HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Risk Management
Meeting/Date:	Overview and Scrutiny Panel (Performance and Customers) – 6 June 2016 Cabinet – 21 July 2016
Executive Portfolio:	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
Report by:	Internal Audit & Risk Manager
Ward(s) affected:	All Wards

Executive Summary

This is the first report the Cabinet have received on risk management and the contents of the Council's risk register. Reports were previously submitted to the Corporate Governance Committee.

The risk register is reviewed frequently by Heads of Service to ensure that it remains fit for purpose and captures the significant risks to the achievement of the Council's objectives.

Due to the need to meet the reporting timetable for Overview and Scrutiny Panel (Performance and Customers) the report details the contents of the risk register as at 24 May 2016. It focuses in the main on corporate risks and the corporate risk register is attached for review.

The Risk Management Strategy requires the Cabinet to consider each of the very high or 'red' residual risks that exceed their risk appetite levels, and to decide whether they should be further mitigated by cost-effective and affordable actions. This report provides information in respect of the one 'red' risk that currently falls into this category.

There are currently no financial implications arising from this report, however some costs may be incurred if it is decided that further risk mitigation should be introduced.

Recommendation(s):
The Overview and Scrutiny Panel is invited to comment on the corporate risk register.

The Cabinet is

RECOMMENDED

1. To review and scrutinise the corporate risk register and then consider what, if any, further risks should be included in it; and
2. Decide whether it requires further action to be taken to mitigate risk 58.

1. PURPOSE OF THE REPORT

1.1 This report provides Cabinet with information about the current risks in the risk register. It concentrates mainly on corporate risks – that is those risks that may be potentially damaging to the achievement of the Council's objectives.

2. BACKGROUND

2.1 In line with the Council's Risk Management Strategy, a risk register has been developed that holds details of the significant risks faced by the Council. Details of the progress made in identifying and managing risks was reported regularly to the Corporate Governance Committee (CGC). Council have decided that responsibility for oversight of the risk management process should rest with the Cabinet rather than the CGC.

2.2 The risk management strategy requires Cabinet to receive reports on the management of risk and decide upon the action to be taken for all mitigated risks that exceed the Council's risk appetite or have the potential to harm its reputation or the continuity of services.

3. ANALYSIS

3.1 Risks contained within the register are in the main identified by Heads of Service and Team Managers and reflect the risks associated with the delivery of the themes and aims contained in the Corporate Plan and individual Service Plans.

3.2 The total number of corporate and operational risks and their 'risk scores' (the sum of likelihood and impact) at both the inherent (without controls) and residual (with controls) levels are summarised in Appendix 1 and 2. The full corporate risk register is attached at Appendix 3.

3.3 The risk management strategy approved by Cabinet in July 2015 introduced differing risk appetite levels for key areas of the business. The appetite levels have been applied to all of the risks in the register. Appendix 4 plots the corporate risks against each risk appetite level.

Corporate risks: *likely to affect the medium to longer term priorities of the Council .*

3.4 In respect of corporate risks, there is one risk – risk 40 (that refers to planning policy being insufficient to meet government requirements) that exceeds its risk appetite level. As per the risk management strategy this risk has been reviewed by the Corporate Management Team (CMT) and accepted.

In addition there is one very high ('red') corporate residual risk, risk 239 that relates to the Huntingdon town centre redevelopment. This risk has been classified as a transformational risk which the risk management strategy states can be accepted so long as the benefits and risks were properly assessed and accepted before the redevelopment progressed.

Operational risks: *risks that are encountered in the day-to-day provision of services.*

3.5 There is one operational very high ('red') risk, risk 58, that refers to information security and information use. The risk owner is of the view that the loss of IT services is the key risk that needs to be addressed. A number of systems

have been successfully tested and recovered back to their 'live' state since December 2014. With the introduction of the IT shared service, this programme needs to be extended to cover all systems. Once that has been done it is considered that the inherent risk score will reduce to high (amber). It is not proposed that any further risk mitigation be introduced at this time. (see Appendix 5).

3.6   There are 14 operational risks that exceed their risk appetite category levels. All of these have been considered by CMT and been accepted.

Risk	Description	Risk category
15	ICT Security is breached	Compliance & Regulation
192	Loss of vehicle operating licence	
209	Inaccurate management information	
14	Staff involved in accidents	Health & Safety
17	A member of the public is injured	
20	Closure of OL site due to incident or accident	
22	Ineffective Safeguarding procedures	
31	Bailiffs are subject to violence and injured	
32	Poor site security at EFH	
57	Plant and equipment used by staff is not properly maintained	
186	Assets used by the public are not maintained	
254	DFG funding is lost to the County Council	Operational / Service
29	Deficiencies in the election process	Reputation
228	Loss of land charges personal search income	

4.   COMMENTS OF OVERVIEW & SCRUTINY PANEL

4.1   To be inserted following the 6 June meeting of the Overview and Scrutiny Panel (Performance and Customers).

5.   KEY IMPACTS

5.1   The significant corporate and operational risks that have the potential to affect the delivery of the Corporate Plan need to be identified, controlled and monitored. If effective risk management (as set out in the risk management strategy) does not take place, there is the possibility that inappropriately informed decision-making may take place and the Corporate Plan outcomes may not be achieved. Maintaining an adequate and effective risk register and risk management process is a key management control.

