
REVIEW OF THE COUNCIL'S CORPORATE RISK MANAGEMENT FRAMEWORK AND RISK REGISTER FOR 2013/14

1 SUMMARY

- 1.1 This report provides a review and update of the Council's corporate risk management framework and Corporate Risk register for 2013/14 for Members' consideration and approval.

2 INTRODUCTION

- 2.1 The Council's corporate risk management framework and policy specifies how the Council seeks to manage and control risk and is reviewed and presented to the Audit Committee annually.
- 2.2 The corporate risk register (CRR) provides an overview of the key risks that may affect delivery of the Council's corporate objectives and service delivery. The CRR is subject to ongoing review by officers and is presented to the Audit Committee bi-annually.

3 THE CORPORATE RISK MANAGEMENT FRAMEWORK AND POLICY

- 3.1 The Council's corporate risk management framework and policy, included as an appendix to this report, has been subject to minor amendments only.
- 3.2 The summary of risks, the risk scoring matrix and risk mapping diagrams have been removed from the framework document to reduce duplication as these are also contained in the corporate risk register executive summary, which forms appendix A of the framework.
- 3.3 There are no other significant changes to the framework and policy.

4 THE CORPORATE RISK REGISTER FOR 2013/14

- 4.1 The summary corporate risk register for 2013/14 is included as appendix A to the corporate risk management framework and policy. As agreed at the March 2012 Audit Committee, to reduce the volume of information presented and give appropriate prominence to the more serious risks, only medium and high risks have been presented. Risks rated as low are shown in a simplified list at the end of the CRR. A full listing is available on request.
- 4.2 Each of the risks contained in the CRR has been reviewed using a detailed risk analysis which also includes a summary action plan for the mitigation of each risk. An example of a risk analysis was presented at the March 2012 Audit Committee and the template is included as appendix B to the corporate risk management framework and policy. The individual risk analyses are available for Members' inspection, if required. A regular review of these risks

and the mitigating controls and actions is undertaken by the officer corporate risk group (CRG) and is minuted accordingly.

- 4.3 The CRR is also underpinned by divisional risk registers that identify the risk management arrangements, which mitigate the operational risks faced by each of the Council's service areas and these are reviewed by the CRG and are also minuted.

5 PRINCIPAL CHANGES TO THE CORPORATE RISK REGISTER FOR 2013/14.

- 5.1 The corporate risk group undertook a full review of the risks contained in the CRR in February 2013 to ensure that the register was both current and comprehensive. Following review and approval by the Senior Management Team (SMT), the corporate risk register has been amended and the principal changes are listed below.
- 5.2 Corporate strategic risk 6, which deals with the risk of the Council employing unsuitable staff due to the failure to conduct appropriate checks (e.g. the right to work in the UK, or Criminal Record Bureau checks), has been subsumed in a broader operational risk 10 dealing with recruitment and retention of staff following the audit that was undertaken of the new safer recruitment policy and procedures that were introduced in January 2012.
- 5.3 Following the move of ICT services to an off site data centre in 2012, operational risk 13 has been amended to dealing with the risk of ICT service failures or other interruptions impacting on customers.
- 5.4 Corporate operational risk 14 has been added to indicate that there are controls in place to minimise any cash flow problems the Council could face if other bodies do not issue their precept to allow for the timely production of Council Tax bills. (The Police precept was agreed on 31 January this year and therefore the risk no longer exists for 2013/14, but it will need to be considered for 2014/15.)

6 RISK IMPLICATIONS

- 6.1 Management of risk is fundamental to the sound operation of the Council. Failure to manage risk could have significant impact on the Council's ability to correctly define its policies and strategies or deliver against its objectives.
- 6.2 The implementation and operation of the risk management framework will minimise risks and thus mitigate any potential strategic, operational, reputational or regulatory consequences.
- 6.3 Failure to manage risk would also mean that the Council might face censure by its external auditor or the potential for legal proceedings in the event of breaches of the Health and Safety at Work Act.

