

RISK REGISTER**(Report by the Audit & Risk Manager)****1. Purpose**

- 1.1 To inform the Panel of the significant changes that have been made to the risk register in the period March 2009 – August 2009.

2. Amendments

- 2.1 The annexes attached summarise the changes that have been made to the risk register:

| | |
|---------|---|
| Annex A | 24 new register entries |
| Annex B | 4 risks deleted |
| Annex C | 8 risks with significantly amended scores or mitigation |

- 2.2 All changes to the register are reviewed by the Audit & Risk Manager on a monthly basis. This allows general over-sight and challenge of the risk entries and the inherent and residual scoring. The register is refreshed every quarter. COMT considered the risks that they oversee in August. The full risk register is available from the risk management intranet site.

- 2.3 Annex D summarises all the risks that have an residual risk score of 'Very High'.

- 2.4 Previous reports to the Panel have discussed how the management of risk dovetails with the assurance framework, the system of internal audit and the internal audit plan. The assurance that Panel can obtain from the approach to risk management is contained with the agenda report entitled "Governance Statement".

- 2.5 The National School of Government (the Government's own business school) have posted a copy of the Council's risk management strategy to the Best Practice Document Library on their website. It is the only local authority document currently on the site.

3. Recommendation

- 3.1 It is recommended that the Panel note the changes that have been made to the risk register.