6.   WHAT ACTIONS WILL BE TAKEN

6.1   The risk register is a dynamic document and is subject to regular review. Depending on the decisions taken by Cabinet, Managers may be required to identify further mitigation. If this is the case, Cabinet will be informed of the outcome of that review process.

6.2   Future reports to the Panel will provide information in respect of Corporate and Operational inherent and residual risk scores. Due to the size of the Operational risk register it is planned that risks will be reported at risk appetite

category. This will mean appetite areas will be reported individually so allowing Cabinet to review the whole register within a year.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND CORPORATE OBJECTIVES

7.1   Risk management is one of the six core principles within the Council's Code of Governance – taking informed and transparent decisions, which are subject to effective scrutiny and managing risk.

7.2   Good risk management practice contributes to the overall delivery of the Corporate Plan. It improves the performance of the Council by identifying and assessing current and emerging risks and opportunities and how they are to be treated.

8. RESOURCE IMPLICATIONS

8.1   Risk management is a business as usual activity and as such the cost of risk mitigation is controlled within individual service budgets. Additional resources may be required to further mitigate any risk that exceeds its risk appetite, but these will not be known until the mitigation has been identified.

8.2   The cost of any risk materialising also needs to be considered. Whilst an individual residual risk score may be below its risk appetite level the failure of any control may result in unknown levels of financial costs being incurred.

9 REASONS FOR THE RECOMMENDED DECISIONS

9.1   Cabinet need to ensure that the risk management process is robust and that the corporate risk register reflects their understanding of the significant corporate risks faced by the Council. In addition, they also need to be satisfied that risks have been mitigated to an appropriate level.

10. LIST OF APPENDICES INCLUDED

Appendix
1   Risk matrix – inherent to residual scoring: Corporate risks
2   : Operational risks
3   Corporate risk register
4   Corporate risks - Risk appetite levels
5   Risk treatment option form

BACKGROUND PAPERS

Risk register.
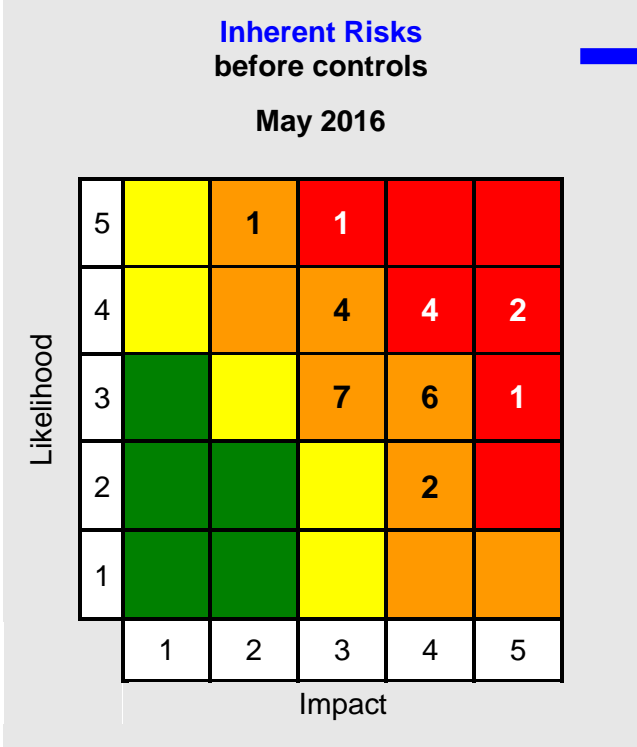Risk management strategy.

**CONTACT OFFICER**

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Inherent Risks
before controls

May 2016

Likelihood \ Impact	1	2	3	4	5
5		1	1		
4			4	4	2
3			7	6	1
2				2	
1					

Impact

Residual risk scores rely on the identified controls working effectively.

Cabinet and CMT rely on internal audit and managers' 'assurance' statements to judge whether this is the case.

