

## Appendix B - Rochford District Council – Corporate Risk Register - 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            |
| CPM     | Corporate Policy 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                          |

| ACRONYM | MEANING                                  |
|---------|--|
| LA      | Local Authority                          |
| LDF     | Local Development Framework              |
| LSP     | Local Strategic Partnership              |
| MPR     | Members Performance Report               |
| MTFS    | Medium Term Financial Strategy           |
| MTP     | Member Training Programme                |
| PDR     | Performance Development Review           |
| PR      | Public Relations                         |
| QPR     | Quarterly Performance Report             |
| S&PMT   | Strategy and Partnership Management Team |
| SIC     | Statement of Internal Control            |
| SLAs    | Service Level Agreements                 |
| SMT     | Senior Management Team                   |
| SRMT    | Staffing and Resources Management Team   |
| VFM     | Value For Money                          |
| WDP     | Workforce Development Plan               |
|         |  |

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|---|------------|---|---|--|--|--|------------|--------|------|---|
| 1. The Council's vision and objectives fail to meet public expectation and community needs. | CEx<br>CPM | Corporate planning process<br>LSP processes<br>Consultation Strategy & processes<br>Data Quality Strategy<br>LDF Process<br>Access to Services (ATS) strategy | <u>Controls:</u> Fair<br><u>Evidence:</u><br>Corporate and Divisional Plans<br>Survey Results<br>Strategy Documents and Action Plans<br>LDF documents | Implement the Consultation Strategy<br>Production of new Corporate Plan – from Vision to Reality –2/08<br>Update Community Strategy - due 4/08<br>Monitoring of Action Plans<br>LDF implementation | BVPI User Satisfaction Surveys<br>Objectives achieved<br>Consultation results  | Six monthly<br>Next reviews -<br>Jan 2008 after ATS strategy<br>Jul. 2008 after revision of Community Strategy | 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<br>Medium Term Financial Strategy (MTFS)  | <u>Controls:</u> Good<br><u>Evidence:</u><br>MTFS<br>Budget book<br>FPG minutes   | Budget monitoring<br>All plans to have specific budget allocations   | Planned achievement and spend in line with budgets   | Annual<br>Next review -<br>Jan. 2008 within Budget setting process   | 2          | 3      | Med. | To be reviewed in the light of the Central Government funding settlement announced in December and the outcome of negotiations around funding for concessionary fares.  |
| 3. Council fails to recruit and retain the right people and skills.                         | HRM        | Workforce Development Plan (WDP)<br>IIP scheme<br>PDR process<br>Member training programme (MTP)  | <u>Controls:</u> Good<br><u>Evidence:</u><br>Completed PDRs<br>IIP inspections<br>WDP reviews to SMT<br>MTP Report to Standards Committee             | Monitor PDR completion   | Low staff turnover<br>Good response to recruitment<br>Proportion of posts filled by internal candidates<br>MTP successful<br>Staff survey response | Six monthly<br>(WDP reviews and MTP reviews)<br>Next reviews -<br>Apr 2008<br>Oct 2008                         | 3          | 3      | Med  | The Council is changing in terms of structure and service delivery and needs to have the right people and skills available to deliver its priorities (officers and members).  |

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| 4. Lack of a robust performance management process and poor data quality.  | HFAPM      | Performance Management Framework<br>PDR Process<br>QPR Process<br>MPRs<br>Data quality Strategy & Action Plan | <u>Controls:</u> Good<br><u>Evidence:</u><br>PDRs<br>QPRs<br>MPRs  | Implement the Data Quality Action Plan<br><br>Ensure SMART targets<br><br>Ensure 1 to 1 meetings take place   | Objectives achieved as evidenced by QPRs and MPRs  | 6 monthly<br><br>Reviewed Nov. 2007<br><br>Next review - June 2008 – with full year performance report | 2          | 4      | Med. | The Council needs to be clear about its objectives, have clearly defined expected outcomes from service delivery and be able to monitor this effectively.<br><br>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 (S&PMT) Activity<br><br>Partnership guidance document                | <u>Controls:</u> Good<br><u>Evidence:</u><br>S&PMT minutes   | Ensure adequate structures in place for all partnerships<br><br>Implement recommendations from reviews of partnerships<br><br>Review Partnership guidance | Partnership objectives are specified and all partners have clear roles and agreed resource commitments | Annual<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - Sep. 2008                | 4          | 2      | Med. | The Council needs to ensure there is a clear understanding of the process for entering into partnerships and that it is consistently applied.<br><br>Partnership guidance is to be updated in line with revised Government guidelines and the new National Indicator set. |
| 5b. Council fails to monitor and review its partnerships effectively to ensure that anticipated outcomes are being achieved. | CEx        | (S&PMT)Activity<br><br>Partnership guidance document<br><br>Bond and guarantees                               | <u>Controls:</u> Good<br><u>Evidence:</u><br>SLAs<br>Partnership Review reports to Audit Committee<br><br>S&PMT minutes<br><br>Thames Gateway limited by guarantee | Monitor effectiveness of partnerships and identify unfulfilled requirement of partners  | Partnerships achieve declared objectives   | Annual<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - Sept. 2008               | 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.<br><br>Partnership Reviews are reported to Audit Committee   |