7 LEGAL IMPLICATIONS

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

8 RECOMMENDATION

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

- (1) That the updated corporate risk management framework and policy for 2013/14 be approved.
- (2) That the corporate risk register for 2013/14 be approved.

Yvonne Woodward

Head of Finance

Background Papers: -

None.

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Appendix A - Corporate Risk Register – Executive Summary (including the risk scoring system and Corporate Risk Map)

Appendix B - Corporate 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.

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 in all operations and service planning processes.

The Council maintains a Corporate Risk Register and this Register and Risk Action Plans will be regularly reviewed and updated on an annual basis as a minimum. The register covers significant risks, which, if they materialised, would have a significant impact on the achievement of the Council's ambitions.

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 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 identified risks are monitored on an on-going basis and reported 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.

The Council aims to achieve these actions by implementing this risk management framework and 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 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 with oversight by the CRG.
- Action plans will be prepared for all significant risks for which additional controls are required.
- CRG will seek Senior Management Team (SMT) and Audit Committee approval of the revised Corporate Risk Register on an annual basis.

A summary Corporate Risk Register is to be found at Appendix A

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 the Audit Committee showing the compliance with, and any changes to, 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 is appointed as the Council's Officer Risk Champion taking overall responsibility for ensuring progress against the agreed actions. In addition, the Head of Finance as the Section 151 Officer is the Senior Information Risk Owner (SIRO) for Information Security and Assurance.

5. Risk Analysis and Scoring

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

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 roles are:-

Elected Members

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

- Agreeing structures for controlling and monitoring risks across the authority
- Approving the risk management strategy, framework and process
- Receiving reports on the management of risk
- Approving the annual report 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.
- The Council’s Monitoring Officer has a role to ensure lawfulness and fairness of Council decision making, ensuring that the authority complies with codes and protocols whilst promoting high standards. The Monitoring Officer is the Head of Legal, Estates and Member Services
- The Section 151 Officer has a role to ensure proper administration of financial affairs and provision of financial advice; and ensuring lawfulness and prudence in all financial matters.

Performance and Risk Manager

- 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
- 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 coherent 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 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 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 of risk to CRG/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.

Service Managers

- Identify, analyse, profile and prioritise risks within their 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. Addition or removal of risks from the Corporate Risk Register.

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

Appendices follow:

Appendix A - Corporate Risk Register – Executive Summary (including the risk scoring system and Corporate Risk Map)

Appendix B - Corporate Risk Analysis Template

Corporate Risk Register 2013/14



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Notes:

* Quality of controls:

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

Next Review Date(s):

(Risks are reviewed regularly by the Corporate Risk Group and relevant service managers. The risk analyses are updated accordingly, but the Corporate Risk Register will be revised bi-annually.)

Part 1 – Strategic Risks – Assessed as Medium or High Risk.

Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR1. The Council fails to respond appropriately to the levels of grant received from central government and / or decreases in other income	3	3	Med	<ul style="list-style-type: none"> • Business Planning and Target setting processes and MTFS • Corporate and Divisional / Services Area plans identify key priorities for service delivery • Communication of savings and consequences to Members, staff, residents and service users • Risk review of major contracts • Equality and diversity impact assessments • Budget monitors and regular reviews of financial modelling. • Liaison with system suppliers 	Good	<p>April 2013</p> <p>Oct 2013</p>	<p>The approved budget for 2013/14 is monitored regularly by SMT and reported quarterly to the Executive.</p> <p>Decisions are based on an understanding of service delivery priorities.</p>

