
RISK MANAGEMENT FRAMEWORK AND CORPORATE RISK REGISTER.

1 SUMMARY

- 1.1 This report summarises the progress made under the Council's Risk Management Framework up to September 2009 and provides an update of that framework and of the Corporate Risk Register for 2009/10 for Members' consideration and approval.

2 INTRODUCTION

- 2.1 The Council's current Risk Management Framework, which incorporates our Risk Management Policy and the Corporate Risk Register, was previously approved by the Audit Committee on 4 December 2008.
- 2.2 An updated and revised Risk Management Framework is presented as Appendix A to this report.
- 2.3 The underlying philosophy of the Risk Management Framework continues to be to minimise bureaucracy attached to risk management whilst maximising its effectiveness.

3 RESPONSIBILITY FOR THE RISK MANAGEMENT FRAMEWORK

- 3.1 The Audit Committee has the responsibility for the oversight of the Risk Management Framework.
- 3.2 The officer with overall responsibility for the Risk Management Framework is the Head of Finance, Audit and Performance Management.
- 3.3 The Audit and Performance Manager will be responsible for reporting progress to the Audit Committee.

4 RISK MANAGEMENT FRAMEWORK - PROGRESS

- 4.1 The Risk Management Framework sets out how the Council will ensure, and demonstrate, that risk is managed and that risk management is of the highest quality consistent with the efficient and effective use of its resources.
- 4.2 The framework has been implemented by an officer working group - the Corporate Risk Group (CRG), reporting to the Service Development and Improvement Management Team (SDIMT) and thence to the Senior Management Team (SMT). The CRG meets at approximately monthly intervals and has reviewed risk management arrangements and actions at both Corporate and Divisional level.

- 4.3 The risk scoring mechanism used within the Corporate Risk Register is also used in Divisional level Risk Registers and the Rochford Project Management and Divisional Planning frameworks. Risk management activity is thus linked to the relevant operational and business planning and review cycles ensuring that risk management is integrated with day-to-day business activity.
- 4.4 The Risk Management Policy contained within the revised Framework document is unchanged from that approved in 2006.
- 4.5 The Risk Management Framework roles and responsibilities have been subject to minor updates to reflect the current organisational structure of the Council.
- 4.6 A new section, "7. Removal of Risks from the Corporate Risk Register" has been added to the Framework.

5 THE CORPORATE RISK REGISTER FOR 2009/10

- 5.1 The updated version of the Council's Corporate Risk Register is attached as Appendix B to this report.
- 5.2 The Corporate Risk Register (CRR) is focused on the key strategic risks that could prevent or inhibit the achievement of the Council's key objectives of:-
- Making a difference to our people
 - Making a difference to our community
 - Making a difference to our environment
 - Making a difference to our local economy
- 5.3 Each of the risks contained in the CRR has been reviewed using a detailed risk analysis, an example of which is attached at Appendix C. The analysis also incorporates a summary action plan for the mitigation of each risk. The detailed risk analyses are approved by the relevant officer with responsibility for that risk, and are available for Members' inspection, if required.
- 5.4 The Corporate Risk Register is underpinned by Divisional Risk Registers that identify the risk management arrangements developed to mitigate the operational risks faced by each of the Council's service areas.
- 5.5 For 2009/10 two risks have been removed from the Corporate Risk Register, they are:-
- Risk 10** - Failure to achieve an improved grading within CPA - An improved grading was achieved in the 2008 CPA Re-inspection.
- Risk 15** - Failure to meet additional costs of concessionary fares schemes – Revised funding arrangements mean the risk is now borne by Essex County Council.

- 5.6 There is one addition to the Corporate Risk Register for 2009/10 which is “Risk 17 - Failure to adapt to climate change”. The addition of this risk shows the Council recognises the importance of Climate Change on the future of Rochford District.
- 5.7 The 2009/10 risk register also includes “Risk 2a - Failure of the Council to respond appropriately to the economic downturn,” which was added following a report to the Audit Committee in June 2009.
- 5.8 Pertaining to Risk 2a, the Audit Committee meeting of June 2009 asked for more information to be provided on initiatives being undertaken in the Strategic Housing team to alleviate homelessness. To date there has not been a significant increase in applications for assistance due to the economic downturn. The situation is, however, being closely monitored. Although the number of approaches regarding mortgage problems is very low, negotiations are nevertheless continuing with The Citizens Advice Bureau with a view to introducing a Mortgage Rescue Scheme with the Bureau being paid on a case by case basis. The Government has provided Repossession Prevention Funding but so far no cases have met the eligibility criteria.
- 5.9 Homelessness prevention work continues to focus on helping applicants access the private rented sector by way of deposits/rent in advance/loans. The Council's budget has recently been supplemented by funds secured through the Local Area Agreement and made available to the Local Strategic Partnership and related partnerships. There are additional, albeit limited, budgets available for specific initiatives and options for the best use of these budgets are currently under consideration.