Residual Risks
after controls

May 2016

Likelihood \ Impact	1	2	3	4	5
5					
4			1		1ᵃ
3		2	4		
2		3	13	3	
1			1		
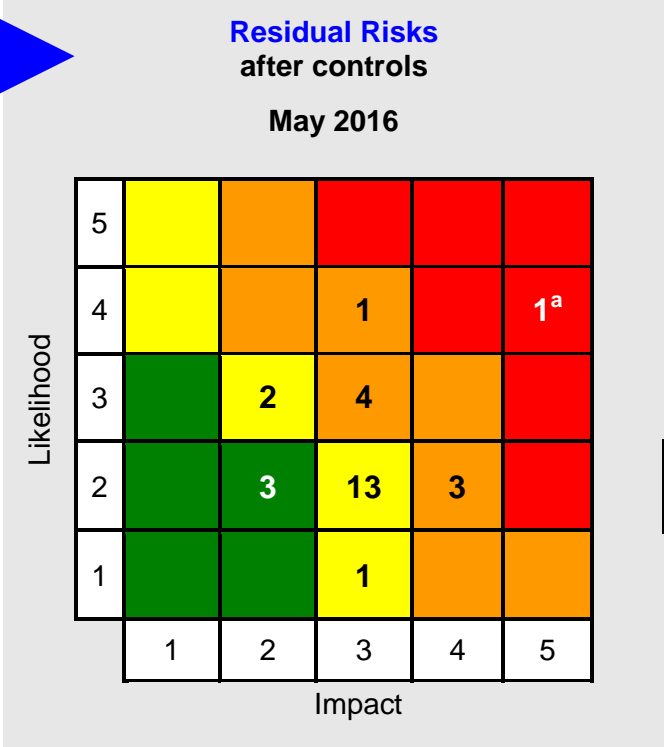
Impact

total

28

'Very High' Residual Risks	May 2016
	Likelihood X Impact
239 a Town Centre redevelopment	**4 / 5**

Corporate

Inherent Risks
before controls
May 2016

Likelihood					
5		2	5	2	
4		8	10	6	1
3	1	6	16	16	2
2		2	3	3	2
1			1		
	1	2	3	4	5

Impact

Residual risk scores rely on the identified controls working effectively.

Cabinet and CMT rely on internal audit and managers' 'assurance' statements to judge whether this is the case.

Residual Risks
after controls
May 2016

Likelihood					
5					
4	1	3	4		
3	3	11	6		
2	1	16	28	6	1 b
1		1	1	3	1
	1	2	3	4	5

Impact

total
86

'Very High' Residual Risks	May 2016
	Likelihood X Impact
58 b Information security policy is not followed	**2 / 5**

Operational

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
53	The Council is unable to deliver sustained economic growth for the District leading to (over a period of time) reducing employment prospects and declining prosperity.	Business Support Services pursue inappropriate projects and activities for the support of the local economy. Effect: Economic implications Increasing unemployment in the district Changing degrees.. **Risk Owner :** Sue Bedlow **Last Updated:** 05 Aug 2015	L = 3 I = 4 High (12)	The Council provides funding for business support and monitors take-up of service A local Growth Plan and an annual action plan are in place, which take into account changes in employment levels and prosperity in the district and at the macro level, the implications on equality and inclusion policies	L = 2 I = 3 Medium (6)	
54	Managers discriminate against certain service users by not considering the needs of all service users when delivering or developing services.	Effect: Allegations relating to discrimination Services don't meet the needs of the local population Non - compliance with legislation / statutory requirements / new initiatives Reputation.. **Risk Owner :** Adrian Dobbyne - Corporate Team Manager **Last Updated:** 05 Aug 2015	L = 3 I = 4 High (12)	Consultation and engagement strategy is designed to obtain the views of local residents and involve them where appropriate in the provision of services. Equality Impact Assessments carried out in accordance with the council's programme and service reviews The Council set out its framework for equality and inclusion in a strategy document together with an associated action plan The Council's Equality and Inclusion policy is followed and council business is conducted in an open and transparent manner	L = 2 I = 3 Medium (6)	

