
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 November 2008 and provides an update of that framework and of the Corporate Risk Register for 2008/9 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 approved by the Audit Committee on 10 January 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 A simplified risk scoring mechanism introduced for the Corporate Risk Register for 2007/8 has been used to update Divisional level Risk Registers and the same scoring grid is now also used in the Rochford Project Management and Divisional Planning frameworks. The 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 updated to reflect the current organisational structure of the Council.

5 THE CORPORATE RISK REGISTER FOR 2008/9

- 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:-
- Providing quality, cost effective services
 - Working towards a safer and more caring community
 - Providing a green and sustainable environment
 - Encouraging a thriving local economy
 - Improving the quality of life for people in our District
 - Maintaining and enhancing our local heritage
- 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 signed off 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.

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 mid 2009.

Yvonne Woodward

Head of Finance Audit & Performance Management

Background Papers:-

None.

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Rochford District Council – Corporate Risk Framework and Policy 2008/09

Contents

	Page
Risk Policy Statement	1
Background and Introduction	2
Corporate Governance	2
Introduction	2
Corporate Risk Management Framework and Strategy	3
1. Process	3
2. Monitoring	3
3. Assurance of Controls	3
4. Risk Champions	3
5. Risk Scoring	3
6. Risk Management - Roles And Responsibilities	4
Elected Members.....	4
Senior Management Team (SMT).....	4
Corporate Risk Officer.....	4
Corporate Risk Group (CRG).....	5
Heads of Service and Departmental Management Teams	5
Service Managers.....	6
Specialist representatives (internal audit, insurance, legal, IT)	6
Corporate Risk Register – Summary of Risks	7
Corporate Risk Map	8
Risk Scoring	9

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 materialise, 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 for 2008/9 has been 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 for 2008/9 requires a proactive approach in order to maintain its integrity and currency. To achieve this, the following actions are deemed necessary: -

- (i) The Corporate Risk Group (CRG) will keep under review, the corporate Risk Register and any relevant action plans on a regular basis.
- (ii) Divisional management teams will identify and assess the risks appropriate to their areas of operation.
- (iii) Action plans will be prepared for all significant risks for which additional controls are required.
- (iv) 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 Champion for Risk and Business Continuity has been 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.

Rochford District Council – Corporate Risk Framework and Policy 2008/09

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

Rochford District Council – Corporate Risk Framework and Policy 2008/09

- 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 Contingency Planning/Health & Safety Manager in respect of the latter's 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.

Rochford District Council – Corporate Risk Framework and Policy 2008/09

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

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	Jan. 2009
2	Mismatch between Council Plans and available funding	2	3	Med	Good	Jan. 2009
3	Council fails to recruit and retain the right people and skills	3	3	Med	Good	Apr. 2009
4	Lack of a robust performance management process and poor data quality	2	2	Low	Good	Apr. 2009
5a	Failure to apply a robust process for entering into partnerships	3	2	Low	Good	Sep. 2009
5b	Council fails to monitor and review its partnerships effectively to ensure anticipated outcomes are achieved	2	2	Low	Good	Sep. 2009
6	Incident occurs and Council fails to respond effectively	4	3	Med	Fair	Jan. 2009
7	Political change at a national or local level leading to a change of Council priorities	1	3	Low	Good	Sep. 2009
8	Lack of clear understanding of what Value For Money means	3	2	Low	Good	Mar. 2009
9	Ineffective internal or external communication.	3	2	Low	Good	Jan. 2009
10	Failure to achieve an improved grading within CPA - No longer a risk	N/A	N/A	N/A	N/A	N/A
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. 2009
13	Risk of contract arrangements failing	3	3	Med	Good	Feb. 2009
14	Failure to be aware of/comply with, existing or new legislation	1	3	Low	Good	Sep. 2009
15	Failure to meet additional costs of concessionary fares schemes - No longer a risk	N/A	N/A	N/A	N/A	N/A
16	Failure to protect data such that personal data is lost/made public	2	3	Med	Good	Dec. 2008

* 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)

Rochford District Council – Corporate Risk Framework and Policy 2008/09

Corporate Risk Map

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

Rochford District Council – Corporate Risk Framework and Policy 2008/09

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 - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

KEY TO TERMS / ABBREVIATIONS USED

ACRONYM	MEANING
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
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
HoS	Heads of Service
HRM	Human Resources Manager
IIP	Investors In People
IT	Information Technology
LA	Local Authority
LAA	Local Area Agreement

ACRONYM	MEANING
LDF	Local Development Framework
LSP	Local Strategic Partnership
MTFS	Medium Term Financial Strategy
MTP	Member Training Programme
PDR	Performance Development Review
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

