REVIEW OF THE COUNCIL'S RISK MANAGEMENT POLICY AND FRAMEWORK FOR 2015/16

1 PURPOSE OF REPORT

1.1 This report presents a review and proposed update of the Council's risk management policy and framework for 2015/16 for Members' consideration and approval.

1.2 It also presents the Council's proposed corporate risk register for 2015/16 for consideration and approval.

2 INTRODUCTION

2.1 The previous report on this topic was presented to the Audit Committee in September 2014 when an updated corporate risk register was approved.

2.2 Since that report, the Council has undergone major changes to its organisational structure and ways of working as a result of the Council's redesign project. The Council's corporate risk management policy and framework has therefore been revised to reflect these changes following a fundamental review of the risk management process.

2.3 Similarly, the corporate risk register (CRR), which provides an overview of the key risks that may affect delivery of the Council's corporate objectives and services has been fully revised to reflect the Council's new business plan and objectives.

2.4 As the Council's organisation and operational structures continue to evolve it is likely that further changes to the CRR and the corporate risk management framework will be necessary and these will be brought before this Committee for approval, as required.

3 THE CORPORATE RISK MANAGEMENT POLICY AND FRAMEWORK

3.1 The Council's corporate risk management policy and framework is included at appendix A.

3.2 The risk management policy and framework specifies how the Council seeks to manage and control risk, and defines the roles and responsibilities of each stakeholder in the risk management process.

4 THE CORPORATE RISK REGISTER FOR 2015/16

4.1 The summary corporate risk register for 2015/16 is included at appendix B.

4.2 All the key risks faced by the Council are presented, together with the controls in place to mitigate these risks and an assessment of whether each is considered to be a high, medium, or low risk. Each of the risks listed in the summary is supported by a fuller risk analysis, which is available on request.

4.3   The CRR is to be underpinned by operational risk registers (ORRs) owned by each Assistant Director that identify the risks and mitigation controls that apply to each of the Council's directorates. These ORRs are currently under development and, once completed, will be available on request.

4.4   As part of the 2015/16 Internal Audit programme, risk management is reviewed as is relevant to the audit being undertaken. Tests will seek to confirm that controls are in place and operating well to mitigate risk.

5   PRINCIPAL CHANGES TO THE CORPORATE RISK REGISTER FOR 2015/16.

5.1   Following the organisational restructure undertaken at the end of 2014/15 all the risks shown have been reviewed and updated where necessary.

5.2   In addition, the opportunity has been taken to reduce the summary corporate risk register to the fewer key risks facing the Council to reduce any non-productive effort entailed in maintaining the documentation of risk.

5.3   Risks arising from the various projects undertaken by the Council are to be separately documented within the relevant project plans.

6   RISK IMPLICATIONS

6.1   Management of risk is fundamental to the sound operation of the Council. Failure to manage risk could have significant impact on the Council's ability to correctly define its policies and strategies or deliver against its objectives.

6.2   The implementation and operation of the risk management framework will minimise risks and thus mitigate any potential strategic, operational, reputational or regulatory consequences.

6.3   Failure to manage risk would also mean that the Council might face censure by its external auditors or the potential for legal proceedings in the event of breaches of the Health and Safety at Work Act or similar legislation.

7   RESOURCE IMPLICATIONS

7.1   All risk management activity is undertaken within existing and planned budgets.
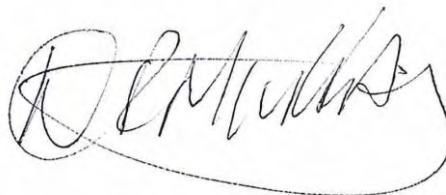
8   LEGAL IMPLICATIONS

8.1   The Council's risk management policy and framework will assist in meeting any specific and general legislative requirements to monitor and manage its risks.

8.2   No new formal delegations are created by this policy and framework.

9   **RECOMMENDATION**

9.1   It is proposed that the Committee **RESOLVES**

That the updated corporate risk management policy and framework and the corporate risk register for 2015/16 be approved.

