

# Appendix 1 Corporate Risk Report November 2018

Risks ordered by RAG not numerically

Generated on: 19 November 2018



Assigned & in progress	Completed

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<b>CRR30</b> <u>Cause:</u> WSCC have proposed some cuts to their budgets on the September 2018 forward plan. <u>Risk:</u> Increase in costs of homelessness, housing services, recycling and transport	Financial Service delivery in all services due to limited money	Glen Chipp	 Impact Likelihood	CRR.30.1 Work with other districts and voluntary organisations to seek ways to re-provide preventative services	Glen Chipp		 Impact Likelihood	November 2018 Update:  A County-wide project to review and manage the Housing risks, led by the Chief Executive of Arun DC is ongoing.
				CRR.30.2 Provide evidence to county to inform their decision making	Glen Chipp			
				CRR.30.3 Task and finish group set up with representatives from across Districts and Boroughs to feed into process	Glen Chipp			
<b>CRR31</b> <u>Cause:</u> The success of the election process is dependent upon adequate staffing, effective equipment (including IT) and proper processes (a separate risk assessment is undertaken to support the process). <u>Risk:</u> Unavailability of key officers, inadequate processes (including risk assessments and election project plan) leading to failure (including legal challenge).	Election Petition (challenge through the courts). Election would need to be re-run - potential for significant financial & resource implications. Results of election delayed and associated reputation risk		 Impact Likelihood	CRR31.1 Review risks as part of project planning process prior to an election	Sharon Evans		 Impact Likelihood	November 2018 Update:  Potential Corporate Risk escalated from Department Risk Register.  Unforeseen difficulties with staffing and the potential unavailability of key officers has increased likelihood of risk in the run up to election year. Measures are in place to try and mitigate this.
				CRR31.2 Training of staff	Sharon Evans			
				CRR31.3 Review the adequacy of insurance cover for Returning Officers @ start of election process ~ ensure adequate protection against an Election Petition	Sharon Evans			
				CRR31.4 Training of Elections staff to provide cover	Sharon Evans			
<b>CRR01b</b> Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates). <u>Risk:</u> (ii) Funding from Government is less generous than	Reductions in funding  Adverse effect on morale	Jane Eaton	 Impact Likelihood	CRR.01b.1 Continue to keep a watching brief	Dominic Bradley		 Impact Likelihood	November 2018 update:  Uncertainty beyond 2019/20, especially with regards to the localisation (75%) retention of business rates and changes from the fair funding review remains a significant area of concern. This will

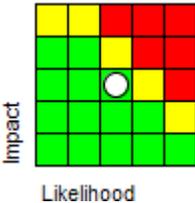
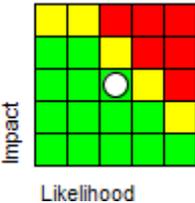
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assumed in the MTFS from 2020	Financial  Failure to achieve agreed objectives							be reviewed as information and guidance on how the business rates scheme will work and results from the fair funding review are released. The November 2018 MTFS forecasts a deficit in the region of £2m in 2022/23 unless significant savings and new income are achieved.  An updated MTFS will be presented to Members when the 2019/20 budget is finalised.
<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:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</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		CRR.18.1 Staff Member Training	Claire Oliver / Robert Laban			<p><u>November 2018 Update:</u></p> <p>Level of attack is so great. Remediation ongoing.</p> <p>CRR.18.1 - IT Security Training is being rolled out to all staff.</p> <p>CRR.18.2 – This work is ongoing.</p> <p>CRR.18.3 All work is ongoing.</p> <p>CRR.18.4 Patching of devices ongoing.</p> <p>CRR.18.5 PSN accreditation has been gained for 2018/2019.</p> <p>CRR.18.6 – Work is ongoing.</p> <p>CRR.18.7 – Work is ongoing.</p> <p>CRR.18.8 – Work is ongoing.</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 The CenSus Cloud will transfer the risks to the cloud provider	Andrea Curson			
				CRR.18.9 LGA Cyber Security review plan developed, approved	Andrea Curson			

