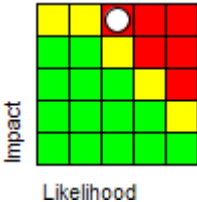

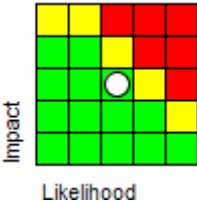
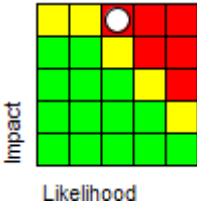


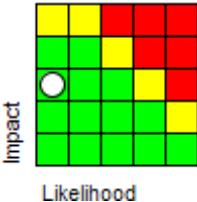
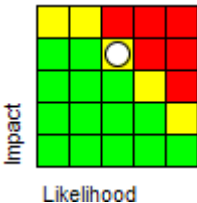


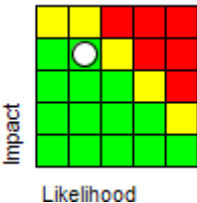


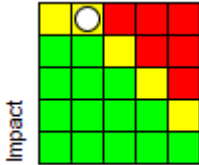
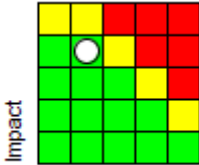


# Appendix 1 Corporate Risk Report February 2018

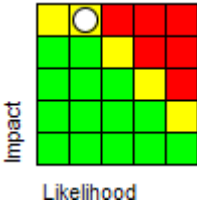
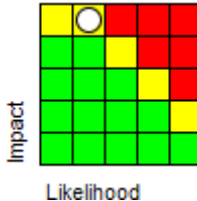
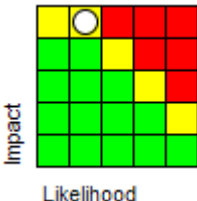
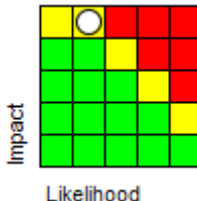
## Risks ordered by RAG not numerically

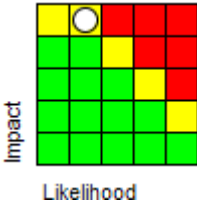
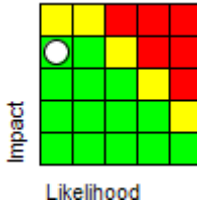
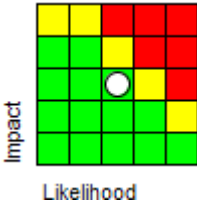
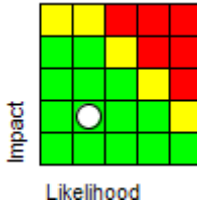
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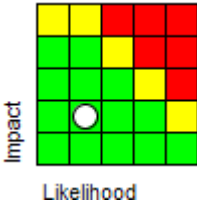
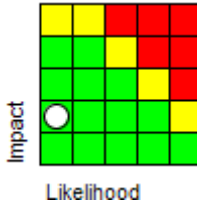
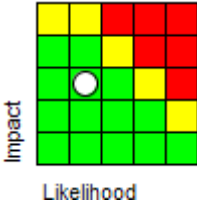
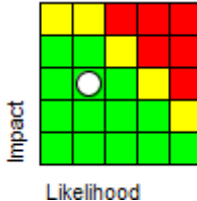
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2020</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	Jane Eaton		CRR.01b.1 Continue to keep a watching brief	Dominic Bradley			<p><u>February 2018 update:</u></p> <p>Uncertainty beyond 2019/20, especially with regards to the localisation (75%) 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. The February 2018 MTFS forecasts deficits in the region of £1.6m in 2020/21 and £2.3m in 2021/22.</p> <p>An updated MTFS will be brought back to Members as soon as more is known.</p>
<p>CRR26 <u>Cause:</u> Due to the dissolving of the Census partnership with Adur Worthing, Mid Sussex and Horsham.</p> <p><u>Risk:</u> That the cost of exiting the existing Revs and Bens agreement may be high.</p>	Financial Reputation	Jane Eaton		<p>CRR.26.1 Continue to work with MSDC to reduce costs</p> <p>CRR.26.2 LGSS are prepared to speak with any current staff who want to work for them</p>	<p>Jane Eaton</p> <p>Jane Eaton</p>	  		<p><u>New Risk</u></p> <p><u>February 2018 Update:</u></p> <p>Ongoing discussions with all parties with the aim of keeping costs to a minimum</p>
<p>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.</p>	People and businesses come to harm and suffer loss that might not otherwise have occurred	Jane Eaton		<p>CRR.02.1 Develop appropriate processes &amp; procedures which underpin the IT Security Policy</p> <p>CRR.02.2 Develop Strategy for implementation of General Data Protection Regulations (GDPR) (to</p>	<p>Andrea Curson</p> <p>Jane Eaton</p>	  		<p><u>February 2018 Update:</u></p> <p>CRR02.2 GDPR project progressing well.</p> <p>CRR02.3 GDPR on line training rolled out to staff in February and briefing for Councillors arranged for</p>

