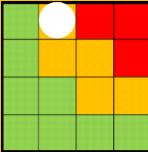
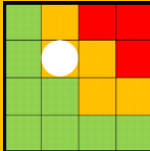
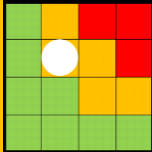
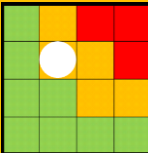


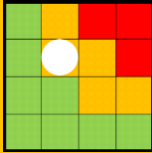
DRAFT Strategic Risk Register – September 2021

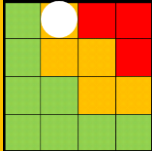
Risk Title, Description, Effects of Realisation and Current Circumstances	Risk control	Residual risk score	Action required and date
<p>1. Ensuring efficient and effective internal control/compliance</p> <p>Risk Description This risk focuses on the potential for failure of the Council’s core internal control (and governance) framework but leading to a significant loss ie financial and otherwise eg H&S failing.</p> <p>In effect the Council should be able to mitigate such a risk through rigorous review of design and application of the controls, hence ensuring that internal audit and other assurance activities are appropriately focussed.</p> <p>The Council is entering a changing phase including changes in behaviour, management structure, working styles and culture which will require a flexible and adaptive internal control environment.</p> <p>The ramifications of a significant control risk failure are substantial, not only with regard to the loss but often the rectification costs post event, including financial and reputational.</p> <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - Potential for fraud, error and loss - Reduced financial stability - Reputation damage resulting in negative media attention - Potential for harm/injury/death - Qualified External Audit Opinion/Internal Audit Opinion - Regulatory non-compliance (GDPR, HSE) and potential for government intervention <p>Current Circumstances A recent internal audit review of housing compliance resulted in a negative opinion being provided, leading to the Council making a self-referral to the Regulator of Social Housing. An action plan has been developed to address the matters raised and this is in progress. However, the level of non-compliance, coupled with a nervousness over what else control failures may exist (but not known/ visible), has led to an increased level of risk exposure for the current time until the remedial action plan is complete.</p>	<p>A. Annual internal audit plan developed by senior officers and members is targeted at key risks areas and responsive to new areas of risk</p> <p>B. External/internal audit regime</p> <p>C. Development of staff training plan in connection with core responsibilities and duties ie data protection, financial rules, freedom of information etc</p> <p>D. Annual Assurance Statements compiled testing compliance with key business activities, supporting Annual Governance Statement compilation</p> <p>E. Maintenance of a range of policies that underpin the control framework – Financial Regulations, Counter Fraud Strategy, Risk Management Framework, Contract Procedure Rules coupled with staff training</p> <p>F. Regular reporting at Governance and Audit Committee</p> <p>G. Compliance with Transparency Code</p> <p>H. Compliance with Local Code of Corporate Governance</p> <p>I. Review and update of key policies completed in last 12 months with a view that these will be kept under review</p> <p>J. Key compliance roles identified and assigned ie Section 151 Officer, Monitoring Officer, Data Protection Officer, H&S etc</p> <p>K. Compliance with information governance including General Data Protection Rule</p> <p>L. Review and update of Business Continuity Plans</p> <p>A. Corporate Plan 2021-2023 including key priorities:</p> <ul style="list-style-type: none"> – Growth and the Economy – Housing that meets the needs of all Residents – Healthy and Strong Communities – Clean and Sustainable Environment – High Performing Council 	<p>Likelihood 2 x Impact 4 = High 8</p> 	<p>i. Completion of mid-year management Annual Assurance Statements and development of appropriate actions, tracked through to completion including evidence 31-Oct-21</p> <p>ii. Implementation of the action plan arising from the independent governance review 31-Mar-22</p> <p>iii. Undertake actions required to address social housing regulator non-compliance and validate that actions undertaken have been effective 31-Mar-22</p> <p>iv. Undertake a review of the constitution and officer scheme of delegation and implement outcomes 31-May-22</p> <p>v. Undertake a review of scrutiny 31-Dec-21</p>

