
REVIEW OF THE COUNCIL'S RISK MANAGEMENT FRAMEWORK AND CORPORATE RISK REGISTER

1 PURPOSE OF REPORT

- 1.1 This report presents a review and proposed update of the Council's Risk Management Policy and Framework for 2019/20 for Members' consideration and approval.
- 1.2 It also presents the Council's proposed Corporate Risk Register (CRR) for 2019/20 for consideration and approval.

2 INTRODUCTION

- 2.1 The previous report on this topic was presented to the Audit Committee in November 2018 when the six-month review of the CRR was noted.

3 THE RISK MANAGEMENT POLICY AND FRAMEWORK

- 3.1 The Council's risk management policy and framework is included at **Appendix A**. The changes to the policy and framework reflect the evolving organisation of the Council and the process updates in Contract Risk Registers.
- 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 2019/20

- 4.1 The summary Corporate Risk Register for 2019/20 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 High, Medium, or Low Risk. Each of the risks listed in the summary is supported by a fuller risk analysis that is available on request.
- 4.3 The CRR is supported by Service Area Risk Registers (SARRs) owned by each Assistant Director that identify the risks and mitigation controls which apply to each of the Council's service areas. They form part of a continual review and are monitored as part of the CRR review at Leadership Team meetings. The SARRs are available on request.
- 4.4 As part of the 2018/19 Internal Audit programme, risk management is reviewed as is relevant to the audit being undertaken. Tests seek to confirm that controls are in place and operating well to mitigate risk.

5 Six Month review of the Corporate Risk Register

- 5.1 Risks 1, 4, 5, 8, 9, 12, and 13 were reviewed by Leadership Team between October 2018 and April 2019. The majority of changes made reflect the outcomes of training and the recent restructure as well as legislation and best practice updates.
- 5.2 Risks associated with the UK's exit from the European Union have not been specifically listed as these will be dependent upon the evolving national picture. The situation is being closely monitored by Strategic Director and Emergency Planning Officer. Issues relating to the potential of exit with no Withdrawal Agreement in place have been specifically dealt with by the Essex Resilience Forum of which the Council is an active member. Service Areas are being kept informed of the latest developments.
- 5.3 The remaining risks on the Corporate Risk Register will be reviewed over the next 6 months along with emerging issues.
- 5.4 The risks on the Corporate Risk Register sufficiently cover both day-to-day operations and the new projects and initiatives required to achieve the Business Plan.

6 Risk review outside of the Corporate Risk Register

- 6.1 For each individual project, specific risk logs and actions are monitored within the project documentation. These will change as the projects evolve.
- 6.2 For each individual contract deemed Medium to High risk, specific risk logs and actions are monitored as part of the contract monitoring process. These will change as the projects evolve.
- 6.3 For each individual Service Area, risks and actions are monitored with formal reviews taking place every 6 months.

7 Strategic Risk Management Review (Zurich Insurance)

- 7.1 Zurich Insurance Group conducted a strategic risk review of RDC's Risk Management Framework and documentation in October 2018.
- 7.2 The Feedback and Recommendations have been formally adopted into an action plan available in **Appendix C**.

8 RISK IMPLICATIONS

- 8.1 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.

8.2 The implementation and operation of the Risk Management Framework will minimise risks and thus mitigate any potential strategic, operational, reputational, or regulatory consequences.

8.3 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.

9 CRIME AND DISORDER IMPLICATION

9.1 None.

10 ENVIRONMENTAL IMPLICATIONS

10.1 None.

11 RESOURCE IMPLICATIONS

11.1 All risk management activity is undertaken within existing and planned budgets.

12 LEGAL IMPLICATIONS

12.1 The Council's Risk Management Policy and Framework will assist in meeting any specific and general legislative requirements to monitor and manage its risks.

12.2 No new formal delegations are created by the Policy and Framework.

13 PARISH IMPLICATIONS

13.1 None.

14 EQUALITY AND DIVERSITY IMPLICATIONS

14.1 None.

15 RECOMMENDATION

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

(1) to approve the updated Risk Management Policy and Framework.

(2) to approve the content of the Corporate Risk Register for 2019/20.



Naomi Lucas

Section 151 Officer

Background Papers:-

None.

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Rochford District Council
Risk Management Policy and Framework

Contents

Table with 2 columns: Content and Page. Includes sections like Risk Policy Statement, Background and Introduction, Risk Management Framework, and various sub-sections with their respective page numbers.

Appendix 1: Risk Register Template, Risk Scoring Matrix and Risk Map

Appendix 2: Risk Analysis Template

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.

Shaun Scrutton

Managing Director

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 (CRR) and this Register will be regularly reviewed with updates reported to the Audit Committee on a bi-annual basis as a minimum.

The CRR 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 CRR is underpinned by Service Area Risk Registers (SARRs) and individual Project and Contract Risks.

SARR's are owned by each Assistant Director and identify the risks and mitigation controls that apply to each of the Council's service areas. They form part of a continual review and are monitored as part of the CRR review at Leadership Team (LT) meetings.

Project Risks Registers (PRR's) are owned by each Project Lead and identify the risks and mitigation controls that apply to that particular project. They form part of a continual review and are monitored at LT meetings as well as within the function of the Programme Management Office (PMO).