Denise Murray

Section 151 Officer

Background Papers:-

None.

For further information please contact Terry Harper – Performance and Risk Manager on:-

Phone: 01702 546366 extension 3212
Email: terry.harper@rochford.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111.

Rochford District Council
Corporate Risk Management Policy and Framework

Contents

Appendix 1 - Corporate Risk Register Template, Risk Scoring Matrix and Risk Map

Appendix 2 - Corporate Risk Analysis Template

Appendix 3 – Risk Management Framework schematic

Risk Policy Statement

It is the policy of the Council to adopt a proactive approach to Risk Management consistent with the various conventions and best practice.

The Council acknowledges that risk cannot be totally eliminated, the Council is however committed to the management of "significant" risks in order to:-

- Ensure compliance with statutory obligations

- Preserve and enhance service delivery

- Maintain cost effective control of public funds

- Preserve and promote the reputation of the Council

- Preserve and enhance the quality of our environment

These objectives will be attained by systematically identifying, analysing and evaluating, effectively controlling and monitoring risk, which may otherwise endanger people, property, or the reputation and financial stability of the Council.

Amar Dave

Chief Executive

Background and Introduction

Corporate Governance

Rochford District Council will employ the underlying principles of openness, integrity and accountability to achieve its objectives, putting the customer and citizen at the heart of everything we do. It will also ensure that its business and strategy is managed in an open manner, with an emphasis on the sustainable use of resources.

The Council's constitution vests the overall responsibility for the management of risk with the Audit Committee.

Introduction

The Council recognises its responsibility to manage internal and external risks and is committed to ensuring the process and culture of risk management is embedded in all operational and service planning processes.

The Council maintains a Corporate Risk Register and this Register will be regularly reviewed with updates being reported to the Audit Committee on a bi-annual basis as a minimum. The Corporate Risk Register contains those risks that have an unacceptably high risk score on the risk matrix and, which, if they materialised, would have a significant impact on the achievement of the Council's ambitions, and /or its reputation.

The Corporate Risk Register is developed using the notion of residual risk. This notion assumes that controls put in place, will usually mitigate the inherent risk of an activity leading to a lower residual risk.

The Council aims to:-

- Integrate and embed risk management into the culture of the Council

- Manage risk in accordance with best practice

- Anticipate and respond to changing social, environmental and legislative requirements

- Prevent injury, damage, losses and reduce the cost of risk

- Raise and maintain awareness of the need for risk management by all involved in the delivery of the Council's services

- Take the action necessary to minimise the likelihood of risks occurring and/or reducing the severity of consequences should risks occur.

- Ensure that the identified key corporate risks are monitored on an ongoing basis and reported bi-annually to Members.

- Compile an annual assurance statement on the effectiveness of the arrangements for risk management as part of the Council's Annual Governance Statement.

- Achieve these actions by implementing this risk management policy and framework.

Corporate Risk Management Framework

1. Process

The development and maintenance of the Corporate Risk Register requires a proactive approach in order to maintain its integrity and currency. To achieve this, the following actions are deemed necessary: -

- The Leadership Team – Operational (LTO) will review the Corporate Risk Register and any relevant action plans on a quarterly basis.

- LTO will identify and assess the risks appropriate to their areas of operation and maintain appropriate risk registers compliant with the corporate guidance.

- Action will be taken for all significant risks for which additional controls are required.

The Corporate Risk Register template is to be to be found at Appendix 1

2. Monitoring

Progress of the actions contained in the Corporate Risk Register will be monitored on a regular basis by the Performance and Risk Manager who will provide reports to LTO as necessary and make an annual report to the Audit Committee showing the compliance with, and any changes to, the risk management framework.

3. Assurance of Controls

In addition to any line management oversight role, Internal Audit will, independently, review the adequacy of the Council's internal controls and the overall effectiveness of the risk management framework as part of the Annual Audit Plan.

