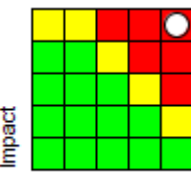
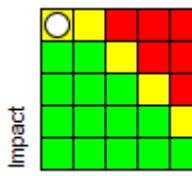
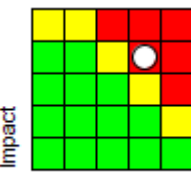
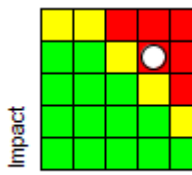
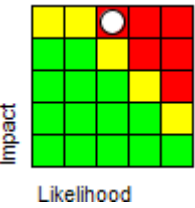
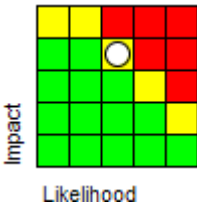
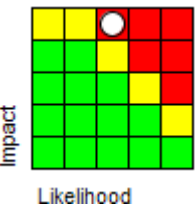
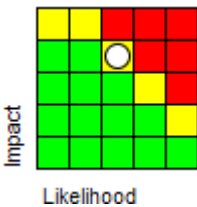


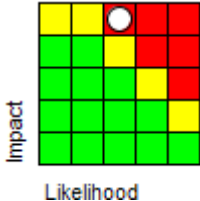
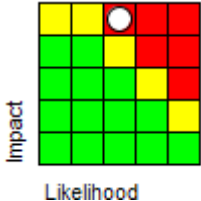
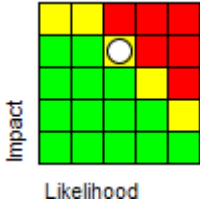
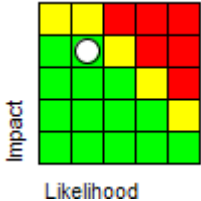
# Appendix 1 Corporate Risk Report June 2022

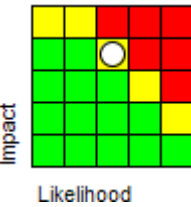
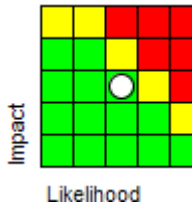
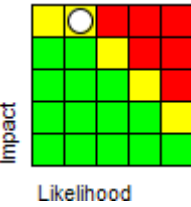
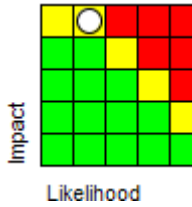
## Risks ordered by RAG not numerically

Generated on: 07 June 2022

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR37 Source: Requirement to adopt an up-to-date Local Plan in by end 2023 in accordance with government requirements Risk: Delay to plan preparation due to the requirement of the plan to demonstrate water neutrality, or as a result significant / unexpected changes to government guidance.</p>	<p>Economic damage to district as a result of limits to development which can take place</p>	<p>Barbara Childs</p>		<p>CRR.37.1 Joint working with partners to develop water neutrality mitigation strategy</p>	<p>Catherine Howe</p>		<p>Level of increased water demand requiring water neutrality measures now provisionally agreed. Governance arrangements drafted and awaiting final sign off.</p> <p>Detailed work on overall mitigation strategy now able to commence. Requires continued input from all affected local authorities, Natural England, and Southern Water.</p> <p>Successful LEP for funding for additional resources to help deliver the strategic solution co-ordinated by WSCC.</p>
				<p>CRR.37.2 Keep watching brief on government messaging on planning reforms</p>	<p>Catherine Howe</p>		
<p>CRR01b Financial Cause: The Council is reliant on Central Controlled Government funding (e.g., Business Rates). Risk: (ii) Funding from Government is less generous than assumed in the MTFS from 2023</p>	<p>Reductions in funding Adverse effect on morale Financial Failure to achieve agreed objectives</p>	<p>Dominic Bradley</p>		<p>CRR.01b.1 Continue to keep a watching brief</p>	<p>Samantha Wilson</p>		<p>Government has withdrawn the changes to business rates and revenue funding through the Fair Funding Review for the time being. This has removed this part of the risk temporarily, although Government has only given a one-year settlement in 2022/23, giving little insight into the medium term. Implementation of any business rates reform is now delayed to April 2023 or later, with April 2024 looking increasingly likely.</p> <p>With income not recovering to previous levels, even with some estimated Council tax rises factored in, £1.7m budget deficits are currently forecast across later years of the MTFS unless significant action is taken over the next couple of years to mitigate inflation and the costs of food waste when implemented.</p>
				<p>CRR.01b.2 Revisit the MTFS and if necessary 2022/23 budget in year.</p>	<p>Samantha Wilson</p>		
				<p>CRR.01b.3 Evaluate and discuss with Members possible future actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income.</p>	<p>Dominic Bradley</p>		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates). <u>Risk:</u> Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.</p>	Reductions in funding Financial	Dominic Bradley		CRR.01c.1 Continue to keep a watching brief	Samantha Wilson		<p>With business rates reform postponed and the impact of COVID-19 on the high street, further reductions in business rates seem inevitable, although Government reliefs have mitigated this in the short term and the total RV is stable at present.</p> <p>A one-year settlement for 2022/23 means the uncertainty is deferred to what happens in 2023/24, although the likelihood that changes won't be until 2024/25 is increasing.</p> <p>Appeals to the Valuation Office remain high, which could trigger backdated refunds. The appeals provision is approximately £5m, albeit the Council's share is only 40% of this.</p>
