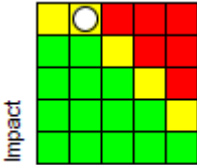

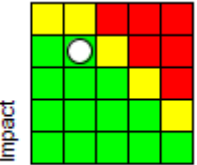




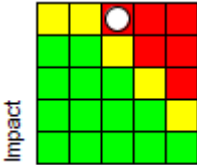

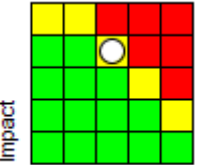
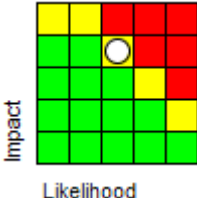
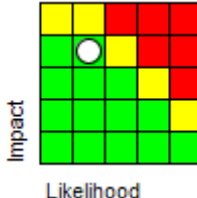
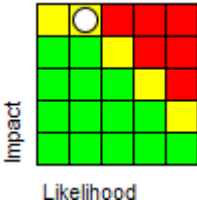
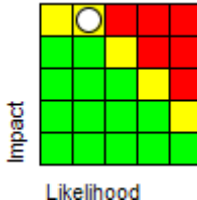
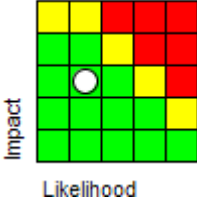
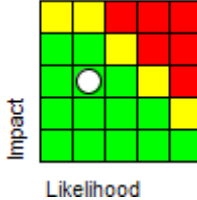
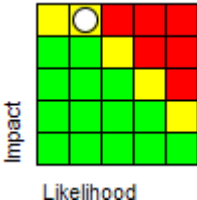
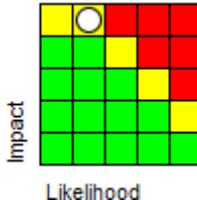


# Appendix 1 Corporate Risk Report November 2017

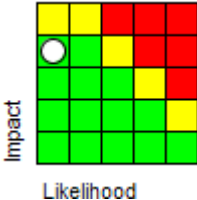
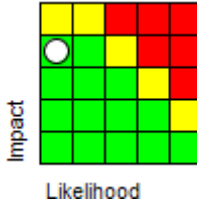
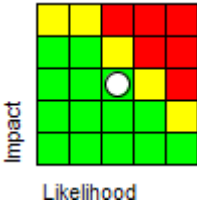
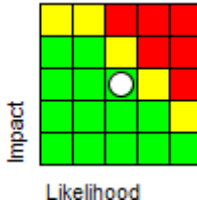
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Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<b>CRR01a</b> Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).  <u>Risk:</u> (i) Failure to achieve the required level of savings and income in the MTFS to 2019/20	Reductions in funding	Jane Eaton		CRR.01.1 Review current budgets in preparation for the 2018/19 budget (October Annually)	Dominic Bradley			<b>November 2017 Update:</b>  A balanced budget for 2017/18 was approved at Cabinet on 26 January 2017 and Council on 15 February 2017. This incorporated many of the efficiency and additional income plans worked on during the year.  The MTFS update in Nov 2017 forecasts small surpluses through to 2019/20 on the expectation that central funding from the government's four year settlement is delivered and that the proposed plans to deliver further efficiencies and income are implemented. The Council's acceptance of the 2015/16 four year settlement during 2016 has helped to provide a degree of certainty for the next three years, in as much as the Revenue Support Grant and the baseline Business Rates funding reduction from £2.2m in 2017/18 to £1.4m in 2019/20 should not get any worse during this period.
	Adverse effect on morale			CRR.01.2 Develop options to deal with pressure for consideration by Members	Dominic Bradley			
	Financial			CRR.01.3 Implement the Medium Term Plan	Dominic Bradley			
	Failure to achieve agreed objectives			CRR.01.4 Ongoing monitoring under the Service Efficiency Board (Future Horsham)	Dominic Bradley			
				CRR.01.5 Productivity & commercialisation projects reviews being undertaken, each of which will provide recommendations (programme of reviews to be completed by 30/09/18)	Chris Lyons			
<b>CRR01b</b> Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (eg. Business Rates).  <u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2020	Reductions in funding			CRR.01b.1 Continue to keep a watching brief	Dominic Bradley			<b>November 2017 Update:</b>  Uncertainty beyond 2019/20, especially with regards to the localisation (100%) retention of business rates remains a significant area of concern. This will be reviewed as information and guidance on how the scheme will work is released. An updated MTFS will be brought back to Members as soon as more is known.  A West-Sussex bid for a county