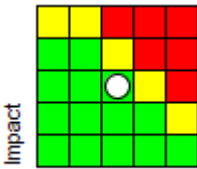
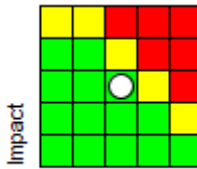
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>Risk 1: Major data breach or leak of sensitive information to a third party.</p> <p>Risk 2: Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR).</p>	<p>Complaints / claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage</p>			follow)				<p>March.</p> <p>CRR02.4 PSN accredited for 2017/18, next due Mar/April 18.</p>
				CRR.02.3 Provide a programme of training on Information Security to all staff.	Robert Laban			
				CRR.02.4 Annual PSN Accreditation	Andrea Curson			
<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>	<p>Financial Service Delivery Compliance with Regulations</p>	<p>Jane Eaton</p>		CRR19.2 Monitor the external environment	Dominic Bradley			<p><u>February 2018 update:</u></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>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>	<p>Service Delivery Reputation</p>	<p>Jane Eaton</p>		CRR.25.1 Effective project delivery teams at HDC and LGSS	Jane Eaton			<p><u>New Risk</u></p> <p><u>February 2018 Update:</u></p> <p>The transition project is now in full swing. The project carries high risk around 3rd party providers and around the mix of service experience of staff remaining working for each Council. Therefore LGSS, HDC and MSDC are agreeing an extended transitional period for working together from April to June 2018.</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	Jane Eaton			
				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	Jane Eaton			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01a Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p><u>Risk:</u> (i) Failure to achieve the required level of savings and income in the MTFS to 2019/20</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	Jane Eaton		<p>CRR.01.1 Review current budgets in preparation for the 2019/20 budget (October Annually)</p> <p>CRR.01.2 Develop options to deal with pressure for consideration by Members</p> <p>CRR.01.3 Implement the Medium Term Plan</p> <p>CRR.01.4 Ongoing monitoring under the Service Efficiency Board (Future Horsham)</p> <p>CRR.01.5 Productivity &amp; commercialisation projects reviews being undertaken, each of which will provide recommendations (programme of reviews to be completed by 30/09/18)</p>	<p>Dominic Bradley</p> <p>Dominic Bradley</p> <p>Dominic Bradley</p> <p>Dominic Bradley</p> <p>Chris Lyons</p>	<p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p> <p>▶</p>		<p>February 2018 update:</p> <p>A balanced budget with a £0.5m surplus for 2018/19 was approved at Cabinet on 25 January 2018 and Council on 21 February 2018. This incorporated many of the efficiency and additional income plans worked on during the year.</p> <p>The MTFS was also updated which forecasts a small surplus in 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.</p> <p>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.</p>
<p>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.</p> <p><u>Risk:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil contingency.</p>	<p>People and businesses come to harm and suffer loss that might not otherwise have occurred</p> <p>Complaints / claims / litigation</p> <p>Resources consumed in defending claims</p> <p>Financial losses</p>	Trevor Beadle		<p>CRR.03.1 Update corporate business continuity plan and regular review.</p> <p>CRR.03.2 Update departmental business continuity plans and regular review.</p> <p>CRR.03.4 Build IT disaster recovery procedure into new Hop Oast development (warm site). Further plan revision will be made to reflect changes.</p> <p>CRR.03.5 Bitesize workshops in 2017 and 2018 to address new procedures and processes and all SLT and heads of</p>	<p>Trevor Beadle</p> <p>Trevor Beadle</p> <p>Trevor Beadle</p> <p>Trevor Beadle</p>	<p>▶</p> <p>✔</p> <p>▶</p> <p>▶</p>		<p>February 2018 Update:</p> <p>CRR.03.1 – Full review currently taking pace (15/02/2018) as per annual plan review programme.</p> <p>CRR.03.2 – All plans audited in December 2018 and updated version requested from departmental managers.</p> <p>CRR.03.04 – John McArthur is investigating the specification and associated price of a backup power supply with a view to SLT making a decision about whether to proceed.</p> <p>CRR.03.05 – Designed and developed and now being rolled out</p>