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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> Corporate and Divisional Plans Survey Results Strategy Documents and Action Plans LDF documents	Implement the Consultation Strategy Production of new Corporate Plan – from Vision to Reality –2/08 Update Community Strategy - due 4/08 Monitoring of Action Plans LDF implementation	BVPI User Satisfaction Surveys Objectives achieved Consultation results	Six monthly Next reviews - Jan 2009 with Sustainable Community Strategy agreement Jul. 2009 prior to 2010/11 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.
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 FPG minutes	Budget monitoring All plans to have specific budget allocations	Planned achievement and spend in line with budgets	Annual Next review - Jan. 2009 within Budget setting process	2	3	Med.	Budget controls include the monitoring of income streams. See also risk 15 in respect of funding for concessionary fares.
3. Council fails to recruit and retain the right people and skills.	HRM	Workforce Development Plan (WDP) IIP scheme PDR process Member training programme (MTP)	<u>Controls:</u> Good <u>Evidence:</u> Completed PDRs IIP inspections WDP reviews to SMT MTP Report to Standards Committee	Monitor and expedite PDR completion	Low staff turnover Good response to recruitment Proportion of posts filled by internal candidates MTP successful	Six monthly (WDP reviews and MTP reviews) Next reviews - Apr 2009 Oct 2009	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).

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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	Performance Management Framework and Reports to Members PDR and QPR Processes Data quality Strategy & Action Plan	<u>Controls:</u> Good <u>Evidence:</u> PDRs QPRs PRMs External Audit	Implement the Data Quality Action Plan Ensure SMART targets Ensure PDR completion Ensure 1 to 1 meetings take place	Objectives achieved as evidenced by QPRs and MPRs	6 monthly Reviewed Sep. 2008 Next review - April 2009 – 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.2008 Next review - Sep. 2009	3	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.
5b. Council fails to monitor and review its partnerships effectively to ensure that anticipated outcomes are being achieved.	CEx	(SPMT)Activity Partnership guidance and risk assessment templates Bonds and guarantees	<u>Controls:</u> Good <u>Evidence:</u> S&PMT minutes SLAs Partnership Review reports to Audit Committee Thames Gateway limited by guarantee	Monitor effectiveness of partnerships and identify unfulfilled requirements of partners	Partnerships achieve declared objectives	Annual Reviewed in Sep.2008 Next review - Sept. 2009	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. Partnership Reviews are reported to Audit Committee

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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
6. An incident occurs and the Council fails to respond effectively.	CPM (HoS)	Corporate and Divisional Business Continuity Plans (BCPs) Records Management Policies 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 Done September 2008 Next review – Jan 2009 after IT restoration test and OOH review	4	3	Med.	The Council's Business Continuity Plans are evolving and are being tested. BCPs to be reviewed in Jan 2009 to meet the KLOE for the Use of Resources assessment Risk includes loss of IT services and temporary or permanent loss of data See also Risk 16 re loss or release of personal data
7. 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.2008 Next review - September 2009	1	3	Low	Council's decision making structure is robust and enables timely response to changes. Officers remain politically neutral. Review is conducted as part of Annual Governance Statement (AGS) with CRR review date in September 2009 to follow AGS in June 2009

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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
8. Lack of a clear understanding of what VFM means.	HFAPM	VFM action plan Divisional VFM investigations VFM inherent in procurement processes VFM in Budget Process	<u>Controls:</u> Good <u>Evidence:</u> VFM research papers VFM Programme of work defined and agreed Procurement procedures and outcomes	HoS undertake VFM reviews as per programme VFM reports provided to SDIMT	VFM programme of work completed VFM secured VFM Benchmarking	6 monthly Reviewed Sept. 2008 Next reviews - March 2009 - after VFM work for 2008/9 Sept 2009. - prior to	3	2	Low	The Council needs a clear understanding of what VFM means in terms of delivering services and meeting customer requirements.
9. Ineffective internal or external communication.	CEx (SMT)	Communications Strategy Access to Services (ATS) Strategy Management / Team meetings Staff consultation IIP monitoring Staff training PDR process Intranet SRMT oversight Core Briefing system Press Release system	<u>Controls:</u> Good <u>Evidence:</u> Staff Surveys results Annual staff briefings Core Briefing for team meetings Rochford Files Completed PDRs Core Brief feedback to SMT/SRMT Press coverage Consultation & Access to Services Group activity	Ensure Communications Strategy is fully implemented Improve upward communication Review and revise corporate communications strategy Monitor briefings at Team meetings Increase external visibility of RDC via good PR Annual review of press coverage and feedback from press	Good staff survey results Positive internal and external feedback Low staff turnover Good IIP inspection results The Council receives positive press coverage. Good relationship with local media	Annual Next review - January 2009	3	2	Low	Internal and external communication processes are developed and continue to evolve. Review followed the ATS strategy January 2008

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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
10. Failing to achieve a better grade within CPA.	CEx	N/A	N/A	N/AS	Inspection report of 7/10/08 shows improvement to Good	N/A				CPA re-inspection conducted in June 2008. No longer a risk – remove from register
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	Embed risk management culture	Good external audit and inspection judgements on financial and risk management Risk Assessment included in budget process	Annual Reviewed in Strategic Risk Review Sep.2007 and then 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 October 2008 following June 2008 AGS Next - review after AGS of June 2009	1	3	Low	SIC updated June 2007 AGS prepared June 2008