Contract Risks Registers (CoRR's) for Medium to High risk contracts are owned by each Contract Monitoring Officer and identify the risks and mitigation controls that apply to that particular contract. They form part of a continual review and are monitored at LT meetings.

Aim

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

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- 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

Risk Management Framework

1. Process

The development and maintenance of a 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 (LT) will review the Corporate Risk Register and any relevant action plans as a standing item on the LT agenda
- LT will identify and assess the risks appropriate to their areas of operation and maintain appropriate risk registers compliant with the corporate guidance
- Project Leads will identify and assess the risks appropriate to their projects 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 Risk Register template is to be found at **Appendix 1**.

2. Monitoring

In support of the Leadership Team, progress of the actions contained in the Corporate Risk Register will be monitored on a regular basis by the Principal Performance Business Support Officer who will provide reports to LT as necessary and make a bi-annual report to the Audit Committee showing the compliance with, and any changes to, the risk management framework.

Project Risk Registers will be reviewed within the PMO function and reflected in related Corporate Risk Registers.

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. Assistant Directors and Project Leads

Each Assistant Director will work with their service areas to review their Service Area Risk Registers (SARR's) and the impact on related Corporate Risks.

Project Leads will review their Project Risk Registers and the impact on related Corporate Risks.

5. Risk Analysis and Scoring

The risk rating of each of the risks identified in the 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 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 oversee 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
- Note the content of 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 – (LT)

- 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
- Support line managers in providing effective controls to mitigate risks within service areas
- Approve the bi-annual report for the Audit Committee on the status of the risk management framework and process
- The Assistant Director - Legal and Democratic is the Council's Monitoring Officer. The 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 Assistant Director – Legal and Democratic is the Council's Data Protection Officer (DPO). The DPO is responsible for advising on the Council's obligations to comply with General Data Protection Regulations and other data protection laws. They monitor compliance via data protection activities
- The Section 151 Officer is the Council's Senior Information Risk Owner (SIRO). The SIRO is 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 acts as the Council's Risk Champion taking overall responsibility for ensuring progress against the agreed actions

Principal Performance Business Support Officer (PPBSO)

- Manages the implementation of the Risk Management Framework and process on behalf of the Council and its management team
- Supports the implemented processes and offers guidance and advice
- Reports to LT and co-ordinates risk management activity across the Council
- Supports staff across the Council to be adequately trained to undertake risk assessments as required
- Collates risk registers for consideration at LT

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- Prepares the bi-annual report to Audit Committee on progress of the risk management framework, corporate issues, operational risk registers and areas for improvement
- Liaises with the Council's Emergency Planning and Business Continuity Officer to oversee Emergency and Business Continuity Plans
- Supports a coherent approach to risk management and business continuity planning
- Undertakes a review of the corporate and other risk registers as necessary
- Reviews and updates the risk management framework to take into account external and internal changes as well as experience
- Make recommendations to LT 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 a Service Area Risk Register
- Conduct reviews of Service Area Risk Registers
- Prioritise action on operational risks
- Monitor progress on managing operational risks
- Report the results of self-assessment of risk to LT/PPBSO 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

Service Area Risk Review Process (by Service Areas)

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

Project Risk Review Process (by Project Leads)

- Undertake a review of the risks within their project(s) and consider their impact on the wider risk framework

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- Update the risk registers for their project(s) as necessary, taking into account external and internal changes as well as the risks experienced
- Ensure project risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s)
- Work with the Programme Management Office to take account of wider corporate considerations relating to their Project Risk Registers

Contract Risk Review Process (by Contract Monitoring Officers)

- Undertake a review of the risks within their contract(s) and consider their impact on the wider risk framework
- Update the risk registers for their contract(s) as necessary, taking into account external and internal changes as well as the risks experienced
- Ensure contract risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s)

Specialist representatives (Senior Information Risk Owner (SIRO), Internal Audit, Insurance, Legal, IT)

- Provide relevant advice to the LT or PPBSO as necessary to consider implications of Corporate, Service Area Risks, Contracts and/or Project 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 notified to the Audit Committee within reports seeking their approval of the revisions.

Appendices follow:

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

Appendix 2 Risk Analysis Template

Corporate Risk Register 2019/20

Risk Assessment Options:

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 that reduces the risk considerably.

Review Frequency Options:

- Risks should be reviewed regularly (typically quarterly) by the Leadership Team and relevant service areas.
- Risk analyses should be updated accordingly with the full Risk Register revised at least bi-annually.