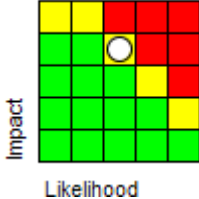
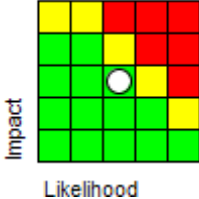
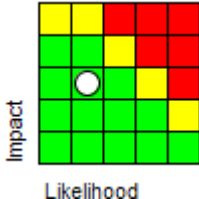
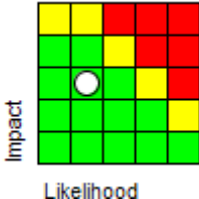
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
								wide pilot scheme for the localisation of Business Rates has been submitted for 2018/19; currently awaiting further information on the outcome of this.
<b>CRR02</b> Managerial / Professional <u>Cause:</u> The Council has a legal obligation to protect personal data. The Information Commissioner has the power to levy significant financial penalties up to £500k for data breaches. These 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 Data Protection Regulations (GDPR) Some contraventions will be subject to administrative fines of up to €10,000,000 or, in the case of undertakings, 2% of global turnover, whichever is the higher. Others will be subject to administrative fines of up to €20,000,000 or, in the case of undertakings, 4% of global turnover, whichever is the higher.	People and businesses come to harm and suffer loss that might not otherwise have occurred Complaints / claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson	▶		<u>November 2017 Update:</u>  CRR02.2 GDPR project set up with Reps from every department meeting regularly and working within departments to prepare for new regulations in May 2018. Strategy is evolving as guidance and best practice becomes available.  CRR02.3 HDC's e-learning module on data protection is mandatory for all staff. New training for the new GDPR is now available and has been shared with the Project Board and GDPR department representatives. This will be rolled out to all staff by end Dec 17.  As Councillors have individual responsibility for complying with GDPR, HDC will be assisting by providing appropriate GDPR training.  CRR02.4 PSN accredited for 2017/18, next due Mar/April 18.
				CRR.02.2 Develop Strategy for implementation of General Data Protection Regulations (GDPR) (to follow)	Jane Eaton	▶		
				CRR.02.3 Provide a programme of training on Information Security to all staff.	Robert Laban	▶		
				CRR.02.4 Annual PSN Accreditation	Andrea Curson	▶		
<b>CRR03</b> 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.	People and businesses come to harm and suffer loss that might not otherwise have occurred  Complaints / claims / litigation  Resources	Trevor Beadle		CRR.03.1 Update corporate business continuity plan and regular review.	Trevor Beadle	▶		<u>November 2017 Update:</u>  CRR.03.01 – Full review due in February 2018  CRR.03.02 – All managers advised to update departmental BCP's in September/October. Full audit to be conducted by EPO in November.  CRR.03.04 – No IT Disaster Recovery plan in place. Further work required with IT services and SLT.
				CRR.03.2 Update departmental business continuity plans and regular review.	Trevor Beadle	▶		
				CRR.03.4 Build IT disaster recovery procedure into new Hop Oast development (warm site). Further plan revision will be made to reflect changes.	Trevor Beadle	▶		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<u>Risk:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil contingency.	consumed in defending claims			CRR.03.5 Bitesize workshops in 2017 and 2018 to address new procedures and processes and all SLT and heads of service will be invited to attend.	Trevor Beadle	▶		CRR.03.05 – booked in and now taking place.  CRR.03.06 – changes have been accounted for.
	Financial losses Censure by regulators Reputation damaged			CRR.03.6 Pick up Emergency Planning changes due to changes to Heads of Service (e.g. Mark Pritchard, Paul Cummins leaving)	Trevor Beadle	▶		
CRR05 Governance <u>Cause:</u> Managers are responsible for ensuring that controls to mitigate risks are consistently applied.  <u>Risk:</u> Officers are either unaware of expected controls or do not comply with control procedures.	Failure of business objectives	Jane Eaton		CRR.05.1 Officer training	Jane Eaton	✓		November 2017 Update:  Risk complete, retain on register to keep in view
	Health & Safety			CRR.05.2 Raise the profile of risk and control by incorporating them into the performance management framework (e.g. integrate into appraisal process).	Jane Eaton	✓		
	Financial Service Delivery Compliance with Regulations Personal Privacy Infringement Reputation damage			CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Jane Eaton	✓		
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	People come to harm	Jane Eaton		CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer	▶		November 2017 Update:  CRR.06.2 -Corporate H&S Adviser continues to inspect HDC premises; ongoing.  CRR.06.3 - H&S responsibilities are set out in the Corporate H&S Policy and H&S subject policies. Directorate H&S Working Groups are responsible for implementing these policies. Team self-audits to
	Complaints/claims/ litigation			CRR.06.3 Clarity of responsibilities and implementation of a training programme	Robert Laban	▶		
	Financial losses Censure by audit / inspection Reputation damage Adverse effect			CRR.06.4 Implement a central repository for risk	Robert Laban /	▶		