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
<p>SR3. Risk that the lack of clear national direction leads to a lack of understanding as to where the Council needs to focus its resources.</p> <p>Risks and controls related to specific legislation follow.</p>	3	3	Med	<ul style="list-style-type: none"> Corporate and Divisional / Services Area plans identify key priorities Consultation with service users and staff informs decision making Shared Services and other efficiency projects explore new ways of working Organisational Development Plan (ODP) aims to maintain and develop staff skill sets Key proposals put to Members ensure correct governance Medium Term Financial Strategy and Risk Assessment 	Good	<p>April 2013</p> <p>July 2013</p> <p>Oct 2013</p> <p>Jan 2014</p>	There continues to be uncertainty in terms of central government decision making / policy making, including uncertainty as to what constitutes a standard service supplied by a local authority and therefore how free the Council is to set its own standards.
SR3 Localism - The Council could face new financial or service delivery risks as a result of the Localism Act	3	3	Med.	<ul style="list-style-type: none"> Retention of a local Standards Committee Community Right to Challenge process ensures robust arrangements to be applied to any services which may be operated by local bodies MTFS and budgets take account of "localised" services Local Development Framework process to take account of the provisions of the Localism Act Legal monitoring of new legislation Local Government Assoc. updates circulated to SMT 	Good	<p>April 2013</p> <p>Oct 2013</p>	The extent of localism being proposed is as yet unclear and the provisions for Secretary of State determinations may create unpredictable outcomes. Uncertainty means that the risk likelihood remains significant at present, even with controls in place.

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR3 Welfare Reform -The Council could face new financial or service delivery risks as a result of the Welfare Reform Act.	4	3	Med.	<ul style="list-style-type: none"> Capacity reviewed regularly to ensure resources adequate to meet demand for services Staff Career Matrix maintains career paths and expertise MTFS and budgets take account of redefined services Budget monitoring reports Management monitoring of Welfare Reform legislation 	Good	April 2013 Oct 2013	Transitional arrangements are unclear at present and provision for Secretary of State determinations may create additional unforeseen risks. Uncertainty means that the risk likelihood remains significant at present, but controls should lessen impact.
SR3 Local Government Finance Act - The Council will face new financial or service delivery risks as a result of the Local Government Finance Act, particularly in respect of the proposals to localise support for Council Tax and the replacement of Formula Grant by the Business Rates Retention Scheme	4	3	Med	<ul style="list-style-type: none"> Management analysis of the effects LG Finance legislation Pan Essex Council Tax Support Scheme Project Group and Essex Leaders Strategic Finance Group Monitor Government announcements on the Business Rates Retention Scheme. MTFS and budgets take account of revised funding Budget monitoring 	Fair	July 2013 Jan 2014	Arrangements for the Local Tax Support Scheme (LCTS) and the introduction of the Rates Retention Scheme (RRS) confirmed. The Finance Settlement announcement on 19 th December confirmed the arrangement for the RRS and the Council has adopted a LCTS.
SR3 Individual Electoral Registration (IER) - Failure to implement IER by July 2014	3	3	Med	<ul style="list-style-type: none"> Cabinet Office briefings Project Plan and risk analysis IT upgrades to Elections software is tested Electoral Commission guidance Staff training 	Fair	April 2013 Oct 2013	We have yet to be informed of the value of any Government grant towards additional costs.

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR4a. In awarding contracts, the Council may be challenged by unsuccessful bidders on the grounds that correct procedures (including meeting EU or other legal requirements) were not followed.	3	3	Med	<ul style="list-style-type: none"> • Council Financial Regulations and Contract Procedure Rules • EU compliant tendering procedures • Clear specification of requirements and tender award and marking criteria • Best value analysis • Internal Audit assurance testing to determine correctness of tendering • Intention to invite tender or place a contract is made visible to the Finance team. • Contractor selection systems • Specialist external advice is taken in respect of e.g.: EU procurement rules 	Good	Sept 2013	In order to effectively manage the tender process the Council needs to ensure that it has the appropriate internal expertise and ensures that the right procedures are followed.
SR4a Tender/contract process for Street Cleaning, Waste Collection and Materials Recycling Contracts	2	3	Med	<ul style="list-style-type: none"> • RDC processes as above • Other controls yet to be determined 			Work on retendering or extending these contracts will commence this year for contracts going into 2015