				CRR.01c.2 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income	Samantha Wilson		
<p>CRR18 Technological <u>Cause:</u> Council services are increasingly reliant on IT systems at a time when there are greater opportunities for malicious attackers to exploit security weaknesses.</p> <p><u>Risk 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p><u>Risk 2:</u> IT not working due to environmental problems: fire, flood, power cut</p>	Loss of key systems- disruption to Council services. Cost of investigation and recovery of systems. Fraud/theft. Loss of the integrity of Council Records. Penalties from the ICO. Adverse media coverage.	Dominic Bradley		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		<p>CRR.18.1 Ongoing, as part of induction for new staff/ Members, and as required. This included cyber security training for Members in February 2022.</p> <p>CRR18.2 We are following government advice re heightened Cyber Security Threats.</p> <p>CRR.18.5 PSN Accreditation has been awarded for another year.</p>
				CRR.18.2 Awareness of current threats	Andrea Curson		
				CRR.18.3 An effective ICT Service delivery team	Andrea Curson		
				CRR.18.4 Effective patching and updates to mitigate known vulnerabilities	Andrea Curson		
				CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Andrea Curson		
				CRR.18.6 Effective policies in place which outline security requirements for users of ICT	Andrea Curson		
				CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.	Andrea Curson		
				CRR.18.8 Transferring the risks to the cloud provider	Andrea Curson		
				CRR.18.9 Plan developed,	Andrea		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
				approved internally and being carried out.	Curson		
<p>CRR19</p> <p>Cause: Uncertainty in the UK and World economy. The Government has spoken about an additional 5% reduction in local government funding, and further cuts in years to come. The impact on the financial markets and the pound following Covid-19 and then the energy crisis has brought forward the likelihood of a deeper depression and caused a slowdown in the property and financial markets. Inflation rising fast. Risk: Ongoing reduction in planning fees; reduced car parking income; increased homelessness; and increased housing benefit claims, leisure centres, property income; investment income. Rapidly rising costs from inflation.</p>	Financial Service Delivery Compliance with Regulations	Dominic Bradley		CRR.19.2 Monitor the external environment	Samantha Wilson		<p>Covid-19 has had a significant impact on the economy and the Council's income.</p> <p>A small surplus budget was set for 2022/23 as a result of a restructure in November 2020 and a better than expected one-year settlement. Net expenditure in 2022/23 has been set £1m lower than 2021/22 but remains £1m higher than in 2020/21 (pre-pandemic).</p> <p>Budget shortfalls approaching £1.7m a year are still forecast by the end of the medium-term financial period. This is mostly driven by the estimated £1.3m costs of food collection, as well as income levels not fully recovering to previous levels. Rising costs from inflation will put further pressure on the budget gaps. The future funding of local government also remains very uncertain.</p> <p>Pressure is building on homelessness and benefits cases. Cumulative pressure on businesses since 2020 may also increase the risk on their ability to pay all rents.</p>
				CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends	Samantha Wilson		
<p>CRR05</p> <p>Governance</p> <p>Cause: Managers are responsible for ensuring that controls to mitigate risks are consistently applied.</p> <p>Risk: Officers are either unaware of expected controls or do not comply with control procedures.</p>	<p>Failure of business objectives</p> <p>Health &amp; Safety</p> <p>Financial</p> <p>Service Delivery</p> <p>Compliance with Regulations</p>			CRR.05.1 Officer training	Dominic Bradley		<p>The Annual Governance Statement action plan for 2021/22 completed. This included delivering training for management and staff in this area. Heads of Service, all managers, depot-based managers, Capitol and Parks and Countryside management training has taken place. An online training course for all staff went live in May 2022.</p> <p>The review of governance at the museum was completed.</p>
				CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Dominic Bradley		
				CRR.05.4 "Cultural compliance" Internal Audits identify service-based issues and help managers to resolve these.	Dominic Bradley		
				CRR.05.5 Programme of training and information to	Dominic Bradley		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
	Personal Privacy Infringement  Reputation damage			ensure all managers understand their roles.  CRR.05.6 Governance review of the Horsham Museum			The annual e-learning refresher programme for 2022/23 has started, with the following three courses being mandatory: <ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Safeguarding adults</li> <li>Safeguarding children and young people.</li> </ul>
CRR17 <u>Cause:</u> The External Auditors audit the HDC Benefits Grant Subsidy return to the Department for Work and Pensions (DWP) on an annual basis to identify errors. <u>Risk:</u> The Benefit Subsidy claim may be qualified and/or financial losses. HDC has a case load with a particularly high number of working people with many changes of circumstances.	Financial Service Delivery Compliance with regulations Reputation	Dominic Bradley; Beccy Salmon		CRR.17.1 Continuously monitor the level of quality control checking.  CRR.17.2 An earmarked reserve for subsidy provision is now in place that would cover the loss of subsidy in the event that the upper threshold in the subsidy claim is breached.	Beccy Salmon  Beccy Salmon		The service continues to maintain a robust QC process to mitigate financial loss via a qualified subsidy loss. However, in February 2021 colleagues found a long-standing error relating to a claim assessed under the CenSus regime leading to an overpayment of £35,000. This, combined with a small decline in 2020/21 quality due to workload pressure puts the Council closer than it has ever been to the lower threshold for 2020/21 since leaving the CenSus partnership.  A further £8,000 historic error was found in April 2021. This will affect the 2021/22 claim but being a lower amount is less likely to lead to a subsidy loss.  The LA Error rate decreases slightly as HB expenditure continues without further error but remains a risk due to the low headroom for future LA Error to be found.
CRR02 Managerial / Professional <u>Cause:</u> The Council has a legal obligation to protect personal data. The Information Commissioners powers are much more far reaching when they change in May 2018.  <u>Risk 1:</u> Major data breach or leak of sensitive information to a third party. <u>Risk 2:</u> Risk of significant ICO fine for non-compliance with new General	People and businesses come to harm and suffer loss that might not otherwise have occurred Complaints / claims / litigation Resources	Dominic Bradley		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy  CRR.02.3 Provide a programme of Induction and at least annual training on Information Security to all staff.  CRR.02.4 Annual PSN Accreditation	Andrea Curson / Sharon Evans  Robert Laban  Andrea Curson		CRR02.3 An induction programme is established, and new staff are completing IS training as part of probation, where relevant. There will be regular updates as and when topical issues emerge, in a fast-moving environment that poses IS threats.  CRR02.4 PSN Accreditation 2021 awarded.

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
Data Protection Regulations (GDPR).	consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage			CRR.02.5 Representatives from each department meet every other month to maintain compliance, updates and training	Sharon Evans		CRR.02.05 Due to recent data breaches, a new training presentation has been written and will be delivered through service team meetings. Should be completed before mid-July 2022.