ACCESS TO INFORMATION ACT 1985

Risk Register

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New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|--|--|---|------------------|--|---------------|
| Risk Owner: Head of Customer Services | | | | | |
| 142 | Economic downturn leads to increases in arrears leading to the reduction in income and cash flow problems | Increase in CT arrears and reduced collection, despite having to still pay preceptors the due amounts on the due dates. Likewise for NNDR receipts. | Very High | Credit & debit cards system live. Work with Housing Benefit & Citizens Advice Bureau to ensure people's liability is reduced in accordance with the legislation. Recovery is planned for each month to target people who are falling in to arrears. This is designed to prevent arrears developing into unmanageable amounts | High |
| 143 | Economic downturn leads to increased demand for Housing Benefit and Customer Services that cannot be met from existing resources resulting in a fall in service levels and damage to the reputation of the Council | Rising unemployment leads to more benefit claims and more customers at service centre and via phone, email and letter. Unable to meet demand leads to backlog and longer waiting times. | Very High | DWP have provided funding for three extra temporary staff. | High |
| 144 | Housing Benefit fraud goes undetected leading to loss of funds from public purse | Benefit fraud is perpetrated and goes undetected - this can lead to an increase in fraud due to a perception that the council is an easy target. Reputation problems can occur. | High | Information provided to the public to enable them to tell us about a suspected fraud. Fraud team undertake regular training and carry out risk assessment on every referral. Investigations result in sanctions. Prosecutions published in newspaper. | Medium |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|--|--|--|------------------|---|---------------|
| 155 | The Benefits service is compromised because the council does not meet Code of Connection requirements and is unable to connect to Government Connect. | Unable to gather data from DWP that is required to assess Housing Benefit claims. If claims are not assessed, they won't be paid and claimants could face hardship or eviction. | Very High | Project board overseeing the work of the project team. Project plan in place. Risk and issues logs regularly updated. | Medium |
| Risk Owner: Head of Democratic and Central Services | | | | | |
| 153 | Competition and economic downturn affecting volume of land charge searches, leading to reduction in Council income. | Loss of income. | Very High | New pricing structure as per statutory requirements. Marketing of service to potential customers. | High |
| 162 | A pandemic flu outbreak occurs affecting Huntingdonshire leading to significant staff absence, resulting in the inability of the Council to provide full services and/or meet targets. | Lack of staff capacity both in terms of numbers and skills reduced services. Inability to respond to an emergency situation. Reduced income. | Very High | Swine Flu - advice and information updates to staff via intranet and notices weekly meetings of officers to review available information and advise on actions to be taken with regard to the safety and welfare of staff. Service Recovery Plan. Virucidal hand gel (or wipes) have been made available to staff conducting home visits and to staff in direct contact with the public. Withdraw vulnerable (pregnant or with existing respiratory or immune impaired condition) employees from public contact. | High |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|---|---|------------------|--|------------------|
| Risk Owner: Head of Environmental Management | | | | | |
| 146 | Failure to prepare for and adapt to climate change already occurring, resulting in wasted investment , costs of emergency action and retrofitting buildings with adaptation measures. | <p>Potential costs which will be evaluated. Link to NI188.</p> <p>Potential major disruption to services and corporate reputation damaged.</p> | Very High | <p>To help mitigate and adapt to climate change Achievements: Environment Management are working in partnership with the County and other Districts to produce a Local Climate Impact Profile. This document will highlight climatic threats to the District including floods and warmer weather events that can impact on service delivery. It should then be used to provide a platform for costing the impact of such events for the Council.</p> <p>Programme internally led by climate change adaptation officer working with County and key service areas.</p> | Medium |
| 154 | Lack of staff and funds mean failure to deliver expanding environmental agenda. | Failure to maintain and target staff resource and funds to key developing environmental areas eg carbon management programme and climate change adaptation means failure to deliver environmental objectives. Climate change adaptation officer only on short term contract if not renewed LCLIP programme fails. Need to address upskilling of existing staff to meet need of new green agenda (e.g. areas of renewable technologies and district energy/combined heat and power). | Very High | <p>Puts measures for Carbon reduction in place across organisation to save £2.2M over 5 years in energy costs. Figure will be 800k per annum in 5 years time.</p> <p>Implementation of 3 stage programme to determine, cost and put in place measures internally and within wider District to adapt to climate change.</p> | Very High |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|---|--|---------------|--|---------------|
| Risk Owner: Head of Financial Services | | | | | |
| 166 | The agreed internal audit plan and agreed audit actions are not delivered leading to a shortfall in assurance on the internal control environment and criticism by the external auditors. | <p>Unplanned work required that exceeds audit plan contingency budget so planned audits can't be undertaken.</p> <p>Staff shortages</p> <p>Unable to provide 'robust' internal control opinion to CGP due to plan not being completed, requiring inclusion in annual governance statement.</p> <p>External audit unable to place reliance on the work of internal audit.</p> <p>Managers do not co-operate with internal audit reviews, leading to delays in completing the audit plan and poor performance indicators. Managers fail to introduce agreed audit actions.</p> | Medium | <p>Monthly reporting to S151 & all HoS on percentage of actions introduced.</p> <p>The percentage figure added directly to Corvu reports by Policy.</p> <p>Corvu info prepared quarterly that highlights delays in progressing individual audits.</p> <p>Auditors have KPI's that relate to achievement of audit plan.</p> <p>Reports sent to CGP twice a year outlining delivery against the audit plan and highlighting any concerns about non-delivery.</p> <p>Use external consultants to complete parts of the internal audit plan or the unforeseen additional work.</p> | Low |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|-----|--|--|---------------|--|---------------|