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 will mean that the Council's score in future external inspections, such as the Comprehensive Area Assessment and the Use of Resources assessments, could be jeopardised.

7 LEGAL IMPLICATIONS

- 7.1 The Council's Risk Management Policy and Framework will assist in meeting any specific and general requirement to monitor and manage its risks.

8 RECOMMENDATION

- 8.1 It is proposed that the Committee **RESOLVES**

- (1) That the revised Risk Management Framework and Policy be approved.
- (2) That the revised Corporate Risk Register be approved.
- (3) That risk management progress reports be considered by the Audit Committee twice a year with the next report being due in early 2010.

Yvonne Woodward

Head of Finance Audit & Performance Management

Background Papers: -

None.

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If you would like this report in large print, Braille or another language please contact 01702 546366.

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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 effective control of public funds
- Promote the reputation of the Council
- Support the quality of the environment

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

Paul Warren
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 into all operations and service planning processes.

This Register and the Risk Action Plans will be regularly reviewed and updated on an annual basis as a minimum. The register covers significant risks, that is those that, if they materialised, would have a significant impact on the achievement of the Council's ambitions. These include the failure to capitalise on opportunities

The Corporate Risk Register is developed using the notion of residual risk. This notion assumes that controls put in place, will usually lessen the inherent 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 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 severity of consequences should risks occur.
- Ensure those identified risks are monitored on an ongoing basis and reported annually to Members.
- Compile an annual assurance statement on the effectiveness of the arrangements for risk management.

The Council aims to achieve these actions by implementing this risk management strategy, and setting out the roles and responsibilities of officers key to its implementation.

Corporate Risk Management Framework and Strategy

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 Corporate Risk Group (CRG) will keep under review, the corporate Risk Register and any relevant action plans on a regular basis.
- Divisional management teams will identify and assess the risks appropriate to their areas of operation.
- Action plans will be prepared for all significant risks for which additional controls are required.
- The CRG will seek SMT and Audit Committee approval of the revised register on an annual basis.

2. Monitoring

Progress of the actions contained in the Corporate Risk Register will be monitored on a regular basis by the CRG who will provide an annual report to committee detailing the risk management framework.

3. Assurance of Controls

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

4. Risk Champions

The Head of Finance Audit and Performance Management is appointed as the Council's Officer Risk Champion taking overall responsibility for ensuring progress against the agreed actions. A Member Risk and Business Continuity Champion is appointed to raise awareness of risk management amongst Members.

5. Risk Scoring

A summary of the perceived risk rating of each of the risks identified in the Corporate Risk Register is to be found at page 7 of this document. The rating is based on the estimated likelihood and impact of each risk in accordance with the scoring matrix at page 9 of this framework document.

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6. 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 role are:-

Elected Members

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

- Agreeing structures for planning and monitoring risks across the authority
- Approving the risk management strategy, framework and process
- Receiving reports on the management of risk
- Approving the annual report/statement on the risk management processes.

Senior Management Team (SMT)

- Approve and adopt a risk management strategy, framework and process 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 Divisional and 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, strategy and process (see above).

Corporate Risk Officer

- Manages the implementation of the integrated framework, strategy and process on behalf of the Council and its management team.
- Ensures the processes are implemented and offers guidance and advice.
- Chairs CRG and co-ordinates risk management activity across the Council

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- Ensures staff across the Council are adequately trained to undertake risk assessments as required
- Collates divisional risk registers and controls assurance statements for consideration at CRG
- Prepares the annual report to Audit Committee on progress of risk management framework, corporate issues, divisional 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 Business Continuity Plans.