4 risk
risk management

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
56	Communications and marketing of services with employees, local residents, visitors and stakeholders is poor, leading to rumours and / or incorrect information being circulated, damaging staff morale and lower use of services and local reputation.	Effect: Failure to consult / communicate with the public and stakeholders Reputation damage Customer resistance to change Staff and external parties don't know what is happening / what to do Low.. **Risk Owner :** Patricia Harnett - Communications Manager **Last Updated:** 05 Aug 2015	L = 3 I = 4 High (12)	Sound mechanisms are used to consult with the public and stakeholders regarding council services. Service Plans require all consultations planned to be stated. The Council's Communications and Customer Service Strategies are in place to guide manager Good relationships with the media.	L = 2 I = 3 Medium (6)	
86	Orphaned contaminated sites may fall to HDC to manage long-term high revenue costs	Sites if orphaned may fall to HDC to manage long-term high revenue costs. **Risk Owner :** Chris Stopford Head of Community **Last Updated:** 05 Aug 2015	L = 3 I = 3 High (9)	County Council considering their planning enforcement options, planning action may negate the need for Contaminated Land declaration and mitgate risk of non-treatment of effluent by operator Report to LICENSING & PROTECTION PANEL 26 October 2010 UPDATE ON BUCKDEN SOUTH LANDFILL SITE & LEACHATE TREATMENT PLANT (Report by Head of Environmental and Community Health Services) Report to LICENSING & PROTECTION PANEL 19 March 2009 BUCKDEN SOUTH LANDFILL SITE & LEACHATE TREATMENT PLANT (Report by Head of Environmental and Community Health Services)	L = 2 I = 3 Medium (6)	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
268	Inadequate performance of Legal Shared Service resulting in legal challenge.	The Legal Shared Service could be under-resourced or have conflicting priorities (as shared with SCDC and Cambs City); therefore advice and support could be untimely or potentially inaccurate. **Risk Owner :** Clive Mason - Head of Resources **Last Updated:** 18 Jan 2016	L = 4 I = 4 Very High (16)	Legal SS Project Board. Currently formulating the Shared Services agreement.	L = 3 I = 3 High (9)	
2	CMT The Council does not invest in or develop its staff leading to motivational problems and service developments not being delivered on time or within budget	Effect: Staff resistance / reluctance to take risks and accept change Staff are not adequately trained to do their jobs Staff may leave Reputation damage Low staff morale New initiatives etc.. **Risk Owner :** Jo Lancaster - Managing Director **Last Updated:** 05 Aug 2015	L = 4 I = 4 Very High (16)	A Workforce Strategy and an associated action plan developed and has been adopted by Employment Panel. Developed core management competences A comprehensive in - house training programme is in place that is based on assessed training needs and the Council's objectives Training needs are discussed and determined / agreed with staff at appraisal and recorded	L = 2 I = 2 Low (4)	Training programme being developed to support core competencies. Review of impact on appraisals needed

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
40	Planning policy may be insufficient to meet government requirements	Effect Local Plan found unsound High Court over turns Local Plan Inappropriate decisions made Disgruntled customers Reputation damage Actions taken which may adversely affect the local.. **Risk Owner :** Andy Moffat - Head of Development **Last Updated:** 11 Jan 2016	L = 3 I = 4 High (12)	Well trained and experienced staff in post Priority is given to developments which may result in severe impacts. Quality control standards Regular research and review of planning issues is carried out A complete review of planning policies is being undertaken in order to produce a new Local Plan following the Governments decision to update all national planning policies (the NPPF) Outside consultants used and legal advice taken where appropriate	L = 2 I = 4 High (8)	
47	Council's funds not invested appropriately leading to losses or poor returns resulting in unexpected service cuts.	Effect: Loss of investments capital. Reduction in interest received (although minimal at this time as interest rates are low; 18/01/2016) **Risk Owner :** Clive Mason - Head of Resources **Last Updated:** 18 Jan 2016	L = 4 I = 4 Very High (16)	External consultant appointed Treasury strategy in place which limits size of loans, counterparties and maximum periods. Suitably qualified and experienced staff Prompt reaction to daily notification of changes to credit ratings.	L = 2 I = 3 Medium (6)	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
59	The Council does not react to local transport issues, developments, and needs, leading to increased chance of adverse economic impact on the District.	Effect: Traffic gridlock / congestion in the District Resistance from the public Service provision may not meet needs Reputation damage Social responsibilities may not be delivered by the.. **Risk Owner :** Andy Moffat - Head of Development **Last Updated:** 05 Aug 2015	L = 3 I = 3 High (9)	Delivery of the Market Town Transport Plan and the Local Transport Plan in conjunction with partner organisations	L = 2 I = 3 Medium (6)	
144	Fraud goes undetected leading to loss of funds from public purse	Fraud is perpetrated and goes undetected - this can lead to an increase in fraud due to a preception that the council is an easy target. Reputational problems can occur. **Risk Owner :** John Taylor - Head of Customer Services **Last Updated:** 17 Aug 2015	L = 4 I = 3 High (12)	Fraud team undertake regualar training and carry out risk assessment on every referral. Investigations result in sanctions. Prosecutions published in newspaper. Information provied to public to enable them to tell us about a suspected fraud in the Huntingdonshire area : Telephone the Fraud Hotline on 01480 388188 (24 hour line) Complete on-line Report Benefit Fraud form or email visit or write to Pathfinder House Fraud Policy and Workplan approved by Cabinet in Dec15, This sets out the plans for the team and also the level of resource Cllrs wish to put into this area.	L = 3 I = 2 Medium (6)	

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
251	Social media activity operates inconsistently leading to inappropriate and unauthorised use of social media by services	Staff unaware of the correct procedures to follow. Inconsistency of approach and control of social media. Council may not engage with customers in the most appropriate way. Reputational damage.. **Risk Owner :** Patricia Harnett - Communications Manager **Last Updated:** 04 Jan 2016	L = 5 I = 3 Very High (15)	Social Media Policy and Guidelines written. User Group meets qtrly to discuss any issues around social media, how to manage reputational issues, to highlight any problems.	L = 3 I = 3 High (9)	
104	Delays to the construction of the new A14 may lead to a failure to achieve the longer term development/regeneration strategy for Huntingdon (see cause & effect for full risk)	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.. **Risk Owner :** Andy Moffat - Head of Development **Last Updated:** 11 Jan 2016	L = 2 I = 4 High (8)	Promote early implementation of the A14 by committing appropriate resources to the on-going studies and upcoming Public Inquiry etc.	L = 2 I = 4 High (8)	
237	Fundamental changes in Government Policy could undermine Council's ability to enable new affordable homes to be built.	Fundamental changes in Government Policy could undermine Council's ability to enable new affordable homes to be built. This includes a increase in the threshold of sites on which affordable housing.. **Risk Owner :** Jo Emmerton - Housing Strategy Manager **Last Updated:** 11 Jan 2016	L = 4 I = 3 High (12)	If a developer contends that their affordable housing requirement (Section 106) is not economically viable for them to fulfil we would scrutinise the inputs to the development to assess overall site viability. If proven, we would renegotiate a lower percentage of affordable housing, or we would revise the tenure split of the site to enable a viable development to proceed. Review and increase provision of temporary accommodation as an alternative to B&B Maximise new affordable housing opportunities on s106, rural exception sites and others.	L = 4 I = 3 High (12)	

4 risk
risk management

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
267	Delivery of the Building Control service via the Shared Service arrangements is not adequately managed leading to poor performance and dissatisfaction of its customers	Causes: Non-conformity to the Shared Service agreement Effect: Customer service deteriorates Reduction in market share and income Increased cost to the Council **Risk Owner :** Andy Moffat - Head of Development **Last Updated:** 11 Jan 2016	L = 3 I = 3 High (9)	Project Board meets to discuss objectives and performance indicator information to be provided	L = 2 I = 3 Medium (6)	Shared Service Agreement to be finalised and signed
74	Robust Partnerships agreement are not effectively secured with relevant organisation and as a consequence the delivery of key objectives is not achieved.	Effects: Breakdown in relationship with partners Targets not achieved (for example for the HSP) New initiatives unsuccessful Low staff morale Adverse impact on the service received by.. **Risk Owner :** Adrian Dobbyne - Corporate Team Manager **Last Updated:** 05 Aug 2015	L = 3 I = 5 Very High (15)	Current review of all Partnerships to ensure alignment with our corporate priorities, delivering value for money and are fit for purpose.	L = 2 I = 3 Medium (6)	
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.. **Risk Owner :** Alistair Merrick **Last Updated:** 24 Aug 2015	L = 4 I = 3 High (12)	Services at risk of income reductions, are where practical, being actively marketed.	L = 3 I = 3 High (9)	CMT to agree to the redefinition of this risk or its' replacement with a risk that focuses on the delivery of the agreed ZZB proposals over the next four years because this will be the determinant of financial stability for the Operations Division.

4 risk
risk management

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
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 reputational Financial inequality of service delivery **Risk Owner :** Adrian Dobbyne - Corporate Team Manager **Last Updated:** 05 Aug 2015	L = 4 I = 3 High (12)	Bring partners together to discuss and work together on Community issues in Huntingdonshire Trained Managers Equalities steering group Equalities direction of Travel statement outlining where we are and what we need to do to maintain 'achieving level' .	L = 3 I = 3 High (9)	
204	Service developments and new/amended policies introduced without due consideration of their equalities impact resulting in legal challenge in respect of equality and diversity.	Individual services may not fully consider the implications of equality and diversity issues and therefore services may not meet the needs of all our community groups eg. ethnic minority groups,.. **Risk Owner :** Adrian Dobbyne - Corporate Team Manager **Last Updated:** 05 Aug 2015	L = 3 I = 3 High (9)	Equality Steering group raises awareness of equality and diversity work through out the organisation. Also the group is made up of representatives from each major service who are champions within their department. The group is supported by Corporate Project Officer with special responsibility for E&D.	L = 2 I = 3 Medium (6)	
253	Income from sale of recyclate is not realised	Less income than estimated impacting on the Councils budget **Risk Owner :** Alistair Merrick **Last Updated:** 24 Aug 2015	L = 3 I = 3 High (9)	Contract now let - monitoring contamination and income from recyclate.	L = 3 I = 2 Medium (6)	1. CMT to agree the revision of this risk to state that income from the sale of recyclates is not realised because of the rejection of materials at the MRF because of contamination. This is necessary because this is the factor that HDC control. The market conditions for the sale of the recyclates is outside of the control of HDC. 2. Implementation and then consistent application of the new..