CRR03 Legal <u>Cause:</u> The Civil Contingencies Act places a legal obligation upon the Council, with partners, to assess the risk of, plan, and exercise for emergencies, as well as undertaking emergency and business continuity management. The Council is also responsible for warning and informing the public in relation to emergencies, and for advising local businesses.  <u>Risk:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.	People and businesses come to harm and suffer loss that might not otherwise have occurred	Dominic Bradley		CRR.03.1 Update corporate business continuity plan and regular review.	Robert Laban		CRR.03.1 Plan is updated. Several Neighbourhood Wardens have been trained as Rest Centre Managers. Consideration is given to establish a process/ rota for senior managers to manage emergencies.  CRR.03.2 All BC plans have been updated in 2021, Q3; a sample was tested in Q4 with the service heads.  CRR.03.5 Hybrid bitesize workshops are starting again from April for: Response, BC, Recovery, Rest Centre ops.  CRR.03.6 In line with lifting of all Covid restrictions, regular Covid focussed BC meetings have stopped (but can be reinstated quickly if needed).
	Complaints / claims / litigation			CRR.03.2 Update departmental business continuity plans and regular review.	Robert Laban		
	Resources consumed in defending claims			CRR.03.5 Bitesize workshops to address new procedures and processes.	Robert Laban		
	Financial losses Censure by regulators Reputation damaged			CRR.03.6 Fortnightly BC meetings during Covid-19	Robert Laban		
CRR06 Physical <u>Cause:</u> The Council is responsible for the health & safety of its clients, staff and other stakeholders, owns and maintains significant assets, and also has responsibility for H&S in some partner organisations where it does not have operational control.  <u>Risk:</u> A health & safety failure occurs.	People come to harm Complaints/claims/ litigation Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism	Jane Eaton		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		CRR.06.2 Regular meetings of all stakeholders are established and ongoing.  CRR.06.3 Probation processes are well established. Recent refreshers on Office Safety and Homeworking completed. First Aider programme ongoing. Plans for Fire Marshal refresher being developed.
	CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation	Robert Laban					

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR34 Cause: Uncertainty in the UK and World economy. Instability and high-profile failures. Risk: Key contractor failure</p>	Financial	Dominic Bradley		CRR.34.1 Regularly check accounts of key suppliers	Heads of Service		<p>The impact on the loss of key suppliers is lessening and we no longer have the Head of Procurement on the business continuity group.</p> <p>The impact of the world shortage of building supplies is lessening but remains uncertain.</p> <p>Risk of inflation, interest rate rise and recession being monitored.</p>
				CRR.34.2 Check public liability insurance of key suppliers	Heads of Service		
				CRR.34.3 Ask for key suppliers' business continuity plans	Heads of Service		
				CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan	Heads of Service		
<p>CRR35a Cause: Covid-19 infection Risk: Serious risk to the health and safety of workers</p>	Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Dominic Bradley		CRR.35a.1 Corporate Health and Safety group oversees H&S measures (staff H&S representative observes)	Dominic Bradley		<p>CRR.35a.3 In line with diminishing Covid-19 infection risks, the Business Continuity Group has been stayed. Monitoring is ongoing by the Corporate H&amp;S Adviser and Emergency Planning Adviser, reviewing relevant HSE, NHS/ Government guidance. Any necessary updates will be through the Comms service by the Head of HR&amp;OD. Risk assessments are reviewed and updated as needed.</p> <p>CRR.35a.7 The Council's trial to move to 50/50 working was extended and will be reviewed in the summer, considering emerging practice, staff/ manager feedback and LGA guidance.</p> <p>CRR.35a.7 Despite the lifting of all Covid-19 restrictions, managers are advised to conduct risk assessments for staff who identify themselves as high risk. Staff working from home must have completed a risk assessment, signed off by their manager.</p>
				CRR.35a.3 Regular updates on government advice on keeping safe	Robert Laban		
				CRR.35a.7 Risk assessments for offices and specific staff	Robert Laban		