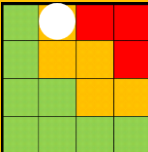
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<p>2. Achieving Council transformation</p> <p>Risk Description The Council has entered a period of significant change and transformation, from back office through to front end delivery.</p> <p>This transformation will include but not be limited to:</p> <ul style="list-style-type: none"> - harnessing better the use of technology and digital platforms - agile and flexible workforce that is managed by outcomes and delivery - physical changes ie buildings, assets usage etc as well as virtual interactions - working as part of a collaboration, partnership and joint venture involving other entities, both in the public sector, third sector and private sector <p>All for the purpose of making the Council viable and sustainable as well as efficient, effective and economic. This risk should be considered as a driver of innovation and opportunity to achieve continuous improvement rather than a risk that needs to be managed in such a way that transformation envisaged is not achieved.</p> <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - New ways of working/service delivery models not adopted leading to increased inefficiency and ineffectiveness - Medium/long-term financial planning commitments not met - Failure to deliver Corporate Plan 2020-2023 objectives - Opportunities are not identified/ exploited - Staff disengagement <p>Current Circumstances The emergence of Covid-19 has identified that the Council can effectively respond to a change in circumstances to ensure continuous operations. This rigor now needs to be applied to ensure this momentum continues and that positive experiences and benefits achieved as a result of recent changes are not lost.</p>	<p>A. New ways of working programme arrangements in place</p> <p>B. Communications plan (internal) allowing for regular staff engagement/progress updates</p> <p>C. Staff/union engagement</p> <p>D. Project management/capability</p> <p>E. Partnership lead</p> <p>F. ICT development roadmap and strategy</p> <p>G. Organisational change programme in place</p> <p>H. Commercial lead/capabilities in house to identify opportunities</p> <p>I. Regular reporting on transformation programme to Corporate Management Team</p> <p>J. Financial/budgetary monitoring by Cabinet</p> <p>K. Performance management and key performance indicators in place</p> <p>L. Staff/officer wellbeing and support</p> <p>M. Corporate Plan 2021-2023</p> <p>N. Development of Workforce Strategy and enabling an agile workforce</p> <p>O. Hybrid working model</p> <p>P. Appraisal process</p>	<p>Likelihood 2 x Impact 3 = High 6</p> 	<p>i. Review office accommodation and embed an agile approach to working by utilising cultural and technological changes 31-Mar-22</p> <p>ii. Instigate/continue to track “lessons learned” from Covid-19 with a view to identifying further opportunities that should be progressed in connection with improving service delivery 31-Oct-21</p> <p>iii. Allocate resource to support Corporate Plan ambitions 30-Nov-21</p> <p>iv. Review partnerships with other public sector partners to explore new and existing opportunities to deliver to residents and businesses 31-May-22</p> <p>v. Undertake a peer review within 2021-22 31-Dec-21</p> <p>vi. Undertake a constitution review and implement outcomes 31-May-22</p> <p>vii. Review of ICT roadmap 30-Sep-21</p>

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<p>3. Supporting communities</p> <p>Risk Description Creating safe, vibrant and supportive communities is a core role of the Council. The Council holds a unique position with the ability to act as a catalyst for this purpose drawing together individuals, neighbourhoods, agencies and businesses to transform communities.</p> <p>The Council does not want to position itself solely as the provider of services but be the mechanism that drives others to do so and provides steerage via the role of Members who have a unique insight into the needs of the District's communities. This might be in a coordination, strategy, financing/ funding access role or a voice, as well as attracting investment, to name but just some of the enabling activities.</p> <p>This provides the Council the opportunity to think innovatively in conjunction with its communities to achieve a greater return through connectivity both physical, emotional and technological. This risk should be considered as a driver of innovation and opportunity to achieve community improvement rather than a risk that needs to be managed in such a way that transformation envisaged is not achieved.</p> <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - Failure to deliver the Corporate Plan 2020-2023 objectives - Contributes to community deterioration/lack of resilience - Reputation damage for the Council – negative media attention - Missed opportunities (to attract investment – generate income/improve quality of life for residents) - SKDC deliver services in a way that doesn't meet needs of residents - Unfavourable perception/reality that the Council (and Members) are out of touch <p>Current Circumstances Communities are likely to be negatively impacted due to Covid-19 further still as the national and local economy shrinks. This will create additional pressures on local businesses and job security.</p>	<ul style="list-style-type: none"> B. Review and application of the Council's Local Plan, including active monitoring of the implementation C. Clear and agreed transformation objectives D. SK Community focussed initiatives and funding streams targeted at supporting voluntary and community sectors E. InvestSK supporting economy growth F. Corporate Plan 2021-2023 G. Community liaison officers/leads H. Customer Experience Strategy (how they access services etc) I. ICT Strategy J. Customer satisfaction feedback monitored to drive change K. Close working partnership with the Police L. New cultural strategy 	<p>Likelihood 2 x Impact 3 = High 6</p> 	<ul style="list-style-type: none"> i. Develop strategy to invest in high quality leisure facilities across the district 31-Mar-22 ii. Covid-19 Recovery Plan being implemented in partnership with others from the Local Resilience Forum 31-Mar-22 iii. Regeneration of Grantham Town Centre supported by the Future High Street fund 30-Sep-23 iv. Identify funding and other opportunities to support development of Bourne, Stamford and Market Deeping town centres 31-Mar-22 v. Review the scope and focus of InvestSK to maximise the support to local businesses and attract inward investment 30-Sep-21 vi. Implement key actions for future proofing waste service delivery in line with national waste collection changes introduced by Defra 31-Mar-23 vii. Implement the recommendations from the planning review to improve performance and support local sustainable, high quality growth 31-Mar-22 viii. Undertake a housing review to provide highest quality service to tenants 31-Oct-22 ix. Continue to work in partnership with the police and the community in tackling crime by investing in the CCTV service 31-Mar-23 x. Implement key actions arising from the Arts, Culture and Events Service Review 31-Mar-22