Corporate Risk Group (CRG)

- Ensure a cohesive approach to risk management and business continuity planning
- Undertake a programmed annual review of the corporate and divisional risk registers together with additional reviews when necessary
- Annually review and update the risk management framework strategy to take into account external and internal changes as well as experience.
- Analyse, collate and monitor risk registers and associated action plans (including business continuity planning as appropriate), receiving and reviewing reports from risk owners
- Assist with the annual report for Audit Committee.
- Make recommendations to SDIMT/SMT regarding the generic and cross divisional risks/issues identified from the Divisional assessments of risks.

Heads of Service and Departmental Management Teams

- Identify, analyse and "rate" divisional risks within a register
- Ensure maintenance of the divisional risk register.
- Prioritise action on divisional risks
- Monitor progress on managing divisional risks
- Report the results of the self-assessment to CRG/SDIMT/SMT as appropriate
- Ensure the effectiveness of controls in place to mitigate/reduce risks.
- Co-ordinate annual reviews of controls and divisional risk registers within Divisional Management Teams.

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Service Managers

- Identify, analyse, profile and prioritise risks within area of responsibility.
- Prioritise action on service risks
- Monitor progress on managing service risks
- Report the results of self-assessment of risk to divisional management team and, assess the effectiveness of controls in place to mitigate/reduce risks.

Specialist representatives (internal audit, insurance, legal, IT)

- Attend meetings of the Corporate Risk Group as necessary to consider implications of authority wide risks and to provide relevant advice

7. 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 removed from the Corporate Risk Register. 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 the reports seeking their approval of revisions to the Corporate Risk framework.

For 2009/10 the following risks have been removed from the Corporate Risk Register:

Risk 10 - Failure to achieve an improved grading within CPA - An improved grading was achieved in the 2008 CPA Re-inspection

Risk 15 - Failure to meet additional costs of concessionary fares schemes – Revised funding arrangements mean the risk is now borne by Essex County Council

Rochford District Council – Corporate Risk Register 2007/08

Corporate Risk Register – Summary of Risks

	Risk	Likelihood	Impact	Risk Rating	Quality of controls*	Next Review Date #
1	Council's vision and objectives fail to meet public expectation and community needs	2	3	Med	Good	Mar. 2010
2	Mismatch between Council Plans and available funding	1	3	Low	Good	Nov. 2009
2a	Failure of the Council to respond appropriately to the economic downturn	3	3	Med	Good	Oct. 2009
3	Council fails to recruit and retain the right people and skills	3	3	Med	Good	Oct. 2009
4	Lack of a robust performance management process and poor data quality	2	2	Low	Good	Feb. 2010
5a	Failure to apply a robust process for entering into partnerships	2	2	Low	Good	Sep. 2010
5b	Council fails to monitor and review its partnerships effectively to ensure anticipated outcomes are achieved	2	2	Low	Good	Sep. 2010
6	Incident occurs and Council fails to respond effectively	4	3	Med	Fair	Oct. 2009
7	Failure to respond to political change at a national or local level leading to a change of Council priorities	1	3	Low	Good	Sep. 2010
8	Lack of clear understanding of what Value For Money means	2	2	Low	Good	Mar. 2010
9	Ineffective internal or external communication.	3	2	Low	Good	Jul. 2010
11	Unexpected major financial liability or uninsured loss	1	3	Low	Good	Oct. 2009
12	High volumes of staff, client or contractor fraud	1	3	Low	Excellent	Jun. 2010
13	Risk of contract arrangements failing	3	3	Med	Good	Oct. 2009
14	Failure to be aware of/comply with, existing or new legislation	1	3	Low	Good	Sep. 2010
16	Failure to protect data such that personal data is lost/made public	2	3	Med	Good	Dec. 2009
17	Failure to adapt to climate change	4	2	Med	Good	Oct. 2009

* 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.

(The "risk" is continually under review by the service manager but the Corporate Risk Register will be reviewed annually)

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Corporate Risk Map

Impact	4 Catastrophic						
	3 Critical	2, 7, 11,12,14	1,16	2a, 3,13	6		
	2 Marginal		4, 5a, 5b,8	9	17		
	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

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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!