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR4 Tender process for new Grounds Maintenance Contract	4	3	Med	<ul style="list-style-type: none"> • Project team formed • Project Plan produced • Risk Analysis produced • Member Advisory Group in place • Specialist advice obtained • Contractor selection systems • Adherence to Contract Procedure Rules • Specific contract clauses relevant to changes or termination of contract and other “Opt out” clauses • Performance bonds and guarantees if required • Business Continuity Planning (and prioritisation of services required) with appointed contractor • Contract and Performance Monitoring processes • Business Continuity Planning for the event of contractor failure. 	Good	Monthly	

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR4b. Risk of contract arrangements failing whether due to failure of contractor, or because the Council fails to manage its contracts effectively.	3	3	Med.	<ul style="list-style-type: none"> • Opt out / service change clauses in contracts • Performance bonds and guarantees • Contract procedure notes are available to appropriate officers in event of contract manager or other experienced officers' absence / non- availability • Contract Monitoring processes • Business Continuity Planning • Contractor selection systems • Adherence to Contract Procedure Rules 	Good	May 2013 Nov 2013	Risk rating is supported by specific analyses for each major contract. See below.
<p>SR4b Individual risk analyses of the potential failure to provide contracted services exist for the following major contracts:</p> <ul style="list-style-type: none"> ○ Street Cleansing ○ Waste Management ○ Materials Recycling ○ Leisure Services ○ ICT contract I (Low risk – covered by Information and Customers Services Divisional Risk Register) 	2	3	Med	<ul style="list-style-type: none"> • Principal controls include: Contract procedures Contract Terms and Conditions Monitoring processes and meetings Performance bonds Business Continuity plans • In each case controls are Good and likelihood Very Low but risk is still Medium due to the potential impact of any failure 	Good	6 monthly	

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
<p>SR5. The Council could fail to implement shared services effectively. This could include :</p> <ul style="list-style-type: none"> • failure to clearly define the outcomes required • failure to deliver the defined outcomes • failure to programme manage the shared service projects • pressure on capacity whilst implementing shared services arrangements leads to deterioration of existing services • un-intended creation of new legal entities and liabilities. 	3	3	Med.	<ul style="list-style-type: none"> • Project Plans, business cases and risk registers for each shard services project • Clear partnership agreements covering legal, financial and operational arrangements • Reports to Council / Executive or project Steering groups and the Improvement Management Team • Service monitoring via Council Performance Management System 	Good	<p>Sept 2013</p> <p>March 2014</p>	
<p>SR8. The Council fails to respond effectively to an incident.</p>	2	3	Med.	<ul style="list-style-type: none"> • Business Continuity and Emergency Plans in place with an exercise and review programme. • Data Quality and Records Management Policy • Out of hours (OOH) response arrangements. • IT restoration contract /procedures • Civil Contingency plans • Contract monitoring activity 	Good	<p>Sept 2013</p> <p>March 2014</p>	<p>Business Continuity planning in respect of major contracts is under review in the light of experience of the failure of one contractor in 2012</p> <p>An IT restoration contract is in place and tested until March 2014.</p>

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
SR14 The Council could face legal challenges and adverse legal judgements of Council decisions if relevant procedures are not followed or satisfactorily evidenced	2	3	Med.	<ul style="list-style-type: none"> • Council Constitution and Procedure rules • Compliance with relevant statutory regulations • Records of decisions take • Council, Executive and Committee minutes • Progress on Decisions schedule • Consultation documents and responses to consultation 	Good	April 2013 April 2014	In particular there is a increased propensity for legal challenges to planning decisions

Part 2 – Corporate Operational Risks – Assessed as Medium or High Risk.

Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR5 Failure to adapt to climate change (Monitored by energy usage and CO ₂ reduction Indicators)	4	2	Med	<ul style="list-style-type: none"> • ClimateCO₂de controls implementation • Climate based risk assessments in key documents • Implementation of adaptive responses and actions • Monitoring by Environmental Strategy Group 	Good	July 2013 July 2014	

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR6 Failure to safeguard children	2	3	Med	<ul style="list-style-type: none"> Safeguarding Children & Vulnerable Adults Policy and Procedures on the Intranet Criminal Record Bureau checks Recruitment processes Section 11 Audit (self assessment to ensure compliance with Section 11 of the Children's Act). Attendance at the South East Local Children's Commissioning & Delivery Board Attendance at Essex Authorities safeguarding lead officers meeting Attendance at South Essex Stay Safe Group Designated person(s) for safeguarding issues– Head of Community Services and People and Policy Managers. Staff and Member training programmes 	Good	Sept 2013 March 2014	<p>Procedures have been developed to cover the action to take if there are concerns over the wellbeing of a child or if there are accusations against a member of staff and have been cascaded to all relevant staff.</p> <p>The basic training E Learning module has now been rolled out to all staff. ESCB and ESAB are currently designing a new joint training module specifically for district and borough council staff that have more specific involvement with children / vulnerable adults and would benefit from more in depth training than the above e-learning.</p>

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR7 Failure to safeguard vulnerable adults	2	3	Med	<ul style="list-style-type: none"> • Safeguarding Children & Vulnerable Adults Policy and Procedures on the Intranet. • Criminal Record Bureau checks • Recruitment processes • Attendance at Essex Authorities safeguarding lead officers meeting • Designated person(s) for adults and vulnerable people safeguarding issues– Head of Community Services and People and Policy Manager • Staff and Member training programmes 	Good	Sept 2013 March 2014	Procedures have been developed to cover the action to take if there are concerns over the wellbeing of a vulnerable adult or if there are accusations against a member of staff and have been cascaded to all relevant staff. The basic training E Learning module has now been rolled out to all staff. ESCB and ESAB are currently designing a new joint training module specifically for district and borough council staff who have more specific involvement with children / vulnerable adults and would benefit from more in depth training than the above eLearning.

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR9 The Council's service delivery may suffer if key staff are lost from a smaller leaner flatter organisation.	3	3	Med.	<ul style="list-style-type: none"> • Succession planning • Work shadowing / secondments • Procedure notes • Managed substitution and nominated deputies • Holiday/absence management • "My Performance Review" (MPR) process covers training and development needs • 'E' Learning modules • Intranet libraries of procedures • Member Training and Development Programme • Insurance to cover the loss of key staff • Business Continuity Plans 	Good	<p>April 2013</p> <p>Oct 2013</p>	<p>With expertise vested in fewer individuals, the Council is at greater risk of losing key knowledge, expertise, or skill sets. The controls listed seek to minimise this risk.</p>

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR10 Council fails to recruit and / or retain the right people and skills to meet the changing demands of customers, legislation, or the economic climate	3	3	Med	<ul style="list-style-type: none"> • Organisational Development Plan / Profile • Investors in People / Positive about Disabled People • Safer Recruitment Policy and procedures, including; CRB checks, health checks, requirement for references, proof of eligibility to work in the UK etc. • Probationary period of 6 months • Training and development plans including Induction training • Performance Reviews highlight development needs and competencies • Occupation Health Scheme referrals • Flexible retirement policy and procedure 	Good	April 2013 Oct 2013	SR6 has now been subsumed into this broader risk following the HR Recruitment Audit.
OR11 The Council fails to respond appropriately, or effectively, to unauthorised or illegal incursions/encampments on land in the District	3	3	Med.	<ul style="list-style-type: none"> • Defined central point of contact for staff, Members and the public • Legal procedure notes • Senior Management Team emergency callout briefing note • Rota call out officers notes • Staff/Members briefings • Appropriate physical barriers • Intelligence reports • Essex Countrywide Traveller Committee Partnership Agreement 2012 	Good	Sept 2013 March 2014	Aim is to ensure any such incursions are remedied as soon as possible and with the minimum of cost, disruption, or damage. (Use of physical barriers is necessarily riskier than other controls because of the need to maintain user access to the areas concerned.)