| 167 | The service is not compliant with the current Cipfa Code of Audit Practice leading to criticism from the external auditors and reduction in assurance to Corporate Governance Panel. | <p>The audit universe is not aligned with the risk register leading to some significant risk areas being ignored.</p> <p>The Internal Audit Manager becomes responsible for additional, non audit services, leading to a compromise in the independence of the service.</p> <p>The Internal Audit Manager does not have direct access to, or the freedom to report without fear or favour to the COMT or Corporate Governance Panel leading to the presentation of reports that do identify issues of significant concern.</p> <p>Internal audit reviews completed are not to an appropriate standard resulting in work having to be re-performed, auditee complaints, additional work (fees) having to be done by external auditors and poor UoR scoring.</p> | High | <p>The register is mapped to the audit universe by the Audit Mgr prior to preparing the 4 year rolling strategic plan, annually.</p> <p>The internal audit manual sets out the standards required and details how work should be performed. The manual is reviewed annually by the Audit Manager.</p> <p>The Audit Manager reports twice yearly to CGP, which include a statement on the internal control environment and significant concerns.</p> <p>The Audit Manager undertakes a self-assessment against the Code and reports the findings, including any action needed, to the Corp Gov Panel. The last review was completed in 2008. The next is due in 2011.</p> | Low |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|---|--|------------------|-------------------|------------------|
| Risk Owner: Head of Housing Services | | | | | |
| 148 | Increased homelessness and applicants on the housing register due to imminent changes to the local housing allowances (housing benefits). | <p>Local housing allowances are changing August 2009 leading to inaccessibility to some people to access the private rented sector and some current renters will be unable to continue renting at affordable levels.</p> <p>The affect will be increased homelessness presentations and an inability to use the private sector as an existing solution going forward. In addition, the numbers on the council's housing register will increase leading to delays in addressing high priority need.</p> | Very High | None identified | Very High |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|--|---|---------------|---|---------------|
| Risk Owner: Head of Information Management | | | | | |
| 150 | Delivering the web strategy - there may be insufficient resources to deliver the objectives of the web strategy. | Without the right resources implementing the web strategy may be difficult. Officers will need to spend time & energy creating and amending content to ensure customers make the most of our website. | High | <p>All services are actioned to ensure that Officers who create/edit content have this recognised in their job descriptions.</p> <p>All Customer facing services are actioned to ensure they have an objective to improve the use of the web in 2009/10. Therefore they will allocate resource to delivering this action.</p> <p>IMD and HR are working to develop a new training package for officers. This will allow them to create relevant content more speedily, and not invest time and effort creating over-engineered content.</p> | Medium |
| 151 | Delivering the Web strategy - We may over engineer the MyCouncil application. | If the Council invests too much effort making the web site over engineered, then we may waste money and also increase the likelihood that customers will not use the website. This will increase costs in other customer service channels, as customers will migrate to them. | High | The Project team will spend time and effort looking at customer need to ensure we design the website around them. Will also involve reps from services in workshops to ensure we listen to their opinions. | Medium |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|--|---|------------------|--|---------------|
| 163 | Government Connect Code of Connection rules restrict flexibility of ICT provision. | Unable to exploit technology to its full extent (e.g. unable to use remote access tools as originally intended); connection to Central Government systems is severed due to breach of Code of Connection and services are adversely affected. | Very High | Project underway with objective to meet Code of Connection requirements. | High |
| Risk Owner: Head of Law, Property and Governance | | | | | |
| 158 | Records of Contracts and Property lost or destroyed resulting in problems of evidence. | Financial loss; operational difficulties; damage to reputation. | High | Document scanned and stored electronically on Case Management system where practicable. All property registered at HM Land Registry. Secure strong room. | Medium |
| Risk Owner: Head of Operations | | | | | |
| 157 | Reduction in income streams would reduce the available revenue base leading to either the requirement for additional revenue support to maintain service levels, or a reduction in operating cost by reducing service provision (and staffing levels). | Reduction in income from Car Parks, Markets, Trade and Bulky waste collection along with countryside site and pitch lettings would require either additional funding from other sources, or an actual reduction of service level following reductions in staffing levels. | High | Services at risk of income reductions, are where practical, being actively marketed. | High |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|---|---|---------------|---|---------------|
| Risk Owner: Head of People, Performance and Partnerships | | | | | |
| 141 | The Council does not provide effective community leadership and engagement opportunities leading to the reduced inclusion of key sections of the community. | Increased Community tensions Public dissatisfaction Potential legal challenges in respect of diversity and equality Inequality of service delivery | High | Trained Managers Equalities steering group Equalities direction of travel statement outlining where we are and what we need to do to achieve level three. | Medium |
| 147 | Arrangements and procedures are insufficiently robust or managed and result in harm to a child or vulnerable people. | Accusation of inappropriate behaviour relating to members of the public and in particular young persons Adverse publicity Legal implications Potential adverse impact on service provision if all CRB checks are not carried out before employment commences | High | CRB checks undertaken on potential employees for all identified posts, prior to employment Lead child protection officer in post. | Medium |
| Risk Owner: Head of Planning Services | | | | | |
| 152 | Economic downturn and the related potential shortfall in anticipated developer activity due to reduced market liquidity and availability of credit undermines the delivery of new homes, new employment opportunities and community facilities. | Potential reductions in planning fee income, housing delivery related grant awards and S106 contributions may impact upon service delivery/outcomes. | High | None identified | High |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|-------------------------------------|---|---|---------------|--|---------------|
| Risk Area : Leisure Services | | | | | |
| 156 | Delegated Funding Arrangements to schools potentially reduce use of leisure centres resulting in a financial shortfall. | School have funding delegated from County. If they choose not to spend that funding with Leisure Centres then there is a likelihood of income targets not being reached - although public will take the place of school time if required. | High | Timetables are submitted by schools at the earliest opportunity. | Low |
| 159 | Economic downturn and potential fall in participation levels leads to a reduction in income at all Leisure Centres. | Reduced Income. Failure to meet targets. Reduction in provision of activity sessions and or facilities. Staff losses. Loss of business opportunity both now and in the future. | High | Monthly monitoring of income and admissions. | Medium |
| 160 | Exceptionally inclement weather causes extended closure of outdoor facilities. | Reduced income. Failure to meet targets. Reduced footfall to both indoor and outdoor facilities. | High | Regular monitoring of weather conditions Regular remedial action to clear snow and ice. Regular remedial action to ensure drainage is maintained | Medium |