Appendix B



Corporate Risk Register 2009/10

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KEY TO TERMS / ABBREVIATIONS USED

ACRONYM	MEANING
AGS	Annual Governance Statement
ATS	Access To Services
BCPs	Business Continuity Plans
BVPI	Best Value Performance Indicator
CD (ES)	Corporate Director (External Services)
CD (IS)	Corporate Director (Internal Services)
CEx	Chief Executive
CPA	Comprehensive Performance Assessment
CAA	Comprehensive Area Assessment
CPPM	Corporate Policy & Partnerships Manager
CRG	Corporate Risk Group
CRR	Corporate Risk Register
DQ&RMP	Data Quality & Records Management Policy
DRRs	Divisional Risk Registers
FPG	Financial Programmes Group
HFAPM	Head of Finance, Audit & Performance Management
HICS	Head of Information & Customer Services
HoS	Heads of Service
HRM	Human Resources Manager
IiP	Investors In People
IT	Information Technology

ACRONYM	MEANING
LA	Local Authority
LAA	Local Area Agreement
LDF	Local Development Framework
LGA	Local Government Association
LSP	Local Strategic Partnership
MPR	My Performance Review
MTFS	Medium Term Financial Strategy
MTP	Member Training Programme
PR	Public Relations
PRM	Performance Report to Members
QPR	Quarterly Performance Report
SDIMT	Service Development & Improvement Management Team
SRMT	Staffing & Resources Management Team
SPMT	Strategy and Partnership Management Team
SCS	Sustainable Community Strategy
SIC	Statement of Internal Control
SLAs	Service Level Agreements
SMT	Senior Management Team
SRMT	Staffing and Resources Management Team
VFM	Value For Money
WDP	Workforce Development Plan

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Key - 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 are in place which reduce the risk considerably.

Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Senior Management Team	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
1. The Council's vision and objectives fail to meet public expectation and community needs.	CEx CPPM	Corporate planning process LSP and SCS processes Consultation Strategy & processes Data Quality Strategy LDF Process Access to Services (ATS) strategy	<u>Controls:</u> Good <u>Evidence:</u> Sustainable Community Strategy (SCS) Corporate and Divisional Plans Survey Results Strategy Documents and Action Plans LDF documents	Implement strategies and monitor action plans Monitor LSP governance and performance Note and act on survey data LDF implementation	Place Survey Satisfaction measures Objectives achieved Consultation results	Six monthly Reviewed Sept 2009 Next reviews - March 2010 to align with Key Policies and Actions for 20010/11 Sept. 2010 prior to 2011/12 Business Planning cycle	2	3	Med.	The Council keeps its vision and objectives under review and recognises that there is a key dependency on the accuracy, completeness and relevance of management information and other data used to inform decisions. See Risk 4 below.
2. Mis-match between plans and available funding	HFAPM	Divisional Planning Process Medium Term Financial Strategy (MTFS) Budget controls	<u>Controls:</u> Good <u>Evidence:</u> MTFS Budget book Financial Programmes Group minutes	Budget monitoring All plans to have specific budget allocations	Planned achievement and spend in line with budgets	At least six monthly. Reviewed Sep. 2009 Next reviews: Nov. 2009 & Jan. 2010 within Budget setting process	1	3	Low	Budget controls include the monitoring of income streams. Risk reviews tied to financial planning dates.

