
REVIEW OF THE COUNCIL'S RISK MANAGEMENT AND REGISTERS FOR 2019/20

1 PURPOSE OF REPORT

- 1.1 This report presents a six-month review of the Council's risk register (CRR) for 2019/20 for Members' consideration.

2 INTRODUCTION

- 2.1 The previous report on this topic was presented to the Audit Committee in May 2019 when the updated risk management framework and risk register for 2019/20 were approved.

3 THE CORPORATE RISK REGISTER FOR 2019/20

- 3.1 The summary corporate risk register for 2019/20 is included at Appendix A.
- 3.2 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.
- 3.3 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.
- 3.4 As part of the 2019/20 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.

4 Six Month Review of the Corporate Risk Register

- 4.1 Risk 2 (Safeguarding), Risk 3a (Food Safety), Risk 3b (Health and Safety), Risk 7 (Stakeholders), Risk 8 (Innovation), Risk 10 (Recruitment), Risk 11 (Partnerships), Risk 14 (ICT) and Risk 15 (GDPR) were reviewed by the Leadership Team between April and October 2019. The majority of changes made reflect the outcomes of training and the recent restructure, as well as legislation and best practice updates.
- 4.2 Corporate Risk 3b: There is a serious Health and Safety incident for which the Council is culpable/liable and this was updated to reflect the Suez Traffic Management Audit conducted in February 2019.
- 4.3 Corporate Risk 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 has

reduced from a high risk to a medium risk as a result of its recent review. The original rating reflected the position prior to the start of GDPR.

- 4.4 The remaining risks on the corporate risk register will be reviewed over the next 6 months, along with emerging issues.
- 4.5 Findings from internal audits will be reflected in the corporate risk register as appropriate.
- 4.6 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.

5 Risk Review Outside of the Corporate Risk Register

- 5.1 For each individual project, specific risk logs and actions are monitored within the project documentation. These will change as the projects evolve.
- 5.2 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.
- 5.3 For each individual service area, risks and actions are monitored with formal reviews taking place every 6 months.

6 RISK IMPLICATIONS

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

7 RESOURCE IMPLICATIONS

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

8 LEGAL IMPLICATIONS

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

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

9 EQUALITY AND DIVERSITY IMPLICATIONS

9.1 An Equality Impact Assessment has not been completed as no decision is being made.

10 RECOMMENDATION

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

That the content of the corporate risk register for 2019/20 be noted.



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Background Papers:-

None.

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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.		✓					✓		✓					2	4	M

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
1 – We fail to deliver the objectives of the Council’s Business Plan in terms of measurable outcomes.	Strategic Director	<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 	Good	2	3	Med
2 – There is a failure to ensure the safeguarding of our children and adults in the district in line with the Council’s legal responsibilities.	Safeguarding Lead Officer with support from the Deputy Lead Officer – Assistant Director – People and	<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 	<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 	Good	2	4	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
	Communities	<ul style="list-style-type: none"> • Reputational damage • Financial damage • External intervention in the running of the Council as a result of safeguarding incidents 	<p>the Safeguarding Boards</p> <ul style="list-style-type: none"> • Dedicated Safeguarding Officer Project Team to achieve and maintain 90%+ compliance with the Essex Safeguarding Boards' set standards • Designated Safeguarding Link Officers across the organisation • Staff and Member training programmes • Compliance with all relevant guidance 				
<p>3a – <u>There is a serious Food, Environmental or other incident for which the Council is culpable / liable. There is a serious Food, Environmental, or other incident which arises or continues due to a failure by the Council.</u></p>	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 	<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

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		charges					
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 meet obligations under the Health & Safety at Work and Fire Safety Acts and allied Regulations • Corporate manslaughter charges 	<ul style="list-style-type: none"> • Annual Corporate Health and Safety Plan • Internal Health and Safety Assessments and Reviews • 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 	Poor	3	4	High
4 – We fail to respond to, or provide, relevant services in the event of an incident or disaster.	Assistant Director – Assets and Commercial	<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 	<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 	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		events	Partnership Agreement • IT incident reviews				
5 – Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.	Section 151 Officer (SIRO)	<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 chain partners. • Residents or customers interests put at risk • Commercial or partnership relationships put at risk • Consequential damage claims • Information Commissioner investigations or penalties • Reputational damage • Incorrect decisions made as the result of poor quality, or poorly interpreted, data • Failure to disclose appropriately where required 	<ul style="list-style-type: none"> • Data Protection measures including ICT Security Policies & Procedures • Data sharing protocols • Annual review of systems and software required by Government Connect Code of Connection (CoCo) • Information Security Policies • Compliance with the Transparency Code • Data quality spot checks 	Fair	3	3	Med
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 stakeholder's concerns, needs or ambitions 	<ul style="list-style-type: none"> • Consultation programmes involve Members, Residents, 	Good	2	3	Med

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"> • Lack of a clear vision for the future • Failure to respond to the Devolution agenda 	<ul style="list-style-type: none"> • Businesses, Service Users, Parishes, Partners and Staff • Communications initiatives including RDC website • Networking meetings with partners organisations and businesses • Equality and diversity 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 	<ul style="list-style-type: none"> • Robust Medium Term Financial Strategy (MTFS) process linked to Business Plan objectives • Robust budgetary 	<p>Good</p>	<p>3</p>	<p>4</p>	<p>High</p>

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		an unforeseen contingency requirement <ul style="list-style-type: none"> • 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 	monitoring and control <ul style="list-style-type: none"> • 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 • Active treasury and cash flow management • Twice-yearly cross party Member Away days to discuss Financial Strategy and Corporate Matters 				
10 – Inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council’s priorities.	Managing Director	<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 	<ul style="list-style-type: none"> • People Plan - Organisational Development Plan • Transformation Projects • Positive about Disabled People • Recruitment policy and procedures 	Fair	4	4	High

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		contractors leads to additional costs and/or delays <ul style="list-style-type: none"> • Service failures lead to potential intervention or loss of funding 	<ul style="list-style-type: none"> • 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 Plan 				
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 	<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 	Good	3	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		significant expertise or experience to risk manage	legal, financial and operational arrangements • Training for contract managers as required. • Project Risk Registers				
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 • Expenditure monitoring and reporting to Members • Business Process Re-engineering as required • Robust option appraisals 	Good	2	3	Med
13 – Failure to ensure good governance of the Council’s activities and delivery of its priorities.	Assistant Director – Legal and Democratic (Monitoring	<ul style="list-style-type: none"> • Failure to follow procedures leads to successful appeals or legal challenges • Misuse of the Regulation of 	<ul style="list-style-type: none"> • Business Plans/MTFS • Council Constitution, Financial Regulations and Contract Procedure 	Good	2	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
	Officer)	Investigatory Powers Act (RIPA) lead to prosecutions <ul style="list-style-type: none"> • 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 matters as a result of failures 	Rules <ul style="list-style-type: none"> • 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 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 	<ul style="list-style-type: none"> • ICT/Digital Roadmap • Project plans • Software Asset list • Budget controls • Contract Management 	Fair	4	3	Med

Risk	Lead Risk Owner	Principal impacts or consequences	Principal controls & actions	Quality of controls*	Residual Likelihood	Residual Impact	Residual Risk Rating
		charging premium prices for service recovery actions <ul style="list-style-type: none"> • 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 					
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. • Internal Compliance Audits 	Good	23	4	MedHig h

Part 3 Corporate Risk Map

Impact	4 Catastrophic		Risk 2, and 3a <u>and 15</u>	Risks 3b, and 9 <u>and 15</u>	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	