[TRACK CHANGES REMAIN ON THE FOLLOWING DOCUMENT TO HIGHLIGHT AMENDMENTS MADE WITHIN THE LAST SIX MONTHS](#)

Part 1: Corporate Risks Summary Dashboard

Corporate Risks	Potential Impacts												Residual Likelihood	Residual Impact	Residual Risk	
	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
1 – We fail to deliver the objectives of the Council’s Business Plan in terms of measurable outcomes.		✓	✓	✓			✓	✓	✓			✓	✓	2	3	M
2 – There is a failure to safeguard children and adults with care and support needs from abuse and/or neglect in line with the Council’s legal responsibilities.	✓	✓					✓						✓	2	4	M
3a – There is a serious Food, Environmental or other incident for which the Council is culpable / liable.		✓	✓						✓	✓			✓	2	4	M
3b – There is a serious Health and Safety incident for which the Council is culpable / liable		✓	✓			✓							✓	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
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.		✓		✓			✓	✓	✓		✓	✓	✓	3	4	H
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.		✓					✓		✓		✓	✓		2	3	M
14 – Failure to ensure Rochford’s ICT Estate supports achievement of Business Objectives.		✓	✓	✓			✓	✓	✓		✓			4	3	M
15 – The Council fails to ensure compliance with the General Data Protection Regulations (GDPR) and is unable to demonstrate consistent application of information standards, controls, and statutory compliance.		✓					✓		✓					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*	Residual Likelihood	Residual Impact	Residual Risk Rating
<p>1 – We fail to deliver the objectives of the Council’s Business Plan in terms of measurable outcomes.</p>	<p>Strategic Director</p>	<ul style="list-style-type: none"> • Failure to refine strategic objectives to identify what is to be achieved • Failure to articulate realistic business delivery plans • Failure to allocate sufficient resource and manage key programmes of work effectively • Failure to manage performance effectively 	<ul style="list-style-type: none"> • Business Plan agreed and supported by MTFS • Key programmes of work defined • Plans identify key priorities for service delivery • Budgets set for work programmes and projects • Project Plans with Progress Monitoring and Programme Office responsibilities • Project Risk Registers 	<p>Good</p>	<p>2</p>	<p>3</p>	<p>Med</p>
<p>2 – There is a failure to ensure the safeguarding of our children and adults in the district There is a failure to safeguard children and adults at risk in line with the Council’s legal responsibilities.</p>	<p>Safeguarding Lead Officer with support from the Deputy Lead Officer – Assistant Director – People and Communities</p>	<ul style="list-style-type: none"> • Children or adults with care and support needs put at risk of abuse • Children or adults with care and support needs suffer harm or abuse • Staff at risk of false accusations • Reputational damage • Financial damage • External intervention in the running of the Council as a 	<ul style="list-style-type: none"> • Safeguarding Policy and Procedures • DBS checks in recruitment processes • Member of both Essex Safeguarding Boards. • Engagement with relevant sub groups of the Safeguarding Boards • Dedicated Safeguarding Officer Project Team to achieve and maintain 	<p>Good</p>	<p>2</p>	<p>4</p>	<p>Med</p>

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		result of safeguarding incidents	90%+ compliance with the Essex Safeguarding Boards' set standards <ul style="list-style-type: none"> • Designated Safeguarding Link Officers across the organisation • Staff and Member training programmes • Compliance with all relevant guidance 				
3a – There is a serious Food, Environmental, or other incident which arises or continues due to a failure by the Council.	Assistant Director – People and Communities	<ul style="list-style-type: none"> • Failures within of our 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 • Corporate manslaughter charges 	<ul style="list-style-type: none"> • Annual Food Safety Plan • Response procedures for Environmental Health complaints and reports • Joint enforcement plans to be established for significant problem sites with RDC planners, the HSE and/or the Environment Agency 	Good	2	4	Med
3b – There is a serious Health and Safety incident for which the Council is culpable / liable.	Assistant Director – Assets and Commercial	<ul style="list-style-type: none"> • Failures within of our H&S regimes give rise to serious incidents with potentially fatal or life changing consequences • Internally we could fail to 	<ul style="list-style-type: none"> • Annual Corporate Health and Safety Plan • Internal Health and Safety Assessments and Reviews 	Poor	3	4	High

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		<p>meet obligations under the Health & Safety at Work and Fire Safety Acts and allied Regulations</p> <ul style="list-style-type: none"> Corporate manslaughter charges 	<ul style="list-style-type: none"> Health & Safety Co-ordinators (HSCs) / Fire Marshals (FM's) and First Aiders in place 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 				
<p>4 – We fail to respond to, or provide, relevant services in the event of an incident or disaster.</p>	<p>Assistant Director – Assets and Commercial</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Emergency Plans and Business Continuity Plans Out of hours (OOH) response arrangements. IT restoration and cover facilities Essex Countrywide Traveller Committee Partnership Agreement IT incident reviews 	<p>Good</p>	<p>3</p>	<p>3</p>	<p>Med</p>
<p>5 – Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.</p>	<p>Assistant Director – Democratic Services Section 151 Officer (SIRO)</p>	<ul style="list-style-type: none"> Key operational, commercial, or personal data is lost, disclosed, or misused. Increased risk of loss or disclosure when data is transferred between supply 	<ul style="list-style-type: none"> Data Protection measures including ICT Security Policies & Procedures Data sharing protocols 	<p>Fair</p>	<p>3</p>	<p>3</p>	<p>Med</p>

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		chain partners. <ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Annual review of systems and software required by Government Connect Code of Connection (CoCo) • Information Security Policies • Compliance with the Transparency Code • Data quality spot checks 				
7 + Failure to engage with stakeholders to understand and communicate what the Council should be trying to achieve.	Strategic Director	<ul style="list-style-type: none"> • Council is unaware of stakeholders concerns, needs or ambitions • Lack of a clear vision for the future • Failure to respond to the Devolution agenda 	<ul style="list-style-type: none"> • Consultation programmes involve Members, Residents, Businesses, Service Users, Parishes, Partners and Staff • Communications initiatives including RDC website • Networking meetings with partners organisations and businesses • Equality and diversity 	Good	2	3	Med