New Risks Identified

| No | Risk | Cause & Effect | Inherent Risk | Existing Controls | Residual Risk |
|---|---|---|---------------|--|---------------|
| 161 | Adverse Effects on Participation and Income as Result of Swine Flu Pandemic. | Over reaction of public Loss of income through decreased attendance Loss of staff through sickness Changes of Government advice | High | Implementing Government recommendations. Gel and wipes introduced. Monthly monitoring of income and admissions. | High |
| Risk Area : New Headquarters and Other Accommodation Project | | | | | |
| 145 | Loss of access to or loss of physical structure of all or part of Pathfinder House following a significant event - fire, flood, act or omission by a third party. | Fire, flood, terrorist action, disruption to traffic on the ring road or the A14 or other civil emergency prevents/restricts access to Pathfinder House resulting in disruption to Council services and/or injury to employees. | Very High | Remotely monitored fire and intruder alarms ensure that emergency services are mobilised expeditiously. Buildings and business interruption insurance maintained. Business Continuity Plan | Medium |

Risks Deleted

| No | Risk |
|--|--|
| Risk Owner: COMT | |
| 13 | The Department for Communities and Local Government intervenes due to a failure to develop and implement the Local Development Framework Resulting in Financial restrictions and damage to reputation. |
| Risk Owner: Head of Democratic and Central Services | |
| 124 | Loss of land charges revenue to personal search companies. |
| Risk Owner: Head of Information Management | |
| 138 | Insufficient access controls to Council Buildings leading to the loss of Council assets including information/data. |
| Risk Owner: Head of Law, Property and Governance | |
| 76 | Insufficient review of proposals to Members leading to ineffective, inappropriate or ultra vires decisions, resulting in additional costs or loss of reputation. |

Risks Amended

| No | Risk | Inherent Risk | Residual Risk | | Reason | |
|--|---|---------------|---------------|------|--------|--|
| | | | From | To | | |
| Risk Owner: COMT | | | | | | |
| 1 | The Council is not accurate in its assessment of the Governments capping criteria resulting in the Council being capped /setting Council Tax at a figure significantly below the capping level resulting in temp or permanent service reductions. | Very High | | High | | The inherent risk levels for these three risks have all been reduced from 'very high' to 'high', following changes to the risk management strategy in December 2008. |
| 9 | A civil emergency occurs that affects more than 2000 people leading to the Council's rest centre provision and support proving inadequate | | High | | High | |
| 11 | The Council is unable to collect household and trade waste on a regular basis resulting in both environmental and health & safety concerns and a reduction in the quality of life of residents. | | High | | High | |
| Risk Owner: Head of Environmental and Community Health Services | | | | | | |
| 134 | Failure to provide statutory duty re welfare of stray dogs. | High | | High | | Additional control - new contract negotiated with kennels. |
| | | | High | | Medium | |
| Risk Owner: Head of Financial Services | | | | | | |
| 24 | Estimates made as part of the budget setting process are incorrect, requiring service budgets to be reduced and consequently some services in an unplanned way. | High | | High | | The inherent risk level has been increased following changes to the risk management strategy in December 2008. |
| | | Very High | | | Medium | |

Risks Amended

| No | Risk | Inherent Risk | Residual Risk | | Reason |
|---|---|---------------|---------------|------|---|
| | | | From | To | |
| 65 | Council employees make poor procurement decisions resulting in increased costs of goods and services. | High | Low | High | Increase in residual risk due to controls not acting effectively. |
| Risk Owner: Head of Information Management | | | | | |
| 25 | The Council becomes over reliant upon a limited number of key information Technology & Systems specialists leading to the loss of information or IT related services when these staff are unavailable (e.g. during a flu pandemic). | Very High | Medium | High | The effects arising should the risk occur have been reviewed, leading to the increase in the residual risk. |
| Risk Owner: Head of Law, Property & Governance | | | | | |
| 50 | Poor management of Council owned industrial / commercial properties leading to the loss of development opportunities and reducing financial returns. | High | Low | High | Additional control introduced. Residual risk increased due to the reducing financial returns. |

'Very High' Residual Risks

| No | Risk |
|---|---|
| Risk Owner: Chief Officers' Management Team | |
| 130 | Inability to identify sufficient new income or expenditure reductions to achieve spending adjustment targets included in the MTP over the coming three years. |
| Risk Owner: Head of Environmental Management | |
| 154 | Lack of staff and funds mean failure to deliver expanding environmental agenda. |
| Risk Owner: Head of Financial Services | |
| 47 | Council's funds not invested appropriately leading to losses or poor returns resulting in unexpected service cuts. |
| Risk Owner: Head of Housing Services | |
| 148 | Increased homelessness and applicants on the housing register due to imminent changes to the local housing allowances (housing benefits). |
| Risk Owner: Head of Information Management | |
| 15 | IICT Security is breached causing both the loss of data and a loss of confidence in the integrity of the data being held. |
| 58 | Information or data is lost leading to an inability to provide an appropriate service, litigation against the Council and a failure to respond to requests for information. |
| Risk Owner: Head of Planning Services | |
| 104 | Delays to the construction of the new A14 may significantly reduce the amount of new development land that becomes available for housing and other developments, leading to a failure to achieve the longer term development/regeneration strategy for Huntingdon and in particular Huntingdon Town Centre, thereby potentially undermining the vitality and viability of the local economy and causing significant problems in term of the Councils ability to deliver new housing, commercial and retail developments and to resist inappropriate planning proposals. |