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Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
2.a Failure of the Council to respond appropriately to the economic downturn.	HFAPM	<p>Income estimate revised in line with actual. 2009/10 estimate reduced – no recovery built in until 2010/11</p> <p>Reviews to ensure capacity to meet demand and reduce / redeploy surplus capacity</p> <p>Prompt payment to local suppliers</p> <p>Debtor controls</p> <p>Fraud vigilance</p> <p>Homelessness prevention initiatives</p> <p>CDRP activity</p> <p>Parking charges frozen</p> <p>Income collection monitoring</p>	<p><u>Controls:</u> Good</p> <p><u>Evidence:</u></p> <p>MTFS Monthly Budget monitoring</p> <p>Resourcing levels and staffing requests to SRMT</p> <p>Payment & debt monitors</p> <p>Fraud detection and prevention procedures</p> <p>Homelessness guidance supplied by ECC or government</p> <p>CDRP plans and Minutes</p>	<p>Revise estimates in line with income</p> <p>Heads of service to monitor demand and identify where additional resource or staff retention is required and redeployment opportunities</p> <p>Ensure orders raised promptly to identify budget commitments</p> <p>To be decided for each initiative.</p>	<p>Budget monitoring</p> <p>Performance reporting measures</p> <p>Measures of debt levels and age of debt</p> <p>Existing fraud measures</p> <p>Levels of crime and antisocial behaviour</p>	<p>Risk to be reviewed</p> <p>Quarterly in:</p> <ul style="list-style-type: none"> - July 2009 - October 2009 - January 2010 - April 2010 	3	3	Med.	<p>The principal risks are a downturn in income, an increase in demand for services such as Benefits and Housing , and a potential increase in fraud and/or criminal activity</p> <p>The objective is to prevent:</p> <ul style="list-style-type: none"> - Budget overspends - Under recovery of income - Insufficient funding to deliver services - Insufficient balances at end of the financial year - Unplanned cuts in expenditure - Inability to increase services to meet demands - Contractors/partners being unable to meet their commitments - Deter fraud and criminal activity and social unrest <p>Additionally, there is a need to support the local economy and help vulnerable residents.</p>

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Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
3. Council fails to recruit and retain the right people and skills.	HRM	<p>Workforce Development Plan (WDP)</p> <p>Workforce Profile (IiP) Investors in People scheme</p> <p>Positive about Disabled People (PADP)scheme (✓)</p> <p>My Performance Review (MPR) process</p> <p>Member training programme (MTP)</p> <p>Staff training and development strategy</p> <p>Recruitment and selection processes</p> <p>HR advice and referral to specialist agencies such as Occupational Health and Counselling Service ((OHCS)</p>	<p><u>Controls:</u> Good</p> <p><u>Evidence:</u></p> <p>WDP reviews to SMT</p> <p>Staff Surveys</p> <p>Workforce Profile reports</p> <p>IiP and PADP assessments</p> <p>Completed MPRs</p> <p>MTP Report to Standards Committee</p> <p>Training and development records</p> <p>Staff turnover measures</p> <p>OHCS etc referrals</p> <p>External Audit Use of Resources reports</p>	<p>Monitor and expedite MPR completion</p> <p>Feedback on training programmes</p>	<p>Low staff turnover</p> <p>Good response to recruitment</p> <p>Proportion of posts filled by internal candidates</p> <p>MTP successful</p> <p>IiP and PADP awards retained</p> <p>Achievement of the Council's objectives</p>	<p>Six monthly (WDP reviews and MTP reviews)</p> <p>Last Review July 2009</p> <p>Next reviews - Oct 2009 Apr 2010</p>	3	3	Med	The Council is changing in terms of structure and service delivery and needs to have the right people and skills available to deliver its priorities (officers and members).

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Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
4. Lack of a robust performance management process and poor data quality.	HFAPM	Corporate and Divisional Planning processes Performance Management Framework and Performance Reports to Members (PRM) My Performance Review (MPR) and Quarterly Performance Reports (QPR) Processes Data Quality Strategy & Action Plan	<u>Controls:</u> Good <u>Evidence:</u> Business Plans MPRs QPRs PRMs External Audit Use of Resources (UoR) Reports Implemented Data Quality Action Plan	Ensure SMART targets Ensure MPR completion Ensure 1 to 1 meetings take place Respond to UoR reports Install and implement Performance Management Software	Objectives achieved as evidenced by QPRs and MPRs Performance Management Software in use	6 monthly Reviewed Aug. 2009 Next review - Feb. 2010 – with full year performance data	2	2	Low	The Council needs to define its objectives, in terms of clearly defined expected outcomes from service delivery and be able to monitor this effectively. Mid year and full year performance reports identify areas of good and poor performance.
5a. Failure to apply a robust process for entering into partnerships.	CEx	Strategy and Partnership Management Team (SPMT) Activity Partnership guidance and risk assessment templates	<u>Controls:</u> Good <u>Evidence:</u> S&PMT minutes Partnership guidance issued March 2008 Risk Assessments	Ensure adequate structures in place for all partnerships Implement recommendations from reviews of partnerships	Partnership objectives are specified and all partners have clear roles and agreed resource commitments	Annual Reviewed in Sep.2009 Next review - Sep. 2010	2	2	Low.	Partnership guidance has been updated in line with revised Government guidelines and the new National Indicator set. The Council needs to ensure that guidance is consistently applied and partnership risks are assessed.