4 risk
risk management

| Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
55	Leisure Centres do not keep pace with the changing expectations of their customers resulting in a loss of customers and income.	Effect: Failure to provide the facilities required by the public; competitors are more successful; levels of income drop; adverse publicity. Additional efforts required to re-capture.. **Risk Owner :** Jayne Wisely - Head of Leisure & Health **Last Updated:** 05 Aug 2015	L = 3 I = 4 High (12)	Levels of income, admissions & expenditure are monitored Service Plan/Business plan created annually Staff structures reviewed One internal & one external customer surveys are conducted each year plus External Benchmarking (performance) Centres undertake demographic and socio-economic profiling to establish the optimum facilities required to increase attendance - new developments included Competitor performance regularly monitored	L = 2 I = 3 Medium (6)	
239	Town centre development does not progress as agreement anticipates	Sainsbury will not have new store so negotiations are needed to get Chequers Court to proceed. S106 monies from the 2 development is not paid to the council **Risk Owner :** Chris Allen - Project & Asset Manager **Last Updated:** 25 May 2016	L = 4 I = 5 Very High (20)	meetings arranged	L = 4 I = 5 Very High (20)	
260	The Council does not meet its obligations under the 2014 Data Transparency Code leading to complaints from the public and a judicial review	Statutory deadlines not met. Relevant information not listed. Reputational and possible Judical Review. **Risk Owner :** Adrian Dobbyne - Corporate Team Manager **Last Updated:** 05 Aug 2015	L = 5 I = 2 High (10)	Code is managed by Corporate Team to ensure publication.	L = 2 I = 2 Low (4)	

4 risk
risk management

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
130	CMT Reductions in goverment funding leading to the need for additional savings in future years	That service cuts will have to be made in later years. **Risk Owner :** Clive Mason - Head of Resources **Last Updated:** 04 Jan 2016	L = 4 I = 5 Very High (20)	The Council considers regularly the minimum level of reserves and ensures through the MTFS process that these can be maintained. Allowance in the MTFS for the possibility that government funding will fall. Plans now in place for 16/17 and negotiations are underway with Gov to secure a four year settlement	L = 2 I = 4 High (8)	
73	CMT Legislation places additional burdens on services and demand for services result leading to increases in staff absences, reductions in current service levels and delays in improving service delivery	Effect: Staffing impacts Overspends Priority need remains unmet Changing targets Inability of the Council to achieve in all areas Priority setting may not be in line with requirements Lobbying.. **Risk Owner :** Jo Lancaster - Managing Director **Last Updated:** 04 Jan 2016	L = 4 I = 4 Very High (16)	Managers now consistently applying updated sickness management policies MTFS process in place to bid for additional resources Ongoing monitoring of impact of external economic forces to allow prompt reactions / early intervention programmes Corporate Training Programme in place. Also, as part of being a member of most professions, employees would undertake a certain amount of CPD and so would cover new legislation affecting their own profession	L = 2 I = 2 Low (4)	
248	CMT: Non achievement of actions set out in the MTFS leading to a failure to ensure financial sustainability	Failure to achieve savings or income targets identified in the plan on a page and through the Zero based budgeting process. If actions do not lead to anticipated savings / income alternative.. **Risk Owner :** Julie Slatter - Corporate Director Services **Last Updated:** 04 Jan 2016	L = 2 I = 4 High (8)	The Council now has in place a clear plan to secure both savings, efficiencies and additional income to address the challenges in the medium term financial strategy. This is underpinned by clear actions and plans for each service area and has been strengthened through the Zero based budgeting process. Improved financial reporting and financial information for budget holders. This means that budget monitoring and forecasting has improved and any issues in terms of delivery will be identified at an early stage to enable recovery action to be taken.	L = 2 I = 3 Medium (6)	