4. Operational Risk Co-ordinators

Each Assistant Director appoints an Operational Risk Co-ordinator (ORC) to act as a liaison point for risk management actions within their service areas.

5. Risk Analysis and Scoring

The risk rating of each of the risks identified in the Corporate Risk Register is based on the estimated likelihood and impact of each risk in accordance with the scoring matrix and risk map contained in Appendix 1. Risk Analysis is undertaken using the Corporate Risk Analysis template included as Appendix 2.

6. Options for Managing Risk

The Council has a number of options in how it manages each risk and these may be summarised as:

- Embrace risk – taking authorised advantage of opportunity risks but applying safeguards to ensure risk is not unacceptable

- Eliminate risk – terminating the activity causing the risks

- Reduce risk – implementing appropriate controls

- Transfer risk – insuring or outsourcing activity

- Accept risk - taking no action but continually reviewing risk to ensure it remains acceptable

7. Risk Management - Roles and Responsibilities

In order to ensure the successful implementation of this strategy, clear roles and responsibilities for the risk management framework have been established. The key "players" and their roles are:-

Elected Members

Elected Members will adopt the role of overseeing the effective management of risk by officers. This includes:

- Agreeing structures for controlling and monitoring risks across the authority

- Approving the Risk Management Policy and Framework

- Approving the Corporate Risk Register

- Considering risks associated with decisions, arising from reports.

The Audit Committee

The Audit Committee provides independent assurance on the effectiveness of risk management and internal control.

All staff

All staff, at whatever level, should maintain an awareness of risks, feeding information into the formal processes for risk management. This will include

- Alerting management to risks which are inappropriately managed

- Reporting any incidents or near misses.

Leadership Team – Operational (LTO)

- Approve and adopt the Risk Management Policy and Framework and allocate sufficient resources to ensure its achievement

- Play a lead role in identifying and managing, the strategic risks and opportunities facing the authority

- Review cross cutting risks that may be associated with new policies and service delivery methods

- Determine the Council's risk appetite and set priorities for action

- Ensure line managers can provide effective controls to mitigate risks within service areas

- Approve an annual report for the Audit Committee on the status of the risk management framework and process.

- The Council's Monitoring Officer has a role to ensure lawfulness and fairness of Council decision making and provide assurances regarding overall legal risk management of the Council for the Annual Governance Statement. The Monitoring Officer is the Assistant Director - Legal Services. The Assistant Director – Legal Services is also the Council's Senior Information Risk Owner (SIRO) responsible for information security and assurance.

- The Section 151 Officer has a role to ensure proper administration of financial affairs and provide assurances regarding overall financial risk management of the Council for the Annual Governance Statement, signing the statement. The Section 151 Officer also acts as the Council's Risk Champion taking overall responsibility for ensuring progress against the agreed actions.

Performance and Risk Manager

- Manages the implementation of the Risk Management Framework and process on behalf of the Council and its management team.

- Ensures the processes are implemented and offers guidance and advice.

- Reports to LTO and co-ordinates risk management activity across the Council

- Ensures staff across the Council are adequately trained to undertake risk assessments as required

- Collates risk registers and control assurance statements for consideration at LTO

- Prepares the annual report to Audit Committee on progress of risk management framework, corporate issues, operational risk registers, control assurance statements and areas for improvement.

- Liaises with the Council's Emergency Planning Officer in respect of his/her role to oversee Emergency and Business Continuity Plans.

- Ensures a coherent approach to risk management and business continuity planning

- Undertakes a quarterly programme of review of the corporate and operational risk registers together with additional reviews when necessary

- Annually reviews and updates the risk management framework to take into account external and internal changes as well as experience.

- Make recommendations to LTO regarding the generic and cross divisional risks/issues identified from the operational assessments of risks.

Assistant Directors with Team Managers/Leaders

- Identify, and analyse directorate risks within an Operational Risk Register

- Ensure maintenance and review of the Operational Risk Register.