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|---|------------|---|---|---|--|---|------------|--------|------|---|
| 6.An incident occurs and the Council fails to respond effectively.                          | CPM (HoS)  | Corporate and Divisional Business Continuity Plans (BCPs)<br><br>Records Management Policies  | <u>Controls:</u> Fair<br><u>Evidence:</u><br>BCPs<br>DQ& RMP<br>Policies<br>IT restoration contract   | Further define and agree BCPs<br><br>Test BCPs by exercises                                 | Services restored or maintained in the event of an incident.<br><br>Records retrieved  | Six monthly<br><br>Jan. 2008  | 4          | 3      | Med. | The Council's Business Continuity Plans are evolving but have yet to be tested.<br><br>BCPs need to be reviewed in Jan 2008 to meet the KLOE for the Use of Resources assessment<br><br>Risk includes loss of IT services and temporary or permanent loss of data |
| 7. Political change at a national or local level leading to a change of Council priorities. | CEx Leader | Work with L.A. associations<br><br>Corporate and Divisional planning<br><br>Response to consultation documents<br><br>Budgetary Process<br><br>Member Decision Making Structure | <u>Controls:</u> Good<br><u>Evidence:</u><br>Corporate, Divisional & Service Planning in place<br><br>5 year Budget Strategy reported to Council annually<br><br>External inspection reports<br><br>Responses to specific initiatives | Annual review of the effectiveness of change mechanisms (conducted as part of SIC research) | The Council responds in a timely fashion to changes.<br><br>Corporate and financial planning includes forward planning<br><br>Good response on SIC questionnaire regarding responding to changes | Annual<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - June 2008 | 1          | 3      | Low  | Review is conducted as part of the research for SIC – review dates are aligned accordingly<br><br>SIC updated June 2007<br><br>(SIC is to be replaced by and Annual Governance Statement in 2008)   |

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|---|------------|--|---|--|--|---|------------|--------|------|--|
| 8. Lack of a clear understanding of what VFM means. | HFAPM      | VFM action plan<br><br>Divisional VFM investigations   | <u>Controls:</u> yet to be assessed<br><br><u>Evidence:</u><br>VFM research papers  | VFM Programme of work to be defined and agreed<br><br>VFM reports to Committee   | VFM programme of work completed and VFM secured  | 6 monthly<br><br>Next reviews -<br>Feb. 2008<br>Aug. 2008 | 4          | 2      | Med. | New risk added August 2007<br><br>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<br><br>Departmental Management / Team meetings<br><br>Staff sounding board<br><br>IIP monitoring / improvements<br><br>Staff induction and training<br><br>PDR process<br><br>Intranet<br><br>Staffing & Resources MT (SRMT) oversight<br><br>Core Briefing system<br><br>Managed Press Release system | <u>Controls:</u> Good<br><br><u>Evidence:</u><br>Staff Surveys results<br><br>Annual staff briefings<br><br>Core Briefing for team meetings<br><br>Rochford Files<br><br>Completed PDRs<br><br>Core Brief feedback to SMT/SRMT<br><br>Generally positive press coverage<br><br>Consultation & Access to Services Group activity | Ensure Communications Strategy is fully implemented<br><br>Improve upward communication<br><br>Review and revise corporate communications strategy<br><br>Monitor briefings at Team meetings<br><br>Increase external visibility of RDC via good PR<br><br>Annual review of press coverage and feedback from press | Good staff survey results<br><br>Positive internal and external feedback<br><br>Low staff turnover<br><br>Good IIP inspection results<br><br>The Council receives positive press coverage.<br><br>Good relationship with local media | Annual<br><br>Next review -<br>January 2008               | 3          | 2      | Low  | An internal and external communication system / process is developed and continues to evolve.<br><br>Review to follow the ATS strategy January 2008            |