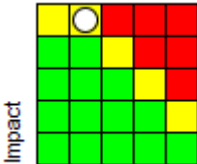
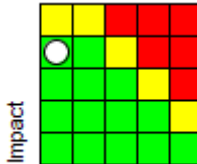
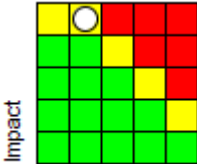
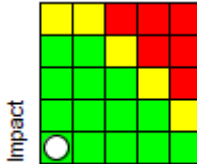
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
occurs.	on morale Stress and absenteeism			assessments	Health & Safety Officer			commence from 2018/19.  H&S Training matrix has been published as part of the corporate competencies framework.  E-learning courses for H&S key topics are accessible via Horsham LAB.  CRR.06.04 - The introduction of a central repository for risk assessments remains deferred until the introduction of Office 365 in 2017/18.
CRR07 Managerial / Professional <u>Cause:</u> There is a lack of corporate consistency in terms of the way in which contracts are managed, and contract management is inadequate in some areas.  <u>Risk:</u> Failure of contract / poor service delivery / failure to achieve value for money.	Failure of business objectives Financial Service delivery Compliance with regulations Personal Privacy Infringement Reputation damage	Jane Eaton		CRR.07.1 Specific contract management guidelines will be developed.	Jane Eaton			November 2017 update:  <b>SLT have agreed to remove this risk.</b>
				CRR.07.2 A contract management training programme will be designed and implemented.	Jane Eaton			
CRR12 Partnership / Supplier / Contractual <u>Cause:</u> The Council is subject to EU procurement rules and regulations, is putting more services out to tender, and contractors are increasingly challenging contract awards.  <u>Risk:</u> A contractor successfully challenges an award (e.g. on inflexible price:quality ratios).	Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale	Jane Eaton		CRR.12.1 Staff training	Jo Newton-Smith			November 2017 Update:  <b>SLT have agreed to remove this risk.</b>
				CRR.12.2 Up-to-date procedures (by 31/7/17).	Jo Newton-Smith			
				CRR.12.3 Reference to Procurement Team for advice (ongoing)	Jo Newton-Smith			
				CRR.12.4 Proactive monitoring by the Procurement Team.	Jo Newton-Smith			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR14 Customer/Citizen <u>Cause:</u> The negotiation of Section 106 and CIL (Community Infrastructure Levy) are essential for ensuring necessary level of infrastructure provision for residents.</p> <p><u>Risk:</u> Failure to negotiate the optimum outcome. Failure to deliver the infrastructure needs of the District</p>	Reduced funding to deliver outcomes for the community	Chris Lyons		CRR.14.1 Ensure that leisure priorities are understood within the CIL schedule process and keep under review	Trevor Beadle	▶		<p><u>November 2017 Update:</u></p> <p>The CIL Charging Schedule was implemented on 1 October 2017.</p> <p>CIL Procedures Working Group continues to meets regularly to ensure that implementation issues can be considered.</p> <p>The Planning Obligations and Affordable Housing SPD was adopted on 1 October 2017.</p> <p>Note: Housing White Paper of 7 February 2017 indicates there is likelihood that Government will change CIL system in the Autumn Statement 2017, based on the CIL Report that was published alongside White Paper. There is likely to be a two year transition period to any new system when CIL can then be reviewed alongside the Local Plan Review. No further update has been provided on the timetable for any change.</p> <p><b>SLT have agreed to remove this risk.</b></p>
				CRR.14.2 Identify the impact of funding erosion with competing partners e.g. WSCC	Barbara Childs	▶		
				CRR.14.3 Update the Planning Obligations SPD (Supplementary Planning Document) and CIL charging schedule.	Barbara Childs	▶		
<p>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. Targeted sample testing is undertaken to ensure that housing benefit claims have been correctly administered, and extended sample testing is carried out should errors be identified. The amount of the error is then extrapolated across the entire population (for that particular cell)</p>	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Increase / improve the level of quality control checking.	Peter Stuart	✓		<p><u>November 2017 Update:</u></p> <p><b>SLT have agreed to remove this risk.</b></p>
				CRR.17.2 Continued implementation of the Census Quality Plan which came out of the 2013/14 audit.	Peter Stuart	✓		
				CRR.17.3 A reassessment of all "Working Age In Work" cases will be undertaken by the end of May 2017.	Peter Stuart	✓		
				CRR.17.4 Explore options for future service provision	Jane Eaton	✓		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>to produce an estimate of the total error amount. Our Subsidy Claim was qualified in 2015/16 and financial penalties occurred.</p> <p><u>Risk:</u> Errors may be made which are not identified by quality control checking. This may result in the Benefit Subsidy claim being qualified and/or financial losses. <b>Refer to new risk CRR25</b></p>				CRR.17.6 Complete successful transfer to new provider	Jane Eaton	▶		
<p>CRR 18 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>	<p>Loss of key systems resulting in disruption to Council services. Cost of investigation and recovery of systems. Fraud/theft. Loss of the integrity of Council Records. Exposure of sensitive/personal data resulting in penalties from the ICO. Reputational or political damage from adverse media coverage.</p>	Jane Eaton		<p>CRR.18.1 Staff Training</p> <p>CRR.18.2 Awareness of current threats</p> <p>CRR.18.3 An effective ICT Service delivery team</p> <p>CRR.18.4 Effective patching and updates to mitigate known vulnerabilities</p> <p>CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)</p> <p>CRR.18.6 Effective policies in place which outline security requirements for users of ICT</p> <p>CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.</p> <p>CRR.18.8 The CenSus Cloud will transfer the risks to the cloud provider</p>	<p>Claire Oliver / Robert Laban</p> <p>Andrea Curson</p> <p>Andrea Curson</p> <p>Andrea Curson</p> <p>Andrea Curson</p> <p>Andrea Curson</p> <p>Andrea Curson</p> <p>Andrea Curson</p>	<p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p>		<p>November 2017 Update:</p> <p>PSN submission complete. Remediation ongoing Patching of devices ongoing</p>