4 risk
risk management

Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
6	CMT Corporate Business Continuity plans are inadequate resulting, over both the short and medium term, in the Council's inability to provide an appropriate service.	Cause: Loss of utilities / power for substantial amount of time Loss of core systems Flu pandemic Staffing and resourcing Severe weather Major accident Effect: Inability to deliver core.. **Risk Owner :** Julie Slatter - Corporate Director Services **Last Updated:** 21 Dec 2015	L = 3 I = 4 High (12)	2 telecoms switches in both PFH & EFH Reviewing single points of failure. server suite at Eastfield House in addition to Pathfinder House Virtualisation of servers is complete. This capability is being incorporated in the IMD BCP which allows greater resilience should either PFH or EFH inoperable. BCP is reviewed and, if necessary, revised annually. This is then considered by COMT & CGP. IT recovery agreement in place; data is backed up for each site and is stored off site on a weekly basis; physical environment - air conditioning UPS - allows 10 mins closing down time	L = 2 I = 3 Medium (6)	CMT to agree process and mechanism for annual review of BCP. BC meetings to be reinstated to consider how this can be incorporated in Governance Boards potentially culture and compliance or risk to be agreed at SMT awayday Jan 2016
261	CMT Shared service provision fails to deliver the required service leading to potential deterioration in service delivery, loss of control, loss of reputation and potentially increased costs	perception that complications of implementing shared service working will be excessive Poor governance arrangements Differing visions, ambitions, priorities Political issues divide the.. **Risk Owner :** Jo Lancaster - Managing Director **Last Updated:** 04 Jan 2016	L = 3 I = 3 High (9)	No controls identified. Governance structure in place involving both members and senior officers of all councils Robust project and programme management in place Dedicated resources now in place and recruitment of a permanent team now in place	L = 2 I = 3 Medium (6)	Monitor recruitment

4 risk
risk management

| Risk Ref	Risk Title	Cause & Effect	Inherent Risk Priority (IL x II)	Risk Control	Residual Risk Priority (RL x RI)	Action Required
262	CMT Failure to deliver vision of shared services leading to inability to deliver the required efficiency savings	Lack of buy in from partners and staff - benefits of shared working not communicated Percception that efficiencies to be gained will be insufficient Incompatible cultures **Risk Owner :** Jo Lancaster - Managing Director **Last Updated:** 04 Jan 2016	L = 3 I = 3 High (9)	Regular board meetings to oversee roll out of projects across the three work streams and three councils robust risk management now embedded in the programme	L = 1 I = 3 Medium (3)	

Corporate Risk – Risk Appetite levels
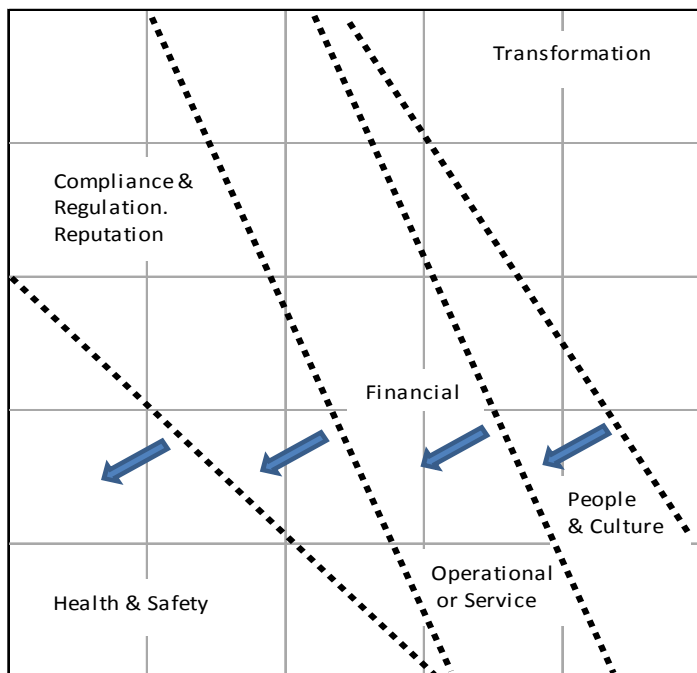
The grid above shows agreed risk appetite levels.

The grid to the right maps corporate residual risk scores against the appetite. All risks have been categorised against the seven appetite statements. Risk 40 exceeds the agreed appetite level. (Risk 239 relates to a transformation risk and does not exceed its risk appetite level).