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<p>4. Achieving future financial resilience</p> <p>Risk Description This risk relates to the Council being unable to properly execute and achieve its Medium Term Financial Plan (MTFP).</p> <p>The Council is developing a coherent and sustainable response to the forecasted reductions in funding over the medium term. The successful transformation of the Council will not only impact on the Council outlook and culture, ie a council that makes good evidenced based decisions and gets things done but will also have a significant impact on Council finances.</p> <p>The current budget incorporates budgeted savings and delivery of income streams which need to be managed and realised to ensure that balanced budgets can be achieved without any reliance on the use of reserves.</p> <p>This risk is also closely linked to the delivery of the Council transformation agenda and is reliant on ensuring that the Council has available suitable skills and experiences to support initiatives.</p> <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - Reduction in cashflow position - breach banking/loan covenants - Reduced financial stability - Opportunities cannot be pursued – future reductions required (staff/non-statutory service provision) - Reputational damage resulting in negative media attention - Qualified External Audit Opinion/ Internal Audit Opinion - Increased scrutiny/intervention <p>Current Circumstances The likely economic slowdown that has been predicted as a result of Covid-19 has the potential to weaken the Medium Term Financial Plan (MTFP) as the opportunity to generate new income streams could now be less as the economy shrinks, coupled with the potential for further need to support communities due to closure of local businesses and job losses. In the longer term it is likely that austerity measures will return.</p>	<p>A. Annual review of MTFP updating the three year horizon scan including reserve levels and future changes to funding</p> <p>B. Annual budget setting for revenue and capital including funding</p> <p>C. Utilisation of external financial support that provides support for funding modelling</p> <p>D. Regular budget monitoring reports and updates to senior officers and Members</p> <p>E. Treasury Management Strategy to ensure the Council are acting within the prudential indicators</p> <p>F. Development of savings plans and invest to save initiatives</p> <p>G. Maintain appropriate level of financial reserves as contingency arrangements to provide resilience over the medium term</p> <p>H. Development of capital plans in accordance with Capital Strategy with full financial appraisal and revenue implications</p> <p>I. Development of commercial opportunities and income generation proposals in order to build financial headroom</p>	<p>Likelihood 2 x Impact 3 = High 6</p> 	<p>i. Continuation of the development of the strategic finance modelling under different scenarios 31-Dec-21</p> <p>ii. Undertake stress testing on the MTFP using various scenarios 31-Dec-21</p> <p>iii. Evaluation of capital scoring and appraisal methodology to ensure capital schemes support the outcomes of the Corporate Plan 31-Oct-21</p> <p>iv. Review of Treasury Management Strategy -specifically borrowing proposals 31-Dec-21</p> <p>xi. Undertake asset management review and development of asset management plan 31-Mar-22</p>