- Prioritise action on operational risks

- Monitor progress on managing operational risks

- Report the results of self-assessment of risk to LTO/PRM as appropriate

- Ensure the effectiveness of controls in place to mitigate/reduce risks.

- Ensure that operational risk management is linked to, and takes account of, business continuity planning.

Operational Risk Co-ordinators (ORCs)

- Act as a liaison point for risk management actions within their service areas.

- Undertake an annual review of the operational risks within their service area(s) together with additional reviews when necessary

- Update the operational risk registers for their service area(s) as necessary, taking into account external and internal changes as well as the risks experienced.

- Make recommendations to their Assistant Director in respect of risks or allied issues identified within their service area(s).

- Ensure operational risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s).

Specialist representatives (Internal Audit, Insurance, Legal, IT)

- Provide relevant advice to the LTO or PRM as necessary to consider implications of Corporate or Operational Risks

8. Addition or removal of risks from the Corporate Risk Register.

As risks identified at the corporate level change or develop, it is sometimes appropriate for a risk to be added or removed from the Corporate Risk Register. Addition and removal of such risks will be undertaken as part of the regular risk review processes and these will be identified to the Audit Committee within reports seeking their approval of revisions to the Corporate Risk framework.

Appendices follow:

Appendix 1 - Corporate Risk Register Template, Risk Scoring Matrix and Risk Map

Appendix 2 - Corporate Risk Analysis Template

Appendix 3 – Risk Management Framework schematic

Corporate Risk Register 2015/16

Notes:

* Quality of controls:

- Poor indicates no controls in place or the few that are do not mitigate the risk.
- Fair indicates that some controls in place and some reduction in risk but still not adequate.
- Good indicates that controls in place are considered adequate and reduce the risk.
- Excellent indicates that effective controls are in place which reduces the risk considerably.

Next Review Date(s):
- Risks are reviewed regularly (typically quarterly) by the Leadership Team Operational and relevant service managers.
- The risk analyses are updated accordingly, but the Corporate Risk Register will be revised bi-annually.

10.12

Part 1 – Summary of Key Risks

Risk	Risk Owner(s)	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
A short description of each key risk	Selected from the Leadership Team	• Short descriptions of the potential failures or outcomes. • Any additional information	• Summary of controls in place or the additional controls required • Actions to be taken	Assess-ment as per notes above	See Part 3 matrix score	See Part 3 matrix score	See Risk Map at Part 2

Part 2 – A Corporate Risk Map showing each risk plotted as per its scores

Impact	4 Cata-strophic						
	3 Critical						
	2 Marginal						
	1 Negligible						
		1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
		Likelihood					

Key	Risk level	Action required
	High	Urgent/imperative to manage down risk – transfer or terminate
	Medium	Seek to influence risk over medium term or transfer out risk e.g. by insuring
	Low	Tolerate and monitor – manage down if possible

10.13

Part 3 Risk Scoring Matrix

LIKELIHOOD of event occurring					
Negligible – 1	**Very Low – 2**	**Low – 3**	**Significant – 4**	**High – 5**	**Very High – 6**
0% to 5%	6% to 15%	16% to 30%	31% to 60%	61% to 85%	86%to100%

IMPACT of event occurring				
	Negligible – 1	**Marginal – 2**	**Critical – 3**	**Catastrophic – 4**
Financial	£0K - £10K	£10K - £200K	£200K - £1M	£1M- £10M
Service Provision	Minor service delay	Short term service delay	Service suspended/ Medium term delay	Service suspended long term/ Statutory duties not delivered
Project	Minor delay	A few milestones missed	A major milestone missed	Project does not achieve objectives and misses majority of milestones
Health & Safety	Sticking Plaster/first-aider	Broken bones/Illness	Loss of Life/Major illness	Major loss of life/Large scale major illness
Objectives	Minor impact on objectives	Objectives of one section not met	Directorate Objectives not met	Corporate objectives not met
Morale	Mild impact on morale	Some hostile relationships and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention/minor letters	Adverse Local media	Adverse National publicity	Remembered for years!
Government relations	Minor local service issues	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
Political	No interest/ Minor attention	Adverse local media or individual public reaction	Adverse national publicity or organised public reaction	Major political reaction - remembered for years!
Legal	No significant legal implications	Internal review and minimal media coverage	External review and impact on public opinion.	Criminal proceedings / civil litigation
Communities	Minimal effect on communities	Short term Impact on small group of clients/customers/comm unities	Long term Impact on large group of clients/customers/commu nities	Long term impact on vulnerable people