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Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
5b. Council fails to monitor and review its partnerships effectively to ensure that anticipated outcomes are being achieved.	CEx	(SPMT)Activity Partnership governance documents Bonds and guarantees Partnership Reviews are reported to Audit Committee	<u>Controls:</u> Good <u>Evidence:</u> S&PMT minutes SLAs Thames Gateway limited by guarantee Partnership Review reports to Audit Committee	Ongoing monitoring of partnership performance and effectiveness Identify unfulfilled requirements of partners	Partnerships achieve declared objectives and outcomes	Annual Reviewed in Sep.2009 Next review - Sept. 2010	2	2	Low	The Council needs to ensure continued clarity about its partnership objectives, to have clearly defined expected outcomes for service delivery from partnerships and to be able to monitor this effectively.
6. An incident occurs and the Council fails to respond effectively.	CPPM (HoS)	Corporate and Divisional Business Continuity Plans (BCPs) Records Management and Data Quality Policy Out of Hours (OOH) arrangements	<u>Controls:</u> Fair <u>Evidence:</u> BCPs DQ& RMP Policies IT restoration contract	Further define and agree BCPs as required Test BCPs by exercises Review of OOH response arrangements	Services restored or maintained in the event of an incident. Records retrieved Appropriate OOH responses	Six monthly Reviewed by CRG Mar 2009 after IT restoration test Next review Oct. 2009 then Apr. 2010	4	3	Med.	The Council's Business Continuity Plans are evolving and are being tested. Next review to follow appointment of new Emergency Planning Officer and OOH review Risk includes loss of IT services and temporary or permanent loss of data See also Risk 16 re loss or release of personal data

Appendix B Rochford District Council – Corporate Risk Register 2009/10 - Executive Summary

Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
7. Failure to respond to political change at a national or local level leading to a change of Council priorities.	CEx Leader	Work with L.A. associations Response to consultations Corporate and Divisional planning and Budgetary Process Member Decision Making Structure Review for Annual Governance Statement (AGS)	<u>Controls:</u> Good <u>Evidence:</u> 5 year Budget Strategy reported to Council annually Corporate, Divisional & Service Plans Reports and Minutes External inspection reports Responses to specific initiatives Completed AGS	Completion and monitoring of plans Portfolio Holders decisions recorded and progressed Review of the effectiveness of change mechanisms conducted as part of AGS evidence	The Council responds in a timely fashion to changes. Corporate and financial planning includes forward planning Good response on AGS questionnaire regarding response to changes and agreed by external auditors	Annual Reviewed in Sep.2009 Next review - September 2010	1	3	Low	Council's decision making structure is robust and enables timely response to changes. Officers remain politically neutral. Review is also part of Annual Governance Statement (AGS) in June 2009 CRR strategic review dates in September to follow AGS
8. Lack of a clear understanding of what VFM means.	HFAPM	VFM programme of work Divisional VFM investigations VFM inherent in procurement processes VFM in Budget Process SDIMT monitor progress	<u>Controls:</u> Good <u>Evidence:</u> VFM research papers and Programme of work Procurement procedures and outcomes SDIMT minutes External Use of Resources reports	HoS undertake VFM reviews as per programme VFM reports provided to SDIMT and other SMT subgroups.	VFM programme of work completed VFM secured VFM Benchmarking	6 monthly Reviewed Sept 2009. Next reviews – March 2010 Sept 2010	2	2	Low	The Council needs a clear understanding of what VFM means in terms of delivering services and meeting customer requirements.