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				internally and now being carried out.				
<p>CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates). <u>Risk:</u> (iii) Decrease in Rateable Value due to several large buildings being redeveloped and coming off the RV list, including Piries Place, Park North and North Point. This causes the Council to fall below the business rates baseline, resulting in loss of funding.</p>	Reductions in funding Financial	Jane Eaton		CRR.01c.1 Continue to keep a watching brief	Dominic Bradley	▶		<p><u>November 2018 Update:</u></p> <p>There was a £1.16m reduction in Rateable Value on the 2017 list and £2.07m reduction against the 2010 list in 2017/18.</p> <p>On the 2010 list specifically, the resolution of appeals over the GP surgeries has been settled and the removal of the former Novartis site from the 2010 ratings also lost a further significant RV.</p> <p>The 2017 list in 2018/19 has recovered by £420k at M7, but is £740k lower than the position at 1 April 2017.</p> <p>This overall 'trend' remains a significant concern and risk to the Council's funding position should it continue.</p>
<p>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.</p>	<p>Failure of business objectives</p> <p>Health &amp; Safety</p> <p>Financial</p> <p>Service Delivery</p> <p>Compliance with Regulations</p> <p>Personal Privacy Infringement</p>	Jane Eaton		<p>CRR.05.1 Officer training</p> <p>CRR.05.2 Raise the profile of risk and control by incorporating them into the performance management framework (e.g. integrate into appraisal process).</p> <p>CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)</p>	Jane Eaton	<p>▶</p> <p>✔</p> <p>▶</p>		<p><u>November 2018 Update:</u></p> <p>A failure by management to apply internal controls dating from 2015 was identified during November. A number of factors led to the issues and a report will be taken to the December Audit Committee. The sums involved suggest we must raise current and target risk impact level to 4.</p> <p>CRR.05.3: Ongoing</p>

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	Reputation damage							
<p>CRR19 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.</p> <p>Risk: 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		<p>CRR.19.2 Monitor the external environment</p> <p>CRR.19.3 Monitor internal indicators, particularly income generation</p> <p>CRR.19.4 Productivity and commercialisation reviews will provide recommendations going forward. (Programme of reviews to be completed by 30.09.2018)</p>	Dominic Bradley Dominic Bradley Adam Chalmers	▶ ▶ ▶		<p>November 2018 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> <p>19.4: Focus of Productivity and Commercialisation reviews have changed to look at specific projects going forward, such as fees and charges.</p>
<p>CRR25 Cause: 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>Risk: That transfer of Revenues and Benefits service cannot be completed and / or does not go smoothly by 1 April 2018 (extended to November 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>	Jane Eaton Jane Eaton Jane Eaton	▶ ▶ ▶		<p>November 2018 Update:</p> <p>The Horsham operational service is working well although benefits processing work is taking longer than targeted. This is because LGSS are unable to turn on their resilience team due to difficulties accessing the Academy system while it remains based in Mid Sussex. The date for the transfer of this system, which has proved a complex and time consuming project, is December. If this project does not complete on time as planned then benefits processing time issues could continue.</p>
<p>CRR26 Cause: The combination of the original partnership agreement, the full integration of staff within CenSus Revenues and Benefits and MSDC's approach to disaggregation.</p> <p>Risk: That the cost of exiting the</p>	Financial Reputation	Jane Eaton		<p>CRR.26.1 Continue to work with MSDC to reduce costs</p>	Jane Eaton	▶		<p>November 2018 Update:</p> <p>Horsham District Council and Mid Sussex District Council have so far been unable to reach agreement on the final sum.</p>