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|---|------------|---|--|--|---|---|------------|--------|------|--|
| 10. Failing to achieve a better grade within CPA. | CEx        | Performance Plan<br>CPA Improvement Plan<br>Internal audit reports<br>Dedicated Audit Committee<br>Corporate Planning process<br>Divisional Planning Process<br>Data Quality Strategy/Action Plan | <u>Controls:</u> Good<br><u>Evidence:</u><br>Improvement Panel meets regularly and reviews CPA Improvement Plan.<br>External Audit recommendations are monitored and reported to Committee<br>SMT minutes showing forward planning and preparation for inspections.<br>Corporate Plans<br>Divisional Plans<br>Service Action Plans<br>Performance Management framework | Carry out process reviews<br>Embed Performance Management framework<br>Seek CPA Re-assessment (underway) | Performance Management framework embedded in culture<br>Good relationship with external inspectors<br>CPA Inspection reports are favourable | Annual<br>October 2007 (Application submitted)<br>Further review date Feb 2008 as part of preparation for CPA inspection. | 2          | 4      | Med. | CPA re-inspection is planned for June 2008. The Council is aiming to achieve a better grade when inspected |

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|--|------------|--|--|---|--|---|-------------|--------|------|---|
| 11. Unexpected major financial liability or uninsured loss | HFAPM      | Insurance reviews<br>Whistle Blowing policy<br>Budget Strategy<br>Review of Financial Reserves & Balances  | <u>Controls:</u> Good<br><u>Evidence:</u><br>Insurance Policies<br>Insurance reserve<br>Budget Strategy<br>Collection Fund reserve<br>Budget/planning process includes risk assessment | Embed risk management culture   | Good external audit and inspection judgements on financial and risk management<br><br>Risk Assessment included in budget process | Annual<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - Sep. 2008         | 1           | 3      | Low  | Ex 15 on old CRR                              |
| 12. High volumes of staff, client , or contractor fraud    | HFAPM      | Verification framework<br>Whistle blowing/ Prosecution / Fraud / policies<br>Internal Audit<br>Register of interests<br>Segregation of duties<br>SIC assurance framework<br>Procedures | <u>Controls:</u> Excellent<br><u>Evidence:</u><br>Audit reports<br>Register of Interests<br>SIC document<br>Procedure manuals<br>Internal Audit Self assessment                        | Delegate specific measures to DRRs<br><br>Fraud awareness training / culture<br><br>Develop SIC process further | Demonstrate proactive approach to identifying areas that are high risk for fraud   | Annual<br>June 2008*<br><br>* subject to revised SIC as part of new governance code of practice | 2           | 3      | Low  | Ex 17 on old CRR<br><br>SIC updated June 2007 |

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|---|------------|---|---|---|---|--|------------|--------|------|---|
| 13. Risk of contract arrangements failing                         | CD (ES)    | Selection / Monitoring systems<br>Adherence to Contract Procedure Rules<br>Opt out clauses<br>Performance bonds and guarantees  | <u>Controls:</u> Good<br><u>Evidence:</u><br>Regular contract monitoring<br>Meetings with key contractors<br>Contractor reports<br>Reports to Contracts Sub - Committee | Improve capabilities & capacity to speedily replace failing contractors<br>Business Continuity Planning<br>Risk Assessment of all major contracts | Regular contract monitoring reports<br>Good service delivery measures<br>Satisfactory contract monitoring reports | 6 Monthly<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - February 2008 | 4          | 4      | High | Ex 18 on old CRR<br><br>Likelihood increased as new Waste etc contracts being sought for April 2008 onwards                                     |
| 14. Failure to be aware / comply with, existing / new legislation | CD(IS)     | Legal monitoring new legislation<br>Member Training<br>Professional Membership notifications and email alerts<br>Training and Subscriptions<br>Website checks for compliance<br>Local Government Association updates<br>Communications groups notifications | <u>Controls:</u> Good<br><u>Evidence:</u><br>Committee reports<br>Good response on SIC questionnaire regarding responding to changes                                    | Ensure email notifications are received by appropriate officers with cover for absent colleagues  | Council responds in a managed way to changes  | Annual<br><br>Reviewed in Strategic Risk Review Sep.2007<br><br>Next review - Sep. 2008        | 1          | 3      | Low  | Ex 7 on old CRR<br><br>Good controls thus not a significant corporate risk . Recommend this risk be delegated to DRRs especially Legal Services |