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
			impact assessments of service changes and other proposals				
<p>8 – We fail to innovate and develop new ways of meeting customer needs and expectations.</p>	<p>Managing Director</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Transformation Projects including the Connect transformation project • Staff involvement in cultural change e.g. the “quick wins team “ • Training in Innovation • Project Risk Registers 	<p>Good</p>	<p>2</p>	<p>3</p>	<p>Med</p>
<p>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.</p>	<p>Section 151 Officer</p>	<ul style="list-style-type: none"> • The Council is not able to set a balanced budget in line with its statutory duties • The Council reserves and balance levels are unsustainable in the event of an unforeseen contingency requirement • The Council cannot deliver its business plan objectives effectively due to financial constraints • The council does not have sufficient cash flow to meet its contractual obligations 	<ul style="list-style-type: none"> • Robust Medium Term Financial Strategy (MTFS) process linked to Business Plan objectives • Robust budgetary monitoring and control • Quarterly financial monitoring reports to the Executive • Communication of savings delivery and consequences to all stakeholders • Monitoring and analysis of Government funding announcements for future financial planning 	<p>Good</p>	<p>3</p>	<p>4</p>	<p>High</p>

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
			<ul style="list-style-type: none"> • Active treasury and cash flow management • Twice-yearly cross party Member Away days to discuss Financial Strategy and Corporate Matters 				
<p>10 – Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council’s priorities.</p>	<p>Managing Director</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • People Plan - Organisational Development Plan • Transformation Projects • Positive about Disabled People • Recruitment policy and procedures • Probationary periods • Induction, Training and Development plans • Performance Reviews Appraisals • OHS referrals • Procedure notes to be made available to appropriate officers in event of manager or other experienced officers’ absence/ non-availability • Staff Survey and People 	<p>Fair</p>	<p>4</p>	<p>4</p>	<p>High</p>

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
11 – Failure to enter into and manage effective partnerships and contracts for the delivery of services and outcomes.	Assistant Director – People and Communities with support from all Assistant Directors with contract responsibilities	<ul style="list-style-type: none"> • 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 	<p>Plan</p> <ul style="list-style-type: none"> • Contract procedures • Contract Terms and Conditions • Monitoring processes and meetings • Contingency and business continuity arrangements • Contract performance bonds • Clear partnership agreements covering legal, financial and operational arrangements • Training for contract managers as required. • Project Risk Registers 	Good	3	3	Med
12 – The Council could fail to provide consistent Value for Money (VFM) across all services or obtain VFM in its procurement.	Section 151 Officer	<ul style="list-style-type: none"> • Service costs exceed funding available leading to overspends and loss of financial control • Contractual commitments become unsustainable • Customer dissatisfaction with VFM 	<ul style="list-style-type: none"> • Sustainable Commissioning and Procurement Strategy • Benchmarking, and best practice case studies • Contract Procedure Rules • Internal and external Audit reports 	Good	2	3	Med

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Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
			<ul style="list-style-type: none"> • Expenditure monitoring and reporting to Members • Business Process Re-engineering as required • Robust option appraisals 				
<p>13 – Failure to ensure good governance of the Council’s activities and delivery of its priorities.</p>	<p>Assistant Director – Legal and Democratic (Monitoring Officer)</p>	<ul style="list-style-type: none"> • 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 • Failure to supply required data to Government, or meet the Government’s Transparency Code • Government intervention in services or governance 	<ul style="list-style-type: none"> • Business Plans/MTFS • Council Constitution, Financial Regulations and Contract Procedure Rules • Council, Executive and Committee, LT minutes and records of decisions • Internal Audit Programme • Performance management • Legally compliant tendering procedures • Anti-Fraud and Corruption Policy and Anti Money Laundering Procedures • Whistleblowing Policy and Procedures • Codes of Governance, Conduct and Registers 	<p>Good</p>	<p>2</p>	<p>3</p>	<p>Med</p>

Report to Audit Committee 21 May 2019 – Appendix B

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		matters as a result of failures	of Interests • RIPA procedures				
14 – The Council could fail to ensure Rochford’s ICT Estate supports achievement of Business Objectives.	Assistant Director – Transformation and Customer	<ul style="list-style-type: none"> • Fail to maintain an ICT Strategy that is fit for purpose • Be unable to obtain replacement contractors at short notice with consequent and have to obtain replacement contractors charging premium prices for service recovery actions • Experience adverse effects on service with consequent reputational risks • Fail to update software/hardware leading to application and service delivery failure • Fail to adequately manage ICT projects 	<ul style="list-style-type: none"> • ICT/Digital Roadmap • Project plans • Software Asset list • Budget controls • Contract Management 	Fair	4	3	Med
15 – The Council fails to ensure compliance with the General Data Protection Regulations (GDPR) and is unable to demonstrate consistent application of information standards, controls, and statutory compliance.	Assistant Director – Legal and Democratic	<ul style="list-style-type: none"> • Failure to process sensitive/personal data appropriately leading to potentially substantial fines • Information Commissioner investigations and/or penalties 	<ul style="list-style-type: none"> • Compliance with relevant Policies and Procedures • Roles and Responsibility Training • ‘Opt In’ Consent fully detailed on all relevant paperwork. 	Good	3	4	High