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Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
9. Ineffective internal or external communication.	HICS (SMT)	<p>Communications Strategy</p> <p>Access to Services (ATS) Initiatives</p> <p>Management / Team meetings</p> <p>Staff consultation</p> <p>liP monitoring</p> <p>Staff training</p> <p>MPR process</p> <p>Intranet/website</p> <p>SRMT oversight of internal communications</p> <p>SPMT oversight of external communications</p> <p>Core Briefing system</p> <p>Press Release system and Media Protocol</p>	<p><u>Controls:</u> Good</p> <p><u>Evidence:</u></p> <p>Consultation & Access to Services Group activity</p> <p>Staff Survey results</p> <p>Annual staff briefings</p> <p>Completed MPRs</p> <p>Website assessments</p> <p>Core Brief feedback to SMT/SRMT</p> <p>Core Briefing for team meetings</p> <p>Press coverage</p>	<p>Survey effectiveness of internal communication</p> <p>Review and revise corporate communications strategy</p> <p>Monitor briefings at Team meetings</p> <p>Increase external visibility of RDC via good PR</p> <p>Annual review of press coverage and feedback from press</p>	<p>Good staff survey results</p> <p>Positive internal and external feedback</p> <p>Low staff turnover</p> <p>Good IIP inspection results</p> <p>The Council receives positive press coverage.</p> <p>Good relationship with local media</p> <p>Good CAA result</p>	<p>Annual</p> <p>Reviewed July2009</p> <p>Next review - July 2010</p>	3	2	Low	Internal and external communication processes are developed and continue to evolve.

Appendix B Rochford District Council – Corporate Risk Register 2009/10 - Executive Summary

Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
11. Unexpected major financial liability or uninsured loss	HFAPM	Insurance reviews Whistle Blowing policy Budget Strategy Review of Financial Reserves & Balances Prudent investment strategy	<u>Controls:</u> Good <u>Evidence:</u> Insurance Policies Insurance reserve Budget Strategy Collection Fund reserve Budget/planning process includes risk assessment External Audit Use of Resources reports	Embed risk management culture	Good external audit and inspection judgements on financial and risk management Risk Assessment included in budget process	Annual Reviewed in Oct 2008 Next review - Oct. 2009	1	3	Low	Reviewed at commencement of each Business Planning Cycle.
12. High volumes of staff, client , or contractor fraud	HFAPM	Verification framework Whistle blowing/ Prosecution / Fraud / policies Internal Audit Register of interests Segregation of duties AGS assurance framework	<u>Controls:</u> Excellent <u>Evidence:</u> Audit reports Register of Interests SIC document Procedure manuals Internal Audit reports & Self assessment	Delegate specific measures to DRRs Fraud awareness training / culture Develop AGS process further if required	Demonstrate a proactive approach to identifying areas that are high risk for fraud	Annual Reviewed; after AGS of June 2009 Next review: after AGS of June 2010	1	3	Low	AGS prepared June 2008 and June 2009

Appendix B Rochford District Council – Corporate Risk Register 2009/10 - Executive Summary

Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
13. Risk of contract arrangements failing	CD (ES) and CD(IS)	Selection / Monitoring systems Adherence to Contract Procedure Rules Opt out clauses Performance bonds and guarantees Handover planning Performance measures	<u>Controls:</u> Good <u>Evidence:</u> Regular contract monitoring Regular review meetings with key contractors Contractor liaison reports reviewed by SDIMT Reports to SDIMT,SRMT and Port Folio Holder(s)	Business Continuity Planning Risk Assessments of all major contracts	Regular contract monitoring reports Good service delivery measures and outcomes Satisfactory contract monitoring reports	6 Monthly Reviewed in November 2008 and by SDIMT from Jan 2009 Next full review - Oct 2009 and then April 2010	3	3	Med.	All contracts are subject to continual operational review and reports to SDIMT/SRMT. 2009 has seen review and renewal of Capita contract Next review to include progress with renewal of IT contract
14. Failure to be aware / comply with, existing / new legislation	CD(IS)	Legal monitoring new legislation Member Training Professional Membership notifications and email alerts Training and Subscriptions Website checks for compliance Local Government Association updates Internal Communications	<u>Controls:</u> Good <u>Evidence:</u> Committee and Portfolio Holder reports demonstrate consideration of effects of proposed legislation No issues from AGS	Ensure email notifications are received by appropriate officers with cover for absent colleagues Ensure information is communicated to all who need to know Ensure LGA Alerts are distributed to SMT as required	Council responds in a managed way to changes	Annual Reviewed in Sept. 2009 Next review - Sep. 2010	1	3	Low	Good controls thus not a significant corporate risk.