10.14

Risk No(s):	Risk Descriptor(s): **Risk Management objectives/Notes:**	Risk Owner:
		Directorate/Service:

Risk prior to controls	Likelihood:	Impact:	Risk Rating :
Residual Risk	Likelihood:	Impact:	Risk Rating:

Review Frequency:	Key dates for Review:

Risk Elements, Characteristics and Consequences:
-

File: G:\CMIS\Docs\Word Docs\2015-2016\Audit Committee\08 December 2015\Item 10 Appx A2 - Review of the Council's Risk Management Policy and Framework for 2015-16 - Audit Committee - 08.12.2015.docx Page 1 of 2
Updated:27/11/2015 12:41:00

10.15

CONTROLS AND ACTION PLAN(S)

Action/controls	Adequacy of controls*	Further action required	Desired outcomes	Notes

Adequacy of Controls:
* Poor indicates no controls in place or the few that are do not mitigate the risk.
* Fair indicates that some controls in place and some reduction in risk but still not adequate.
* Good indicates that controls in place are considered adequate and reduce the risk.
* Excellent indicates that effective controls in place which reduce the risk considerably.

Risk review completed by:	Name:	Signed:	Date:
Risk review approved by:	Name:	Signed:	Date:

File: G:\CMIS\Docs\Word Docs\2015-2016\Audit Committee\08 December 2015\Item 10 Appx A2 - Review of the Council's Risk Management Policy and Framework for 2015-16 - Audit Committee - 08.12.2015.docx   Page 2 of 2
Updated:27/11/2015 12:41:00

10.16

Risk Management Framework - Rochford District Council

Corporate Risk Register is approved by the Audit Committee

Risk Registers will be managed and approved by:
   LTS/LTO
   Performance and Risk Team
   Operational Risk Co-ordinators

Risk Management Policy Document - Approved by Audit Committee

Risk Management Framework and Templates - Approved by Audit Committee

Corporate Risk Register (CRR) and Summary Risk Dashboard

Links

Business Delivery Plans

Council Business Plan

Supported by   Supported by   Supported by

Links

Corporate Risk Analyses (CRAs)

Operational Risk Registers (ORRs)

Project Risk Registers/Logs (PRRs)

Links   Links   Links

Emergency Planning and Business Continuity Plans

10.17

Corporate Risk Register 2015/16

Notes:

* Quality of controls:

- Poor indicates no controls in place or the few that are do not mitigate the risk.
- Fair indicates that some controls in place and some reduction in risk but still not adequate.
- Good indicates that controls in place are considered adequate and reduce the risk.
- Excellent indicates that effective controls are in place which reduces the risk considerably.

Next Review Date(s):
- Risks are reviewed regularly by the Leadership Team Operational and relevant service managers.
- The risk analyses are updated accordingly, but the Corporate Risk Register will be revised annually.