Report to Audit Committee 21 May 2019 – Appendix B

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
			<ul style="list-style-type: none"> Internal Compliance Audits 				

|

Part 3 Corporate Risk Map

Impact	4 Catastrophic		Risk 2 and 3a	Risks 3b, 9 and 15	Risk 10		
	3 Critical		Risks 1, 7, 8, 12 and 13	Risks 4, 5 and 11	Risk 14		
	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					
1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
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 / communities	Long term Impact on large group of clients / customers/ communities	Long term impact on vulnerable people	

Leadership and Management		
1 Develop and define a risk appetite approach, including training and education in order to raise awareness and understanding about its adoption and value. This will support considered risk taking.		
Action	Owner	Deadline
a) Research Risk Appetite and Tolerance approaches. Statement to be published alongside updated Corporate Risk Framework at Audit Committee in May 2019	PPBSO / Section 151	March 2020
b) Research training opportunities for all capabilities <ul style="list-style-type: none"> • All staff – E Learning • Members – incorporated into other Member Training • Team Leaders / Risk Owners – Facilitated Workshop • Leadership Team – Facilitated Workshop 	PPBSO	May 2019
c) Refresh Risk Management Intranet and Internet pages: http://intranet.rochford.gov.uk/risk-management <ul style="list-style-type: none"> • Corporate Risk Framework, Documentation and Process • Corporate Risk Register Summary Document • Awareness and Case Studies 	PPBSO	May 2019
d) Horizon Scanning process to be formalised alongside Business Plan, Service Delivery, and Project forecasts for the next 3 years and reviewed at Leadership Team Meetings.	PPBSO	May 2019
2 Facilitated Leadership Team workshop to check and challenge the corporate risk register and content.		
Action	Owner	Deadline
a) Decision as to whether this should be consultant led or in house and at what frequency. Budget consideration.	Section 151	May 2019

Strategy and Policy		
3 Consider the frequency, format, and content of corporate risk reporting to the Leadership Team.		
Action	Owner	Deadline
a) Decision on frequency of Standing Item on Leadership Team Agenda covering Corporate Risk, Service Area High Risk/Amended Risks, Project Risk, Contract Risks and emerging issues.	Section 151	May 2019
b) Project Management Office to include risk review as part of its discussions.	Strategic Director	December 2018 IMPLEMENTED
Processes and Tools		
4 Allocate a longer time period for risk at Leadership Team Meetings so that risk can be scrutinised more effectively and discussed more broadly if required.		
Action	Owner	Deadline
a) Conversion from a Word to Excel based risk management administration system to strengthen reporting. Run alongside Word Process to build in improvements.	PPBSO	June 2019
Risk Handling and Assurance		
5 Ensure that all fields within the risk register templates are robustly completed or challenged where required, particularly on controls and actions. The addition of cause and effect analysis should assist with this in practice.		
Action	Owner	Deadline
a) Consider the cause/effect addition into Service Area Risk Registers post training	PPBSO	March 2020
b) Ensure that Corporate Risk Register and Service Area Risk Registers linkage is updated, impacts considered and discussed at the quarterly Leadership Team. (Linked to Internal Audit Recommendation)	PPBSO	June 2019
c) Formal challenge process on risk registers content to be implemented. Supported by Internal Audit reviews.	PPBSO	July 2019

(Linked to Internal Audit Recommendation)		
People and Training		
<p>6 Development of a risk management training programme. This should identify the expected level or risk management capability for key levels within RDC i.e. Members, Senior Managers, all staff. This should then be developed into a regular pro-active training schedule e.g. annual refresher for relevant Members, induction for new managers etc.</p>		
Action	Owner	Deadline
a) Determine risk awareness levels required by staff and determine frequency of training. Linked to Recommendation 1b)	PPBSO	May 2019
b) Consider appropriate training, awareness channels for specialist staff	Section 151	March 2020
c) Make use of contracts, partnerships and forums for awareness and training opportunities	PPBSO	March 2020
<p>7 Consider including risk insights into staff communications so that awareness of the RDC risk management approach and risks that it is exposed can be improved.</p>		
Action	Owner	Deadline
a) Linked to Recommendation 1c)		
Partnerships, Shared Risks and Projects		
<p>8 Ensure that project leads understand the requirement and necessity for a robust risk assessment and that this is undertaken. It must also be ensured that the Project Management Office has authority to ensure that this process is undertaken.</p>		
Action	Owner	Deadline
a) Risk Assessment documentation to be reviewed for completeness	PPBSO	March 2020

Risk Management Health Check Report Rochford District Council

Adam Lickorish, Senior Strategic Risk Consultant

November 2018

Zurich Municipal



12.31

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Introduction & Methodology

Zurich have been commissioned by Rochford District Council (RDC) to review the effectiveness of the organisation's risk management arrangements. In order to measure the maturity of risk management a Performance Model has been used which breaks down risk management activity into six categories that contribute towards effective risk management arrangements within an organisation:

Leadership & Management	Do senior management and Members support and promote risk management?
Strategy & Policy	Are there clear strategies and policies for risk?
People & Training	Are your people equipped and supported to manage risk well?
Processes & Tools	Does the risk management processes support the business effectively?
Risk Handling & Assurance	Are risks handled well and does the organisation have assurance that risk management is delivering successful outcomes and supporting creative risk-taking?
Partnership, Shared Risks & Projects	Are there effective arrangements for managing risks with partners and in projects?