Appendix B Rochford District Council – Corporate Risk Register 2009/10 - Executive Summary

Risk Description	Risk owner	Action/ controls already in place	Adequacy of controls in place and evidence	Required action/control by Management Group	Monitoring / success measures	Review frequency /key dates	Likelihood	Impact	Risk	Risk Management Objectives/Notes
16. Failure to protect data such that personal data is lost / made public	HICS	Data Protection and Records Management policies and procedures Government Code Of Connection (CoCo) standards IT Security Policies	<u>Controls:</u> Good <u>Evidence:</u> Documented policies and procedures Government CoCo standards in place from Sept 2009 Signed PCSs held by HR	Ensure compliance with procedures and standards and IT security policies All staff to undertake IT Security training and to sign Personal Commitment Statements (PCS)	Compliance with RDC policies and Compliance with Government CoCo standards Training completed	Annual Reviewed Sept. 2009 then Dec. 2009 and Dec 2010	2	3	Med.	Ensure excellent level of controls in place Ensure that personal data is fully protected in accordance with Data Protection Acts.
17 Failure to Adapt to Climate Change		Recruitment of Climate Change officer or other resource Agreed use of data collection matrix ClimateCO ₂ de controls implemented Climate based risk assessments in key documents Identification of climate risks for each service	Controls - Good but dependant on resourcing of Climate Control Officer post	SMT to review recruitment and resourcing of the Climate Change (CC) post. SMT to ensure that CC officer or alternative resourcing is engaged and empowered. Implementation of adaptive responses	Data Matrix completed and in use Progress against NI 188 levels of achievement Agreed/planned adaptations to be actioned within Climate Change Strategy/ ClimateCO ₂ de	6 Monthly review to Portfolio Holder Next reviews: Oct 2009 April 2010	4	2	Med.	Adequacy of controls will be dependant on the recruitment of the Climate Change officer or alternative resources. If post is not resourced, controls will be poor and the risk will be high

Appendix C - Corporate Risk Analysis Example

Risk No(s): 4	Risk Descriptor(s): Lack of a robust performance management process and poor data quality. Risk Management objectives/Notes: The Council needs to be clear about its objectives, have clearly defined expected outcomes from service delivery and be able to monitor this effectively.	Risk Owner: HFAPM
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Risk prior to controls	Likelihood : 5	Impact: 4	Risk Rating : High
Residual Risk	Likelihood: 2	Impact: 2	Risk Rating: Low

Review Frequency: 6 monthly	Key dates for Review: Previously reviewed: July 2008 – at CRG and reviewed post CPA September 2008 This review - August 2009 with full year performance report Next review – February 2010 for Audit Committee March 2010
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Risk Consequences: <ul style="list-style-type: none"> • Inaccurate reporting • Failure to deliver corporate priorities eg: decline in: service offered or regulatory activity, in the Council's reputation and staff morale. • Can't make timely interventions to change processes or performance • Unable to demonstrate performance • Service delivery failures occur and are not recognised
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Appendix C - Corporate Risk Analysis Example

CONTROLS AND ACTION PLAN(S)

Action/controls	Adequacy of controls*	Evidence of controls	Action required by SMT	Monitoring/success measures
Performance Management Framework My Performance Review Process (MPR) Quarterly Performance Reports (QPR) and data capture processes	Good	Performance Management framework MPRs QPRs and Performance Report to Members Performance Management (PM) Software when installed	Ensure SMART targets exist and are monitored Ensure MPRs completed Ensure 1 to 1 meetings take place Install PM software	Performance Management framework embedded in culture Mid year and full year performance reports identify areas of good and poor performance
Corporate Planning process Divisional Planning Process	Good	Corporate Plan 2009-13 Divisional Plans Service Plans	Complete and monitor plans	Objectives achieved as evidenced by QPRs
Data Quality Strategy/Action Plan	Good	Data Quality monitored by CRG External Audit - Use of Resources reports PI Audits	HoSs to ensure Data Quality actions are undertaken with their divisions in accordance with the action plan	Action plan achieved PI Audit Table of changes demonstrates improvement

Risk review completed by:	Name: T.Harper	Signed: TH	Date: 17/8/09
Risk review approved by:	Name: Y.Woodward	Signed:	Date: 17/8/09

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.

Appendix C - Corporate Risk Analysis Example

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!

Appendix C - Corporate Risk Analysis Example

Risk Map

Impact	4 Catastrophic					Risk Prior to controls	
	3 Critical						
	2 Marginal		Residual Risk				
	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