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	Censure by regulators Reputation damaged			service will be invited to attend. CRR.03.6 Pick up Emergency Planning changes due to changes to Heads of Service	Trevor Beadle	▶		across HDC. All SLT have attended and heads of service are booked on to future courses. CRR.03.06 – changes have been accounted for and will be included in future plan reviews.
CRR06 Physical Cause: 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.  Risk: 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 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer	▶		February 2018 Update:  CRR.06.2: Corporate H&S Adviser continues to inspect HDC premises. A self-inspections approach is being developed throughout 2018/19.  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 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 roll-out of Office 365 is completed or Technology One can be configured in this respect - this is not likely before Dec 2018.
				CRR.06.3 Clarity of responsibilities and implementation of a training programme	Robert Laban	▶		
				CRR.06.4 Implement a central repository for risk assessments	Robert Laban / Health & Safety Officer	▶		
CRR 18 Technological Cause: Council services are increasingly reliant on IT systems at a time when there are greater opportunities for malicious attackers to exploit security weaknesses.  Risk 1: A malicious attacker exploits a known or unknown	Loss of key systems resulting in disruption to Council services. Cost of investigation and recovery of systems.	Jane Eaton		CRR.18.1 Staff Training	Claire Oliver / Robert Laban	▶		February 2018 Update:  PSN submission due in May 2018 we are working towards getting the IT Health Checks done and any identified remediation work.  Remediation ongoing Patching of devices ongoing.  All work is ongoing.
				CRR.18.2 Awareness of current threats	Andrea Curson	▶		
				CRR.18.3 An effective ICT Service delivery team	Andrea Curson	▶		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
security weakness to penetrate the Council's ICT systems.  <u>Risk 2:</u> IT not working due to environmental problems: fire, flood, power cut	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.			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 The CenSus Cloud will transfer the risks to the cloud provider	Andrea Curson	▶		
CRR24 <u>Cause:</u> The implementation of the new bin collection service is a major change of service delivery with a high level of complexity that affects all residents  <u>Risk:</u> Failure to successfully roll out the new bin collection service. There are multiple risks around late delivery; cost impact and reputation	Failure of business objectives Financial Service Delivery Reputation Environmental	Adam Chalmers		CRR.24.1 Control actions identified in project risk register	Adam Chalmers	▶		<u>New Risk</u>  <u>February 2018 Update:</u>  New bin collection service commenced on 5 February. The roll out to isolated properties, zone 1 and zone 2 has commenced and worked well to date. The roll out continues throughout March.  The Council's website has seen significant traffic and the contact centre has experienced lower call centre volumes than anticipated.
CRR20 Technological <u>Cause:</u> There is an inherent risk when significant financial systems change. New Financial Management System (FMS) went live in September 2017  <u>Risk:</u> FMS system runs without	Incorrect data migration Data inaccuracies Inaccurate reporting and decision-making Failure to	Jane Eaton		CRR.20.3 Training and implementation for all Council users to enable access and self-service usage of new system.  CRR.20.4 Sufficient time and testing incorporated into plans to constantly develop usage of the new FMS.	Dominic Bradley  Dominic Bradley	▶  ▶		<u>February 2018 update:</u>  The new FMS went live on 5 September 2017.  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

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
the right level of functionality in all areas. Lack of integration with other systems that requires significant systems re-processing. Some functions are not used.	achieve agree objectives and deliver statutory services Poor VfM			CRR.20.5 Ensure procedure notes for new system and skills are maintained.	Dominic Bradley	▶		improvements to the system are also being made as issues are identified.  The full functionality of budgeting and reporting has been delayed as a consequence of focussing on the transactional side and garden waste income collection.  The Council has extended access to the asset module in the old system for a further year before this is transferred across.
CRR27 Cause: Current CE leaving, new CE appointed  Risk: Transition from current to new CE takes longer than expected; changes in corporate strategy.	Reputation	Jane Eaton		CRR.27.1 Support from current CE in period up to start date  CRR.27.2 Support from SLT and other senior officers to provide context, priorities etc.	Tom Crowley  Jane Eaton	▶  ▶		<u>New Risk</u>  <u>February 2018 Update:</u>  CRR.27.1 Current CE has met the new CE several times, prepared a list of all key projects and issues, and updates him on these regularly. The new CE is currently a highly experienced CE  CRR.27.2 – The new CE has had one to ones with Directors, met Heads of Service and attended meetings with the Leader, Cabinet and full Council.
CRR05 Governance Cause: Managers are responsible for ensuring that controls to mitigate risks are consistently applied.  Risk: Officers are either unaware of expected controls or do not comply with control procedures.	Failure of business objectives Health & Safety Financial Service Delivery Compliance with Regulations Personal Privacy Infringement Reputation damage	Jane Eaton		CRR.05.1 Officer training  CRR.05.2 Raise the profile of risk and control by incorporating them into the performance management framework (e.g. integrate into appraisal process).  CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Jane Eaton  Jane Eaton  Jane Eaton	✓  ✓  ✓		<u>February 2018 Update:</u>  Risk complete, retained on register to keep in view

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<p>CRR17</p> <p><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) 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.</p> <p><b>Refer to new risk CRR25</b></p>	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		<p>CRR.17.1 Increase / improve the level of quality control checking.</p> <p>CRR.17.2 Continued implementation of the Census Quality Plan which came out of the 2013/14 audit.</p> <p>CRR.17.3 A reassessment of all "Working Age In Work" cases will be undertaken by the end of May 2017.</p> <p>CRR.17.4 Explore options for future service provision</p> <p>CRR.17.6 Complete successful transfer to new provider</p>	<p>Peter Stuart</p> <p>Peter Stuart</p> <p>Peter Stuart</p> <p>Jane Eaton</p> <p>Jane Eaton</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>▶</p>		<p>February 2018 Update:</p> <p>Risk complete, retained on register to keep in view</p>