The model enables an assessment to be made around the extent to which risk management is having a positive effect on the organisation. The five levels of maturity are as follows:

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
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A series of observations and recommendations are outlined in the following slides for consideration.

Executive Summary

There is clear evidence that the organisation recognises the need and importance to engage in risk management and has the appropriate tools and methodologies to do so. As part of this review we were provided with the following key documents, Corporate Risk Policy and Framework Document 2018/19, Corporate Risk Register, Corporate Risk Assessment Forms and Service Area Risk Registers. To provide context to the documentation provided we undertook a series of interviews, either face to face or via conference call. We would like to express thanks to these individuals for their time and views. Those who took part are included in Appendix 1.

We have identified a number of recommendations to enhance the existing organisational risk management framework, to drive value from the process and help to inform decision making at all levels of the organisation. There is a good level of buy-in from senior leadership and this should be used to drive the risk maturity of the organisation forwards.

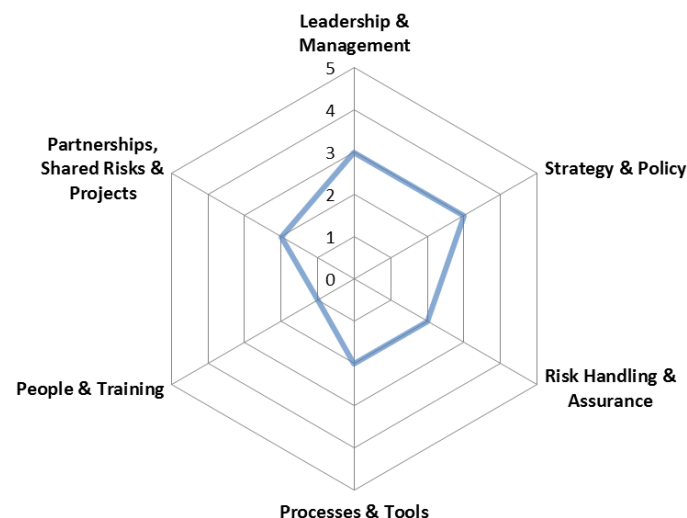
Although some of the baseline assessments may appear low in places, there is evidence that improvements are relatively easy to implement and would see higher maturity levels being easily attained if the current momentum and desire for engaging and embedding risk management is continued and supported.

There are five priority areas for improvement:

1. Enhance Leadership Team reporting of the total risk profile
2. Service Area risk register completion and robustness
3. Develop a RDC risk appetite approach
4. Enhance project risk engagement
5. Develop a pro-active risk management training programme and risk awareness communication

Within these key areas there are several suggested steps which could help the organisation to further embed robust risk management processes and attain higher levels of maturity, some of which are easy to implement and would see quick progress.

The following pages provide further detail around our conclusions together with recommendations for improvement.



Leadership & Management

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
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This section seeks to determine whether senior management support and promote risk management

Through the interviews undertaken it was apparent that there were good levels of risk management leadership. This was demonstrated through the discussions held with the senior management and officers.

The importance of risk management was acknowledged throughout the interviews along with a desire by some to focus more on it. Each corporate risk is owned by a member of the Leadership Team, and they are also responsible for their service area risk registers.

All interviewees came across as being engaged and risk aware on risk management and were able to articulate the process, framework and risks faced by the organisation within in their own area of expertise.

To drive informed risk based decision making through leadership, an organisation must have a clearly defined risk appetite methodology to apply to the risks that it faces. The Corporate Risk Policy and Framework Document stipulates that the Leadership team are responsible for determining the RDC risk appetite but it is understood that this has not been formally agreed or documented. By developing a risk appetite methodology, decision making and risk tolerance can be defined and driven forwards allowing for resources to be prioritised and focussed.

To progress along the risk maturity scale in this area RDC should consider the following:

1. Develop and define a risk appetite approach, including training and education in order to raise awareness and understanding about its adoption and value. This will support considered risk taking.
2. Facilitated Leadership Team workshop to check and challenge the corporate risk register and content.

Strategy & Policy

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
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This section seeks to determine whether clear strategies and policies exist for risk management

The organisation has in place a recently revised Corporate Risk Policy and Framework document 2018/19. The document includes the core aspects and topics that would be expected within it, i.e. roles and responsibilities, reporting and the risk assessment process.

From reviewing the document and interviews it is apparent that there is a good understanding of the processes and methodologies that the organisation has adopted and that these are followed in the main.

Corporate risks are discussed at Leadership Team on a cyclical basis, as part of the rolling risk review programme however not usually as a collective set of risks. We would expect a Leadership Team to receive the corporate risk register on a quarterly basis as a minimum so that the corporate risk profile can be considered in its entirety. This should then assist in enhancing risk based decision making and also collective ownership of the risks on the risk register.