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Risk	Likelihood	Impact	Risk Rating	Principal Controls & Actions	Quality of controls*	Next Review Date(s)	Notes
OR12 - Risk of not supplying accurate and timely data to meet requirements of the government Single Data List.	2	3	Med	<ul style="list-style-type: none"> • Single Data List schedule of requirements • Audit and Performance Team liaison with Heads Of Service • Other checks conducted as part of Internal Audits 	Good	April 2013 Sept 2013	The Single Data List was introduced by government to reduce the reporting burden on councils. It replaced the centralised collection National Indicators via a single channel with a range of reports to different departments. For example, the New Homes Bonus is based on a number of statistical returns.
OR 13 – ICT service failures or other interruptions impacting on customers	3	3	Med	<ul style="list-style-type: none"> • Off site data centre with inherent back up facilities • Weekly IT Manager and Contract Manager Meeting • Monthly contract meeting • SLA with suppliers and IT contractor • Web servers have 24/7 cover • Quarterly Strategic Governance Group meetings with the 3 Essex authorities with the same contractor 	Good	Aug 2013 Feb 2014	This risk was amended following the move of ICT services to an off site data centre in 2012.

Corporate Risk Map

Impact	4 Catastrophic						
	3 Critical	OR 2,4	SR 8,14 & OR 6,7 & 12	SR 1,3,4a,4b, 5 & OR 9,10,11,13	SR 4		
	2 Marginal	OR14	SR 7a,9 & OR3,8	SR 2, 7b,13 & OR 1	OR 5		
	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

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!

Report to Audit Committee – 26 March 2013 Appendix A – Corporate Risk Register 2013/134– Executive Summary

Notes: This list provides a summary of the Corporate Risk Register which have been assessed as Low Risk.

Part 1 – Strategic Risks

Risk	Next Review Date	Notes
SR2. The Council could fail to understand and respond to changes in demand for its services resulting from the challenging economic environment (e.g. increasing homelessness and increasing demand on benefits).	April 2013	Controls in place.
SR6. The Council is at risk of employing unsuitable staff if it does not ensure robust recruitment procedures including screening staff adequately e.g. CRB checks, health checks, requirement for references, proof of eligibility to work in the UK etc.		Now part of OR10
SR7a. The Council could fail to take correct decisions because of poor quality data or a failure to interpret data effectively.	Sept 2013	Controls in place.
SR7b. The Council may fail to adequately protect data resulting in key operational, commercial, or personal data being lost or made public.	Sept 2013	We aim to ensure that Personal data is fully protected in accordance with Data Protection Acts and with a good standard of controls
SR9. The Council may enter into, or continue with, statutory, or non-statutory, partnerships which fail to deliver the required services within agreed budgets.	Sept 2013	Controls in place.
SR13 The Council fails to discharge its responsibilities under either the Health and Safety at Work etc. Act 1974 (or Regulations made there-under) or the Regulatory Reform (Fire Safety) Order 2005	Oct 2013	Controls in place

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Part 2 – Corporate Operational Risks

Risk	Next Review Date	Notes
OR1 Ineffective internal or external communication.	July 2013	Internal and external communication processes are developed and continue to evolve.
OR2 Unexpected major financial liability or uninsured loss	Sept 2013	Reviewed at commencement of each Business Planning Cycle.
OR3 High volumes of staff, client or contractor fraud	June 2013	Review is linked to and covered by the Annual Governance Statement presented in June each year.
OR4 Failure to be aware of / comply with, existing or new legislation	May 2013	Controls in place.
OR 8 The Council could misunderstand or misuse its powers under the Regulation of Investigatory Powers Act (RIPA)	March 2014	Controls in place.
OR14 Cash flow problems if other bodies do not issue their precept to allow for timely production of Council Tax bills	Jan 2014	Controls in place

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Risk No(s):	Risk Descriptor(s):	Risk Owner:
	Risk Management objectives/Notes:	Division:

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

Review Frequency:	Key dates for Review:
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Risk Consequences:

Report to Audit Committee – 26 March 2013 Appendix B – Example Corporate/Divisional Risk Analysis Template
CONTROLS AND ACTION PLAN(S)

Action/controls	Adequacy of controls*	Evidence of controls	Action required by SMT	Monitoring/success measures

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:

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Risk Map

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