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<p>5. Creating the right culture, capacity and capability</p> <p>Risk Description This risk relates to the Council being unable to successfully achieve the level of change expected and required by Council leaders and stakeholders. In creating the change will come a new culture and outlook that is described as “agile” and “outcome focussed” ie we do what we say we will.</p> <p>Key to the above will be ensuring that:</p> <ul style="list-style-type: none"> - The Council keeps under close watch recruitment, talent development and retention, as well as use of external specialists where necessary - Partnership and collaborative working is optimised - An appropriate operating environment and culture is created that will enable the necessary changes to occur. This may require a review of constitutional policies and procedures and a re-assessment of risk appetite at all levels in the Council, specifically members - Member/officer mind sets are aligned regards the change initiatives enabling the appropriate cultural change <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - Reduced staff motivation/morale/staff burn out resulting in high sickness/absences - Poor performance - High recruitment and agency costs - Lack of innovation - Skill gaps - Deterioration of service quality through loss of experienced staff - Reputation damage via social media <p>Current Circumstances There have been a number of recent management changes, coupled with the continued impact of Covid-19, which has created some elements of uncertainty, whether real or perceived, and this can undermine resilience of staff.</p>	<ul style="list-style-type: none"> A. The staff requisition process (assessment of needs and business case re posts) B. Culture change workshops/action plan to enhance mindsets, encourage collaboration and engender a culture that enables change and innovation C. Mapping of talent to corporate strategy as part of resource determination D. Learning and development programme providing training, tools and techniques to develop the necessary skills E. Check-ins (PDRs) F. People and Organisational Development Strategy revised and issued G. Investigation and identification of further collaborations that will support building capacity and capability (and resilience) including both public and corporate business H. Corporate Plan 2021-2023 	<p>Likelihood 2 x Impact 3 = High 6</p> 	<ul style="list-style-type: none"> i. Review People and Organisational Development Strategy to include a pay review and agile working styles 31-Dec-21 ii. Undertake an assessment of Council corporate resilience with a view to creating a programme of learning and development that will strengthen individual coping strategies and performance 30-Jun-22 iii. Undertake annual review of resources across the Council 31-Mar-22 iv. Develop action plan arising from employee survey 30-Nov-21 v. Undertake learning and development programmes including fostering leadership skills 31-Dec-21 vi. Embed positive member/officer relationship 31-May-22

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<p>6. Ability to be agile and shift focus in response to policy and national political change</p> <p>Risk Description This risk relates to the Council being unable to identify, interpret and act on/respond to political and policy change and therefore best position itself to maximise on opportunities that this may present or to mitigate risks that may emerge as a result and impact on existing plans and strategies.</p> <p>The UK is still transitioning through Brexit of which there is still large scale uncertainty at a macro level and how this may translate at a local level both economically and socially, for communities, business and the Council itself. Similar is the outcomes of the recent election with the Government embarking on its future path which is intrinsically linked with Brexit. In addition, there are a number of changes in other public sector bodies which will or could impact on the Council/ Communities. The Council needs to be well positioned to have early sight of these and potential implications.</p> <p>Effects of Risk Realisation</p> <ul style="list-style-type: none"> - Potential breach of regulation/ legislation - Threat to future financial viability - Trigger regulator inspections/scrutiny - Missed opportunities/failure to exploit opportunities that may arise - Council becomes disconnected from residents/local businesses - Management has to spend increased resources on 'firefighting' - Negative media and press <p>Current Circumstances There are two dimensions that should be recognised at this point:</p> <ul style="list-style-type: none"> - The ongoing impact of Covid-19 and how this will impact on government priorities and planning - The potential for a further economic financial crisis, including likely future austerity measures 	<p>A. Continuous monitoring of political landscape to allow for early indicators of policy change</p> <p>B. Prudent financial and strategy assumptions to allow for agile responses (see controls under Risk 4 re MTFP)</p> <p>C. Corporate Plan 2020-2023 reviewed and updated where appropriate as changes identified that could impact on the Council and its plans ie Covid-19</p> <p>D. Section 151 Officer role providing advice to the Council on current/future financial challenges</p> <p>E. Monitoring Officer role providing advice to the Council on current/future legal challenges</p> <p>F. Reports to committee include explicit assessment of implications and therefore should identify/reflect current and future challenges</p> <p>G. Executive to undertake horizon scanning look out/forwards and identify possible challenges ahead</p> <p>H. Membership of Local Government Association etc providing information/insights to the Council</p> <p>I. Members roles and responsibilities including involvement in local networks, County Council, other agencies and national forums, enabling insight to be gained and shared with the Council</p> <p>J. Staff membership of professional bodies enabling own development and also providing for insights through membership of challenges that may present themselves to the Council</p> <p>K. Officer/member forums and networks including County Council, other Lincolnshire Councils and wider agencies for purpose of collaboratively tackling issues etc</p>	<p>Likelihood 2 x Impact 4 = High 8</p> 	<p>i. Develop stakeholder map/engagement plan to identify key individuals/organisations 31-Mar-22</p> <p>ii. Establish, maintain and monitor a list of "emerging risks" and undertake scenario planning 31-Mar-22</p> <p>iii. CMT to attend professional events/forums and provide feedback 31-Mar-22</p>