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<p>CRR19</p> <p><u>Cause:</u> 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.</p> <p><u>Risk:</u> The impact on the financial markets and the pound could bring forward the next recession and cause a slowdown in the housing market. This may result in a reduction in planning fees; reduced car parking income; increased homelessness; and increased housing benefit claims.</p>	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR19.2 Monitor the external environment	Dominic Bradley	▶		<p>November 2017 Update:</p> <p>The uncertain economic environment is being continually monitored and changes will be reported in any MTFS update and regular quarterly budget and performance monitoring to Overview and Scrutiny Committee.</p>
				CRR19.3 Monitor internal indicators, particularly income generation	Dominic Bradley	▶		
				CRR19.4 Future Horsham focuses on productivity and commercialisation reviews; these will provide recommendations going forward. (Programme of reviews to be completed by 30.09.2018)	Chris Lyons	▶		
<p>CRR20</p> <p>Technological</p> <p><u>Cause:</u> There is an inherent risk when significant financial systems change. Current contract for Financial Management System (FMS) expires November 2017.</p> <p><u>Risk:</u> System that has not been adequately tested or is without the right level of functionality goes live. Lack of integration with other systems that requires significant systems re-processing.</p>	Incorrect data migration Data inaccuracies Inaccurate reporting and decision-making Failure to achieve agree objectives and deliver statutory services • Poor VfM			CRR.20.1 Monitor and control Joint tender process (with A&WDC) in line with procurement requirements.	Dominic Bradley	✓		<p>November 2017 Update:</p> <p>The new FMS went live on 5 September 2017.</p> <p>The migration of data went relatively smoothly, with few discrepancies, but took longer than anticipated due to the volumes involved.</p> <p>The basic transactional processes are working ok, although progress is a little slow as users get to grips with new processes and ways of working. Learning is ongoing. Small improvements to the system are also being made as issues are identified.</p> <p>The full functionality of budgeting and reporting has been slightly delayed as a consequence of focussing on the transactional side.</p> <p>The Council has extended access to the asset module in the old system for a further year before this is transferred across.</p>
				CRR.20.2 Training and implementation for finance users. Parallel running of old and new system.	Dominic Bradley	✓		
				CRR.20.3 Training and implementation for all Council users to enable access and self-service usage of new system.	Dominic Bradley	▶		
				CRR.20.4 Project management and sufficient testing time incorporated into plan.	Dominic Bradley	✓		
				CRR.20.5 Ensure procedure notes for new system and skills are maintained.	Dominic Bradley	▶		
				CRR.20.6 Providing effective systems support	Dominic Bradley	▶		



Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR24</p> <p><u>Cause:</u> The implementation of alternate weekly collections is a major change of service delivery with a high level of complexity that affects all residents</p> <p><u>Risk:</u> Failure to successfully roll out the Alternate Weekly Collections project. There are multiple risks around late delivery; cost impact and reputation</p>	Failure of business objectives Financial Service Delivery Reputation Environmental	Adam Chalmers		CRR.24.1 Control actions identified in project risk register	Adam Chalmers	▶		New risk
<p>CRR25</p> <p><u>Cause:</u> The transition from Mid Sussex DC (who currently host the service for HDC residents) to the new provider (LGSS) is complex, with many inter-related dependencies including HR matters and potential data / and technology issues.</p> <p><u>Risk:</u> that transfer of Revenues and Benefits service cannot be completed and / or does not go smoothly by 1 April 2018.</p>	Service Delivery Reputation	Jane Eaton		<p>CRR.25.1 Effective project delivery teams at HDC and LGSS</p> <p>CRR.25.2 Continue to work collaboratively with MSDC to ensure each council has effective teams in place for the future delivery of their service</p> <p>CRR.25.3 Ensure successful transfer of customer data - HDC has good in-house skills and will benefit from LGSS's experience transferring other LA's data</p>	<p>Jane Eaton</p> <p>Jane Eaton</p> <p>Jane Eaton</p>	<p>▶</p> <p>▶</p> <p>▶</p>		New Risk