The reporting of corporate risks to the leadership team should be considered, both in terms of format and frequency. The inclusion of supporting operational risk information from service area risk registers should also be considered for inclusion on an exception basis. For example, where risk scores have changed over the course of a reporting period, particularly if there are a number of them impacting one or more corporate risks.

The following should be considered:

3. Consider the frequency, format and content of corporate risk reporting to the Leadership Team.

Observations & Recommendations



Processes & Tools

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
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This section seeks to determine whether the organisation has effective risk processes to support the business

Through this review it has been ascertained that the organisation has appropriate processes and tools in place to manage risk, however enhancements could be made to improve effectiveness. At each review cycle, the risk manager will remind risk owners that risk registers are due for review and is available to assist in the updating and review process should it be requested.

Currently the time on the Leadership Team meeting agenda is limited for a detailed and lengthy discussion on the risk profile of the organisation. It is felt that given managements' commitment to risk management if more time were allocated to risk it would provide greater opportunities to discuss controls, actions and emerging risks. The aim being to add further value to the decision making processes within RDC, particularly given the changing risk landscape that the organisation will be facing over the next 1 to 3 years.

All of the risk registers are currently maintained in Microsoft Word templates, which make the review, update and monitoring of items such as missed deadlines fairly difficult and time consuming. RDC may wish to consider using excel to streamline this activity as it will allow for easier monitoring of review dates, action implementation dates and filtering on risk scores. This should therefore help with the reporting processes moving forward.

The following should be considered:

- 4. Allocate a longer time period for risk at Leadership Team Meetings so that risk can be scrutinised more effectively and discussed more broadly if required.

Risk Handling & Assurance

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
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This section seeks to determine whether risks are handled well and the organisation has assurance that risk management is delivering successful outcomes and supporting creative risk-taking

The corporate risk register document includes a risk map and summary dashboard to provide an overview of the RDC risk profile versus various impacts. This is inline with expectations and is as a good way of visually representing the exposures. The Corporate Risk Assessment template also includes a controls assurance section where senior management are requested to provide a view on control effectiveness, which is seen as a positive element. In the main, risks are well articulated. For service area risk registers, the organisation could consider amending the format to include a cause and effect analysis that sets out what would trigger the risk to happen and what the effects could be if the risk materialised. The additional benefit of doing this is that it allows risk owners to more easily identify and align controls and ensure that they actually address the risk in an effective manner.

One area that has been identified for enhancement is the visibility of the linkage between corporate and service area risk. This information is requested however it is not robustly completed. Visibility of this will assist the users of the reports in gaining a fuller and wider understanding of the risk profile in question.

It is felt that completion of information within the Service Area risk registers on actions, including implementation dates and owners would provide greater visibility of what action is being undertaken to further mitigate risks. Therefore, recommendations in this area include:

- 5. Ensure that all fields within the risk register templates are robustly completed or challenged where required, particularly on controls and actions. The addition of cause and effect analysis should assist with this in practice.

People & Training

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
---------------------	----------------------	--------------------	---------------------	--------------------

This section seeks to determine whether people are equipped and supported to manage risk well

It was generally felt that risk management expertise and capabilities across those interviewed was of a good standard.

The Principal Performance Business Support Officer, who facilitates the risk management process and is essentially the organisation's risk manager is available to provide advice and guidance to officers as required.

Training on risk management is not undertaken on a pro-active basis, however it should be noted that senior management received training from an external provider on risk management in contracts and personal liability in November 2018 which is as a positive step.

Considerations include:

6. Development of a risk management training programme. This should identify the expected level of risk management capability for key levels within RDC. i.e. Members, Senior Managers, all staff. This should then be developed into a regular pro-active training schedule. e.g. annual refresher for relevant members, induction for new managers etc.
7. Consider including risk insights into staff communications so that awareness of the RDC risk management approach and risks that it is exposed can be improved.

Partnerships, Shared Risks & Projects

Level 1 Engaging	Level 2 Happening	Level 3 Working	Level 4 Embedded	Level 5 Driving
---------------------	----------------------	--------------------	---------------------	--------------------

This section seeks to determine whether there are effective arrangements for managing risks with partners and within projects

During the interviews, the processes for managing risks within contracts and partnerships was discussed.

From a risk management perspective, it important to understand how risk is to be managed within such arrangements and how the risk governance and reporting aspects feed back into the organisation.

Whilst interviewees provided some level of assurance that risks were well understood and managed, particularly within projects, it was clear that a structured framework and methodology was not consistently in place and is something that the organisation should consider.

The organisation has a Project Management Office in place and part of the role of the PMO is to monitor and ensure that there are Project Risk Registers in place for each project that the organisation undertakes. This requirement is stipulated within the revised Corporate Risk Policy and Framework Document 2018/19.