10.18

Part 1 – Key Corporate Risks - Summary Dashboard

Key Corporate Risks	Potential Impacts													Likelihood	Impact	Risk Rating
	Safeguarding	Reputational Damage	Service Disruption	Impaired Performance	Ineffective partnerships	Health and Safety	Staff Morale	Missed Opportunities	Financial costs/losses	Asset loss or damage	Contract breaches	Ineffective leadership	External Intervention			
Key Outcome Risks																
1 – We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.		✓	✓	✓			✓	✓	✓			✓	✓	4	3	M
2 – There is a failure to ensure the safeguarding of our children or vulnerable adults.	✓	✓					✓						✓	2	3	M
3 - There is a serious Food or Health and Safety, or Environmental or other incident for which the Council is culpable (including Flood risks).		✓	✓			✓			✓	✓			✓	3	4	H
4 - We fail to respond to, or provide, relevant services in the event of an incident or disaster		✓	✓			✓				✓			✓	3	3	M
5 - Council held data is lost, disclosed or misused to detriment of individuals or organisations as result of inadequate protection.		✓	✓	✓					✓		✓		✓	3	3	M
6 - Community cohesion is impacted adversely by service changes or withdrawals	✓	✓	✓		✓	✓	✓		✓				✓	3	3	M
Key Enabler Risks																
7 - Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.		✓			✓		✓	✓	✓			✓		2	3	M
8 – Failure to innovate and develop new ways of meeting customer needs and expectations.		✓	✓	✓			✓	✓				✓	✓	2	3	M
9 - Failure to produce and meet a balanced budget and MTFS that allow for the successful delivery of the priorities contained in the Business Plan or to adequately plan, fund and monitor the Council's Capital Programme.		✓		✓			✓	✓	✓	✓	✓	✓	✓	2	3	M
10 - Inability to recruit, retain, develop and manage appropriately skilled staff to deliver the Council's priority outcomes	✓	✓	✓	✓			✓		✓					4	4	H
11 - Failure to enter into and manage effective partnerships for the delivery of services and outcomes.		✓	✓	✓	✓						✓			3	3	M
12 - The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement.		✓	✓	✓					✓		✓			2	3	M
13 - Failure to ensure good governance of the Council's activities and delivery of its priority outcomes		✓					✓			✓		✓	✓	3	4	H