As per the Risk Management Strategy, Corporate Management Team are considering whether risk 40 requires further mitigation, or whether the risk that has been identified should be accepted, even though it exceeds its agreed appetite level.
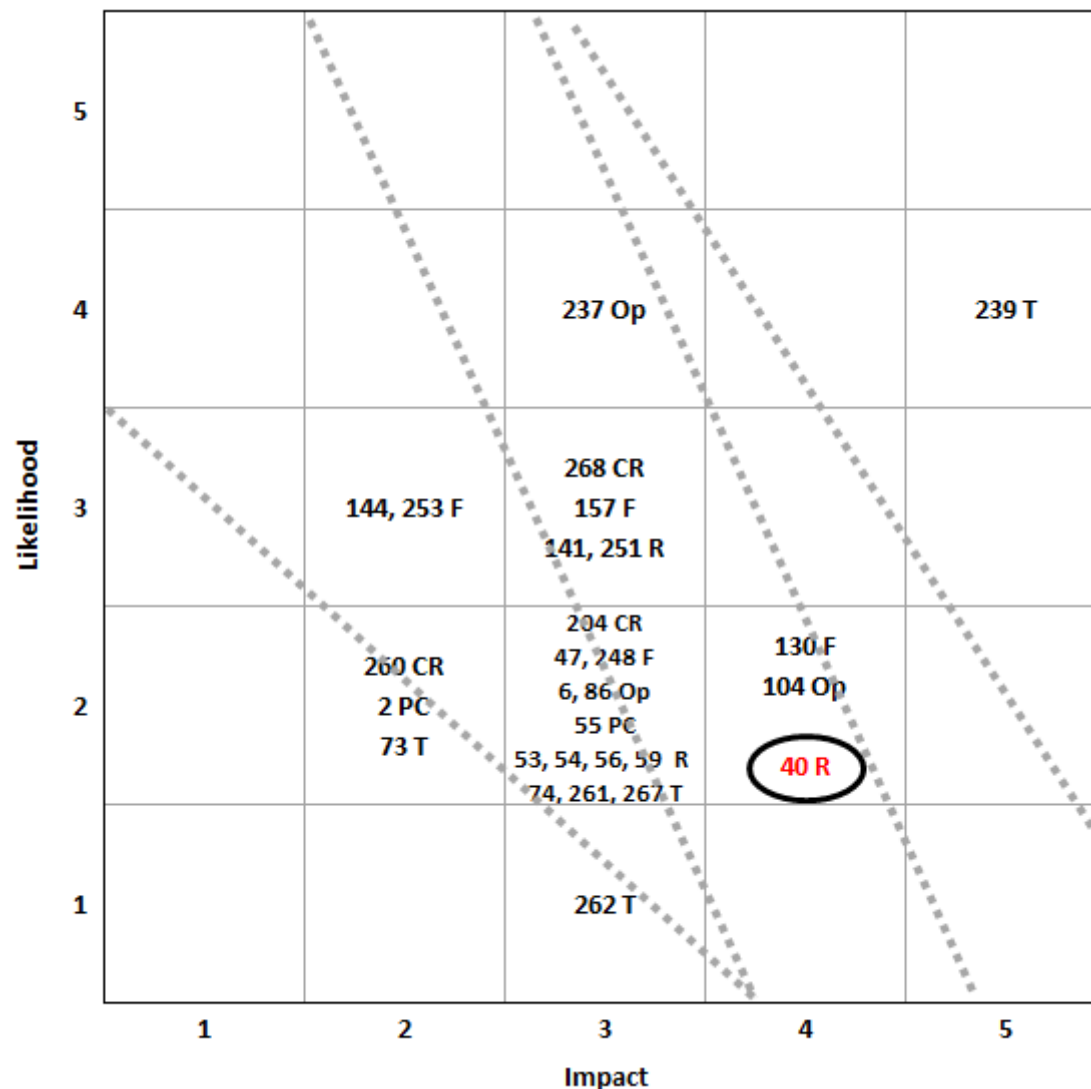
Key: T = Transformation   PC = People & Culture
      F = Financial   Op = Operational or Service
      R = Reputation   CR = Compliance & Regulation
      H = Health & Safety

Risk Treatment Option Form

Risk Treatment – Action Plan					
Description of risk from register:	Risk ID No:	58	Current residual risk score: Likelihood x Impact	2	5
Information Security Policy is not followed leading to an inability to provide an appropriate service, litigation against the Council and a failure to respond to requests for information.					

Controls already in place as listed on the risk register:	
1. Information Security Policy covers all aspects of IT and information security. Policy agreed by CMT and HoS advised that their staff must follow the training. Guidance and Training provided by IMD. 2. Online training provides staff with training and awareness of Information Security issues.	3. Regular reminders / training given to staff regarding the need for confidentiality 4. The Business systems and database register keeps a log of all the databases and IT business systems which are used by the Council.
Are these controls operating effectively?	No – Control 4 has only been given limited assurance. Controls 1 – 3 have been given adequate assurance.

Risk Action Plan (All actions listed in priority order)				
	New residual risk score[1]			Extra resources required[2]
Actions to reduce risk using existing resources	L	I		
Disaster recovery plan and successful testing of such.	2	4		None. To be managed within existing resources.
Actions requiring additional resources				
1. None at this time of assessment.				
2.				

Decision			
Agreed Option: Cabinet decision awaited	Implementation Date	Risk Owner	
		IT: 3C Shared Services	
Decision taken by:	on:		

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[1] New Residual Risk Score: after the action has been introduced
[2] Extra Resources: only complete if extra resources will be required to allow the proposed action to be introduced e.g. financial costs and staff time