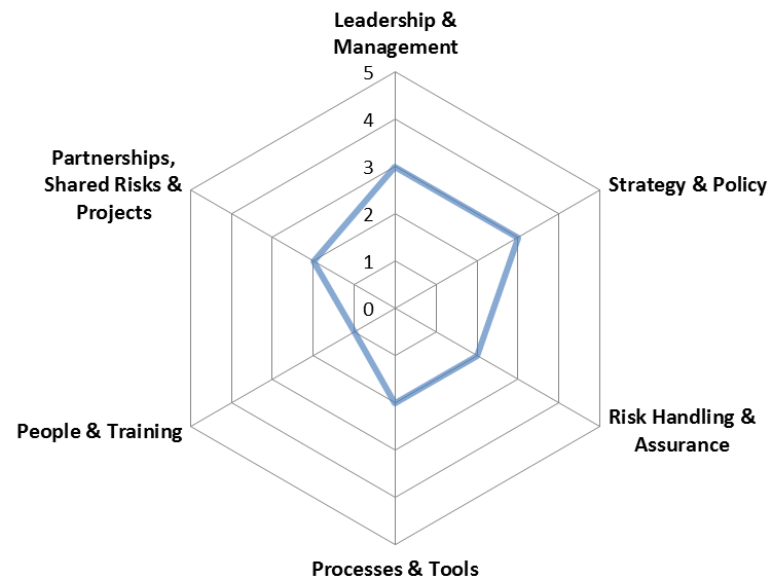
In order to drive improvements in this area the organisation should consider the following:

8. Ensure that project leads understand the requirement and necessity for a robust risk assessment and that this is undertaken. It must also be ensured that the PMO has authority to ensure that this process is undertaken.

Strengths & Development Areas

Key Strength(s):

- ✓ Sound risk management methodologies
- ✓ Risk manager review process
- ✓ Risk management understanding
- ✓ Framework and supporting documentation
- ✓ Summary Dashboard & Risk Map



Areas to focus development:

- Reporting of organisation wide risk profile and time allocated to risk discussions at Leadership Team Meetings
- Completeness of Service Area risk registers
- Risk Management Training and Awareness
- Risk Reporting (action progress, format, frequency)
- Approach to Risk Appetite (awareness and understanding)
- Project Risk Management

Appendix 1 – List of Interviewees

Name	Role
Naomi Lucas	Section 151 Officer
Katie O'Brien	Principal Performance Business Support Officer
John Bostock	Assistant Director – Democratic Services
Louisa Moss	Assistant Director – Community & Housing
Matthew Petley	Head of Finance
Dawn Tribe	Assistant Director – Transformation
Laura Bliss	Senior Corporate Communication Officer
Angela Hutchings	Strategic Director
Angela Law	Assistant Director – Legal Services
Marcus Hotten	Assistant Director – Environmental Services
Matt Harwood White	Assistant Director - Commercial
Nicky Amor	Human Resources

Appendix 2 – Summary of Recommendations

Section	Recommendation
Leadership & Management	1. Develop and define a risk appetite approach, including training and education in order to raise awareness and understanding about its adoption and value. This will support considered risk taking.
	2. Facilitated Leadership Team workshop to check and challenge the corporate risk register and content
Strategy & Policy	3. Consider the frequency, format and content of corporate risk reporting to the Leadership Team.
Processes & Tools	4. Allocate a longer time period for risk at Leadership Team Meetings so that risk can be scrutinised more effectively and discussed more broadly if required.
Risk Handling & Assurance	5. Ensure that all fields within the risk register templates are robustly completed or challenged where required, particularly on controls and actions. The addition of cause and effect analysis should assist with this in practice.
People & Training	6. Development of a risk management training programme.
	7. Consider including risk insights into staff communications so that awareness of the RDC risk management approach and risks that it is exposed can be improved.
Partnerships & Shared Services	8. Ensure that project leads understand the requirement and necessity for a robust risk assessment and that this is undertaken. It must also be ensured that the PMO has authority to ensure that this process is undertaken.

Risk Register Template

Risk Assessment Options:

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 that reduces the risk considerably.

Review Frequency Options:

- Risks should be reviewed regularly (typically quarterly) by the Leadership Team and relevant service areas.
- Risk analyses should be updated accordingly with the full Risk Register revised at least bi-annually.

Part 1 – Risk Summary

Risk	Risk Owner(s)	Principal impacts or consequences	Principal controls & actions	Quality of controls	Likelihood	Impact	Risk Rating
A short description of each key risk	Selected from the Leadership Team	<ul style="list-style-type: none"> Short descriptions of the potential failures or outcomes. Any additional information 	<ul style="list-style-type: none"> Summary of controls in place or the additional controls required Actions to be taken 	Assessment as per notes above	See Part 3 Risk Scoring Matrix	See Part 3 Risk Scoring Matrix	See Part 2 for Risk Map

Part 2: Risk Map

Plot the Part 1 Risks on the following Risk Map as per its Likelihood and Impact scores

Impact	4 Catastrophic						
	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					

Part 3: Risk Scoring Matrix

LIKELIHOOD of event occurring					
1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
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 / communities	Long term Impact on large group of clients / customers/ communities	Long term impact on vulnerable people	

Report to Audit Committee 21 May 2019 – Appendix 2

Risk No(s):	Risk Descriptor(s): Risk Management objectives/Notes:	Risk Owner:
		With Support From:

Risk prior to controls					
Likelihood		Impact		Risk Rating	
Residual Risk					
Likelihood		Impact		Risk Rating	
Leadership Team Review Frequency:					
Audit Committee Review					

Risk Elements, Characteristics and Consequences	
The Council could fail to: •	Impacts could include: •

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: