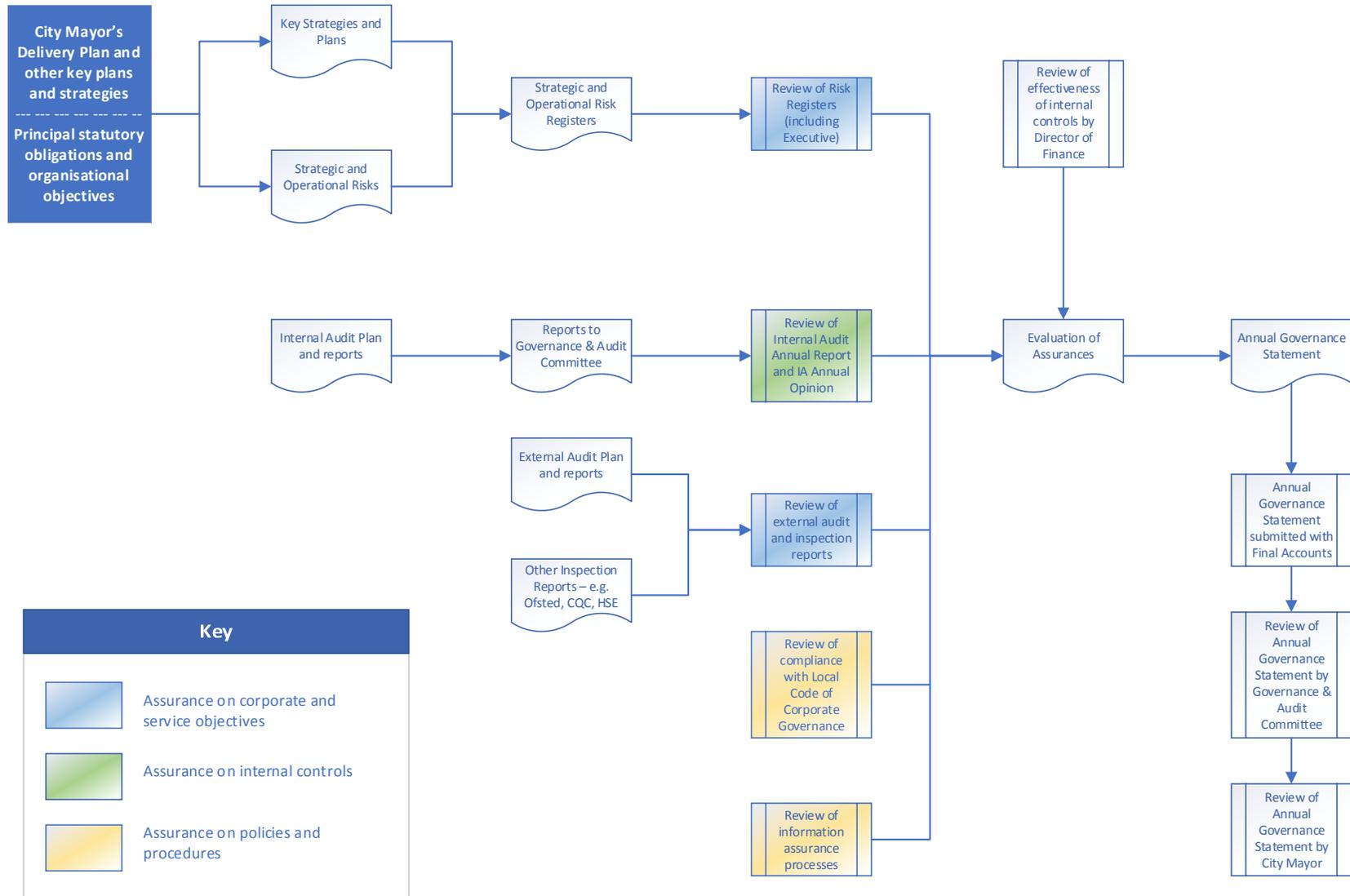| Examples of the Council's commitment to achieving good governance in practice is demonstrated below |
| --- |
| **Principle: Developing the entity's capacity, including the capability of its leadership and the individuals within it** |
| **The Council is supported by:** |
| • Democratic services including Member and Civic Support Services, who also support member development |
| • An Organisational Development Team, who ensure effective development of employees |
| • A communications function which includes PR, Media and Digital Media Teams |
| • A staff intranet and established internal communication channels, which provide guidance to staff |
| • Partnership working on key priorities |
| • An Information Governance Team to support our data policies |
| • Specialist teams offering professional advice, for example Legal, Procurement, IT and Finance |
| **Principle: Managing risks and performance through robust internal control and strong public financial management** |
| **We review processes and delivery throughout the year supported by:** |
| • Internal Audit |
| • External Audit |
| • Information Governance |
| • Governance & Audit Committee |

• Regular reporting of Capital and Revenue spend during a year
• Annual review of the Local Code of Corporate Governance
• Annual review of the Assurance Framework
Principle: Implementing good practices in transparency, reporting, and audit to deliver effective accountability
How the Council demonstrates good practice and ensures accountability:
• External Audit
• Annual Financial Statements
• Annual Governance Statement
• Open Council & committee meetings with published minutes
• Compliance with CIPFA codes of Practices
• Scrutiny Committees
• External inspections and reviews of services

Additional information on many of the areas detailed above can be found on the Council's website; Home - Leicester City Council

ANNUAL REVIEW OF GOOD GOVERNANCE

The Council is annually required to assess how effective its governance arrangements are and report this through the Annual Governance Statement. The assessment of the Council's effectiveness is completed by following the framework below.

City Mayor's Delivery Plan and other key plans and strategies
--- --- --- --- --- --- --
Principal statutory obligations and organisational objectives

Key Strategies and Plans

Strategic and Operational Risks

Strategic and Operational Risk Registers

Review of Risk Registers (including Executive)

Review of effectiveness of internal controls by Director of Finance

Internal Audit Plan and reports

Reports to Governance & Audit Committee

Review of Internal Audit Annual Report and IA Annual Opinion

Evaluation of Assurances

Annual Governance Statement

External Audit Plan and reports

Other Inspection Reports – e.g. Ofsted, CQC, HSE

Review of external audit and inspection reports

Annual Governance Statement submitted with Final Accounts

Review of compliance with Local Code of Corporate Governance

Review of Annual Governance Statement by Governance & Audit Committee

Review of information assurance processes

Review of Annual Governance Statement by City Mayor

Key

Assurance on corporate and service objectives

Assurance on internal controls

Assurance on policies and procedures

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Document is Restricted