Risk Title, Description, Effects of Realisation and Current Circumstances	Risk control	Residual risk score	Action required and date
<p>7. Ensuring robust security measures to protect the Council’s data and assets from external threats</p> <p>Risk Description This risk relates to the Council’s ability to defend itself against the constantly evolving threat from cyber based attack. The Council, in common with other public bodies, should be regarded as a high profile target given the impact and publicity a successful attack can have.</p> <p>The Council, through the measures in place, repels almost on a daily basis “attack vectors” launched by adversaries from across the globe. The risk to the Council of not maintaining these effective controls and it’s continuing to invest in these countermeasures is very high.</p> <p>Officer education and vigilance in identifying suspicious contacts is as important as the security systems that are in place.</p> <p>Effects of Risk Realisation The consequences of a successful attack can have a number of consequences, not just operational but also reputational. The impact is not just an internal one, but it also has consequences for our customers if we cannot provide our essential services.</p> <p>Current Circumstances Over the years IT have installed, upgraded, and maintained various security systems to ensure the continued protection of Council systems and data.</p> <p>Policies and procedures are in place to help ensure all necessary measures are taken by IT officers and Council staff to detect and prevent any malicious access attempts.</p> <p>Specialist cyber training has been delivered to relevant IT staff as well as cyber awareness training authority wide.</p> <p>A recent audit has identified areas of potential weakness and where improvement can be made</p>	<p>A. Physical enterprise level firewalls are in place on the Council’s network. A default deny-all principle is adopted for the firewall rule base with a limited number of permitted connections to the network.</p> <p>B. Email is screened in the cloud before being delivered to end users by Barracuda software. Outlook also uses McAfee for checking email after delivery.</p> <p>C. Antivirus software – McAfee anti-virus installed on all network servers and computers. Definitions are updated daily and on access file scanning enabled on all laptop and daily full scans on servers. Any files identified as infected or suspicious are blocked and notification sent to IT staff.</p> <p>D. Antivirus software – Fsecure antivirus is used on UTZ servers for protection.</p> <p>E. Encryption – McAfee encryption is used on all laptops issued. Any external devices such as USB drives must also be encrypted for use. This protects against online and physical theft.</p> <p>F. Endpoint devices – Non approved devices cannot be used and are blocked by McAfee software.</p> <p>G. Windows Server Update Services (WSUS) used to manage patches on its Windows servers and computers. Patches are set to be automatically downloaded and installed on devices by policy.</p> <p>H. Penetration testing is carried out to by external supplier to audit/test the effectiveness of the measures in place. A report is provided of any recommended actions.</p> <p>I. A programme of familiarisation training is in place which simulates Malware attacks and provides training and support to re-enforce the messages.</p> <p>J. Awareness training of officers and staff on the threats of cyber attacks</p> <p>K. Continued reviewing and tightening of existing IT Security Policy to ensure measures adapt to the changing threat, including awareness, familiarisation and training.</p> <p>L. Acceptable use of IT policy to ensure staff are using equipment safely and appropriately.</p> <p>M. Relationships with other agencies such as EMWarp and NCSC to improve awareness of threats by alerts, bulletins and regular meetings</p>	<p>Likelihood 2 x Impact 4 = High 8</p> 	<p>i. Continued development of O365 services to improve email and anti-virus protections 30-Nov-21</p> <p>ii. Carry out annual penetration test (last test 3 years ago) 31-Oct-21</p> <p>iii. Annual refresher training on cyber risks for all staff 31-Mar-22</p> <p>iv. Scheduled review of policies 31-Dec-21</p> <p>v. Cyber breach policy needs to be created 31-Mar-22</p> <p>vi. Remove any End-of-life hardware and software from the domain 31-Mar-22</p>

Risk Matrix

Impact	Critical None or very low tolerance to the risk	4	4 Medium	8 High	12 Very High	16 Very High
	Major Some tolerance to the risk	3	3 Medium	6 High	9 High	12 Very High
	Moderate Risk can be tolerated in most cases	2	2 Low	4 Medium	6 High	8 High
	Minor Risk can be tolerated	1	1 Low	2 Low	3 Medium	4 Medium
			1	2	3	4
		Unlikely	Possible	Likely	Certain	
		Low but not impossible <20%	Fairly likely to occur 21% - 50%	More likely to occur than not 51% - 80%	Expected to occur in most circumstances >80%	
		Likelihood				