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existing Revenues and Benefits agreement with MSDC may be high.								
<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		CRR.01.1 Review current budgets in preparation for the 2019/20 budget (October Annually)	Dominic Bradley	▶		<p>November 2018 update:</p> <p>A balanced budget with a £0.6m surplus for 2018/19 was approved by 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>Ideas are being worked through to identify areas where further income and efficiencies can be generated. This is being done across a number of work streams and includes a longer term review for ideas and schemes through to 2021/22.</p> <p>CRR.01.5: Focus of Productivity &amp; Commercialisation reviews have changed to look at specific projects going forward, such as fees and charges.</p>
				CRR.01.2 Develop options to deal with pressure for consideration by Members	Dominic Bradley	▶		
				CRR.01.3 Implement the Medium Term Plan	Dominic Bradley	▶		
				CRR.01.4 Ongoing monitoring under the Service Efficiency Board	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)	Adam Chalmers	▶		
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</p> <p>Complaints / claims / litigation</p> <p>Resources consumed in</p>	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans	▶		<p>November 2018 Update:</p> <p>CRR.02.1 This work is ongoing.</p> <p>CRR02.3 GDPR on line training rolled out to all staff in February and briefing for Councillors arranged for March.</p> <p>CRR02.4 PSN accreditation has been gained for 2018/2019.</p>
CRR.02.3 Provide a programme of Induction and at least annual training on Information Security to all staff.				Robert Laban	▶			
CRR.02.4 Annual PSN Accreditation				Andrea Curson	▶			
<p><u>Risk 1:</u> Major data breach or leak of sensitive information to a third party.</p> <p><u>Risk 2:</u> Risk of significant ICO fine</p>								

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for non-compliance with new General Data Protection Regulations (GDPR).	defending claims Financial losses Fines from regulators Adverse publicity Reputation damage			CRR.02.5 Representatives from each department meeting every other month to maintain compliance, updates and training	Sharon Evans			
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 contingency.	People and businesses come to harm and suffer loss that might not otherwise have occurred			CRR.03.1 Update corporate business continuity plan and regular review.	Trevor Beadle			November 2018 update:  CRR.03.1: Corporate BCP currently undergoing annual review – awaiting information from reviewed departmental BCP's due at end of Nov(see below).  CRR.03.2: Awaiting updated plans from all heads of service. All working towards a deadline of 30th Nov – after which the corporate BCP will be completed.  CRR.03.5: Next BC bite size is January 2019. This training is ongoing throughout 2019 and includes response and recovery training. All heads of service and relevant managers advised to attend.
	Complaints / claims / litigation			CRR.03.2 Update departmental business continuity plans and regular review.	Trevor Beadle			
	Resources consumed in defending claims			CRR.03.4 Build IT disaster recovery procedure into new warm site. Further plan revision will be made to reflect changes.	Adam Chalmers			
	Financial losses			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			
	Censure by regulators							
Reputation damaged								
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	Glen Chipp		CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer			November 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.  H&S Management Forum is responsible for implementing these policies and sharing best practice
	Complaints/claims/ litigation			CRR.06.3 Clarity of responsibilities and implementation of a training programme	Robert Laban			
	Financial losses			CRR.06.4 Implement a central repository for risk assessments	Robert Laban / Health & Safety			
Censure by audit / inspection								
Reputation damage								
Adverse effect on morale								
Stress and								

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	absenteeism				Officer			<p>across the Council.</p> <p>Team self-audits to commence from 2018/19.</p> <p>H&amp;S Training matrix has been published as part of the corporate competencies framework.</p> <p>E-learning courses for H&amp;S key topics are accessible via Horsham LAB.</p> <p>CRR.06.4: 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 to start before April 2019.</p>
<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.</p> <p><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.</p> <p><b>Refer to new risk CRR25</b></p>	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		<p>CRR.17.1 Continuously monitor the level of quality control checking.</p> <p>CRR.17.6 Complete successful transfer to new provider</p>	Beccy Salmon			<p>November 2018 Update:</p> <p>This is an ongoing risk. The risk remains until Universal Credit comes in for all working age cases.</p> <p>The 2017/18 claim also below lower threshold.</p>