Part 2 – Tabular Summary of Key Corporate Risks

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
Key Outcome Risks							
1 - We fail to deliver the objectives of the Council's Business Plan in terms of measurable outcomes.	Director with responsibility for the Business Plan	• Failure to refine strategic objectives to identify what is to be achieved • Failure to articulate realistic business delivery plans • Failure to manage key programmes of work effectively • Failure to manage performance effectively	• Business Plan agreed and supported by MTFS • Key programmes of work to be defined • Plans to identify key priorities for service delivery	Fair	4	3	Med
2 - There is a failure to ensure the safeguarding of our children or vulnerable adults.	Assistant Director – Environmental Services	• Children or vulnerable adults put at risk • Children or vulnerable adults suffer harm or abuse • Staff at risk of false accusations • Reputational damage	• Safeguarding Children & Vulnerable Adults Policy and Procedures • DBS checks in recruitment processes • Children's Act Section 11 Audit • Engagement with relevant boards and groups • Designated person(s) for safeguarding issues • Staff and Member training programmes • Compliance with all relevant guidance	Fair	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
3 - There is a serious Food or Health and Safety, Environmental or other incident for which the Council is culpable (including Flood Risks)	Assistant Director – Community and Housing	• Failures within of our H&S and Food Safety Inspection regimes give rise to serious incidents with potentially fatal or life changing consequences • Unacceptable Food Safety Return to FSA leads to service intervention • Environmental pollution or nuisance issues are not addressed • Flood risks are not recognised or mitigated • Internally we could fail to meet obligations under the Health & Safety at Work and Fire Safety Acts and allied Regulations • Corporate manslaughter charges	• Draft Annual Food Safety and Health and Safety Plan • Response procedures for Environmental Health complaints and reports • Flood Risk Forum • Internal Health and Safety Assessments and Reviews • Risk Assessments (for staff and contractors) and Safety Procedures • Joint enforcement plans to be established for significant problem sites with RDC planners, the HSE and/or the Environment Agency	Poor	3	4	High
4 - We fail to respond to, or provide, relevant services in the event of an incident or disaster	Assistant Director – Environmental Services	• Loss of internal or public IT services • Loss or reduction in operational capacity • Inadequate response to civil/weather emergencies • Failure to respond to unauthorised or illegal incursions, encampments or events	• Emergency Plans and Business Continuity Plans • Out of hours (OOH) response arrangements. • IT restoration and cover facilities • Essex Countrywide Traveller Committee Partnership Agreement • Use of pre-emptive injunctions to deal with incursions etc.	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
5 - Council held data is lost, disclosed or misused to detriment of individuals or organisations as result of inadequate protection.	Assistant Director Legal Services (SIRO)	• Key operational, commercial, or personal data is lost or disclosed or misused. • Increased risk of loss or disclosure when data is transferred between supply chain partners. • Residents or customers interests put at risk • Commercial or partnership relationships put at risk • Consequential damage claims • Information Commissioner investigations or penalties • Reputational damage • Incorrect decisions made as the result of poor quality, or poorly interpreted, data • Failure to disclose appropriately where required	• Data Protection measures including ICT Security Policies & Procedures • Data sharing protocols • Annual review of systems and software required by Government Connect Code of Connection (CoCo) • Data Quality and Records Management Policy • Compliance with the Transparency Code • Data quality spot checks	Fair	3	3	Med
6 – Community cohesion is impacted adversely by service changes or withdrawals	Chief Executive	• Changes impact unfairly or increase disparity between different communities • Homogenous nature of Rochford District population could lead to the needs of minorities being overlooked and disaffected communities • Deprivation indices worsen as a consequence of changes	• Equality and diversity impact assessments for all major changes • Welfare Reform impact assessment and action as required • Community Safety Partnership • Working with other authorities • RDC action plans, policies and frameworks listed on Risk Analysis	Fair	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
Key Enabler Risks							
7 - Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.	Director with responsibility for the Business Plan	• Council is unaware of stakeholders concerns, needs or ambitions • Lack of a clear vision for the future • Failure to respond to the Devolution agenda	• Consultation programmes involve Members, Residents, Businesses, Service Users, Parishes, Partners and Staff. • Participation in the Pan Essex Devolution initiatives	Good	2	3	Med
8 - We fail to innovate and develop new ways of meeting customer needs and expectations	Chief Executive	• Council fails to respond to changing circumstances or needs in a sustainable way • Services fail and/or are taken over • Ineffective use or understanding of Council asset base	• Council Redesign • Staff involvement in cultural change e.g. the "quick wins team " • Training in Innovation • Revision of Asset Register	Good	2	3	Med
9 - Failure to produce and meet a balanced budget and MTFS that allow for the successful delivery of the priorities contained in the Business Plan or to adequately plan, fund and monitor the Council's Capital Programme.	Section 151 Officer	• Reduced Government funding • Potential reduction in income streams • Potential Increased demand for services • Unexpected new financial liabilities or losses e.g. new Living Wage effect on Contract Prices • Need to transform operations as a result of prolonged budget cuts will create new opportunities with attendant risks.	• Budget monitors and analysis • Quarterly financial reports to the Executive. • Communication of savings and consequences to all stakeholders • Monitoring and analysis of Government announcements • Business Planning linked to Medium Term Financial Strategy (MTFS) • Active treasury and cash	Good	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
			flow management				
10 - Inability to recruit, retain, develop and manage appropriately skilled staff to deliver the Council's priorities.	Assistant Director – Transformat -ional Services	• With expertise vested in fewer individuals, the Council is at greater risk of losing key knowledge, expertise, or skill sets • Increased vacancy rates and lost skills lead to operational pressures and ultimately to service failures • Use of temporary staff or contractors leads to additional costs and/or delays • Service failures lead to potential intervention or loss of funding	• Organisational Development Strategy and Action Plan • Investors in People/Positive about Disabled People • Recruitment policy and procedures • Probationary periods • Induction, Training and Development plans • Performance Reviews • OHS referrals • Procedure notes to be made available to appropriate officers in event of manager or other experienced officers' absence/ non-availability	Fair	4	4	High
11 - Failure to enter into and manage effective partnerships for the delivery of services and outcomes.	Assistant Director – Legal Services	• Failure to adequately specify and agree required outcomes • Failure to manage contracts effectively • Failure of a contractor or contract arrangements • Service delivery failures • Creation of unexpected liabilities. • Increasing number or extent of supply chains require significant expertise or experience to risk manage	• Contract procedures • Contract Terms and Conditions • Monitoring processes and meetings • Contract performance bonds • Clear partnership agreements covering legal, financial and operational arrangements • Training for contract managers as required.	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
12 - The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement.	Section 151 Officer	• Service costs exceed funding available • Contractual commitments become unsustainable • Customer dissatisfaction with VFM	• Sustainable Commissioning and Procurement Strategy • Benchmarking, VFM and best practice case studies • Contract Procedure Rules • Internal and external Audit reports • Expenditure monitors • Business Process Re-engineering • Robust option appraisals	Good	2	3	Med
13 - Failure to ensure good governance of the Council's activities and delivery of its priorities.	Monitoring Officer	• Failure to follow procedures leads to successful appeals or legal challenges • Misuse of the Regulation of Investigatory Powers Act (RIPA) lead to prosecutions • Failure to detect and prevent fraud or to respond to rising trends of fraud. • An increasing propensity for compensation claims could result in additional costs and inefficient use of resources. • Failure to manage performance effectively leading to reduced service delivery	• Business Plans/MTFS • Council Constitution, Financial Regulations and Contract Procedure Rules • Council, Executive and Committee, LTS/LTO minutes and records of decisions • Internal Audit Programme • Performance management system • Legally compliant tendering procedures	Fair	3	4	High

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Likeli-hood	Impact	Risk Rating
		• Failure to supply required data to Government, or meet the Government's Transparency Code • Government intervention in services or governance matters as a result of failures	• Anti Fraud and Corruption Policy and Anti Money Laundering Procedures • Whistleblowing Policy and Procedures • Codes of Governance, Conduct and Registers of Interests • RIPA procedures				

Part 3 Corporate Risk Map

Impact	4 Cata-strophic			Risks 3,13	Risk 10		
	3 Critical		Risks 2,7,8,9,12	Risks 4,5,6,11	Risk 1		
	2 Marginal						
	1 Negligible						
		1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
		Likelihood					

Key	Risk level	Action required
	High	Urgent/imperative to manage down risk – transfer or terminate
	Medium	Seek to influence risk over medium term or transfer out risk e.g. by insuring
	Low	Tolerate and monitor – manage down if possible

Part 4 Risk Scoring

LIKELIHOOD of event occurring					
Negligible – 1	**Very Low – 2**	**Low – 3**	**Significant – 4**	**High – 5**	**Very High – 6**
0% to 5%	6% to 15%	16% to 30%	31% to 60%	61% to 85%	86%to100%

IMPACT of event occurring				
	Negligible – 1	**Marginal – 2**	**Critical – 3**	**Catastrophic – 4**
Financial	£0K - £10K	£10K - £200K	£200K - £1M	£1M- £10M
Service Provision	Minor service delay	Short term service delay	Service suspended/ Medium term delay	Service suspended long term/ Statutory duties not delivered
Project	Minor delay	A few milestones missed	A major milestone missed	Project does not achieve objectives and misses majority of milestones
Health & Safety	Sticking Plaster/first-aider	Broken bones/Illness	Loss of Life/Major illness	Major loss of life/Large scale major illness
Objectives	Minor impact on objectives	Objectives of one section not met	Directorate Objectives not met	Corporate objectives not met
Morale	Mild impact on morale	Some hostile relationships and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention/minor letters	Adverse Local media	Adverse National publicity	Remembered for years!
Government relations	Minor local service issues	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
Political	No interest/ Minor attention	Adverse local media or individual public reaction	Adverse national publicity or organised public reaction	Major political reaction - remembered for years!