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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)	<p>Selection / Monitoring systems</p> <p>Adherence to Contract Procedure Rules</p> <p>Opt out clauses</p> <p>Performance bonds and guarantees</p> <p>Handover planning</p>	<p><u>Controls:</u> Good</p> <p><u>Evidence:</u></p> <p>Regular contract monitoring</p> <p>Meetings with key contractors</p> <p>Contractor reports Reviewed by SDIMT</p> <p>Reports to Port Folio Holder(s)</p>	<p>Improve capabilities & capacity to speedily replace failing contractors</p> <p>Business Continuity Planning</p> <p>Risk Assessment of all major contracts</p>	<p>Regular contract monitoring reports</p> <p>Good service delivery measures and outcomes</p> <p>Satisfactory contract monitoring reports</p>	<p>6 Monthly</p> <p>Reviewed in February and October 2008</p> <p>Next review - February 2009</p>	3	3	Med.	<p>Likelihood reduced now new Waste, Cleansing and Grounds Maintenance contracts are implemented.</p> <p>Next review to include progress with renewals of IT and Capita contracts</p>
14. Failure to be aware / comply with, existing / new legislation	CD(IS)	<p>Legal monitoring new legislation</p> <p>Member Training</p> <p>Professional Membership notifications and email alerts</p> <p>Training and Subscriptions</p> <p>Website checks for compliance</p> <p>Local Government Association updates</p> <p>Communications groups notifications</p>	<p><u>Controls:</u> Good</p> <p><u>Evidence:</u></p> <p>Committee and Portfolio Holder reports demonstrate consideration of effects of proposed legislation</p>	<p>Ensure email notifications are received by appropriate officers with cover for absent colleagues</p> <p>Ensure LGA Alerts are distributed to SMT as required</p> <p>Cover specific risks in DRRs</p>	<p>Council responds in a managed way to changes</p>	<p>Annual</p> <p>Reviewed in October 2008</p> <p>Next review - Sep. 2009</p>	1	3	Low	<p>Good controls thus not a significant corporate risk.</p> <p>Specific risks can be delegated to DRRs</p>

Appendix B - Rochford District Council – Corporate Risk Register 2008/09 - Executive Summary - DRAFT

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
15. Failure to meet additional cost of concessionary fare schemes.	HFAPM	See Risk Analysis for details	<u>Controls:</u> Good <u>Evidence:</u> Potential county wide agreement on apportionment of costs	None	Correct calculation of RDC liability	3 monthly New risk assessed in Oct 2008 Reviewed: Nov 2008	3	3	Med.	A potential county wide agreement on apportionment of costs now provides some certainty around RDC commitments. No longer a significant corporate risk– remove from register
16 Failure to protect data such that personal data is lost / made public	HICS	Data protection policies and procedures Records Management Policies IT Code of Conduct Government Connect standards	<u>Controls:</u> Good <u>Evidence:</u> Documented Policies and procedures	Ensure compliance with Procedures and Standards and IT code Review IT policies and practices	Compliance with RDC policies and Compliance with Government Connect standards by Sept 2009	Annual Reviewing - Dec. 2008 then Dec. 2009	2	3	Med.	Ensure excellent level of controls in place Ensure that personal data is fully protected in accordance with Data Protection Acts.

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.

Corporate Risk Analysis – Example

Appendix C

Risk No(s): 16	Risk Descriptor(s): Failure to protect data such that personal data is lost / made public Risk Management objectives/Notes: Ensure that personal data is fully protected in accordance with Data Protection Acts and aiming for an excellent standard of controls	Risk Owner: Head Of Information & Customer Services
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Risk prior to controls	Likelihood : 3	Impact: 4	Risk Rating : High
Residual Risk	Likelihood: 2	Impact: 3	Risk Rating: Medium

Review Frequency: Annual	Key dates for Review: Dec. 2008 and then Dec 2009
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Risk Consequences: <ul style="list-style-type: none"> • Loss of personal data impacting on service delivery • Personal data made public breaching individuals' rights to privacy and causes embarrassment and/or negative or harmful consequences • Potential financial consequences for individuals • Potential financial consequences for Council if sued • Adverse local or national publicity or other reputational risks • Potential Government or other public censure

**Corporate Risk Analysis – Example
CONTROLS AND ACTION PLAN(S)**

Appendix C

Action/controls	Adequacy of controls	Evidence of controls	Action required by SMT	Monitoring/success measures
Data protection policies and procedures	Good	Data Protection Policy	Ensure compliance with policy, procedures and standards	Compliance with RDC policies
Records Management Policies	Good	Data Quality and Records Management Policy	Ensure compliance with policy, procedures and standards	Compliance with RDC policies
Government Connect standards	TBA	Under review	Review IT policies Ensure compliance with policy, procedures and standards	Compliance with the Government Connect standards
IT Code of Conduct	Good	Signed copies held by HR Team	Ensure compliance	Compliance with RDC code

Risk review completed by:	Name: A. Mowbray	Signed:	Date:
Risk review approved by:	Name: S.Fowler	Signed:	Date: