

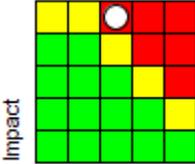
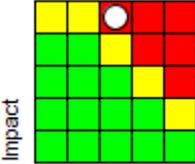
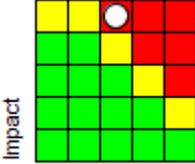
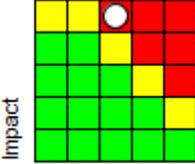
# Appendix 1 Corporate Risk Report June 2019

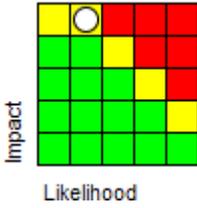
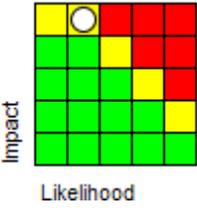
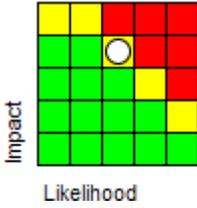
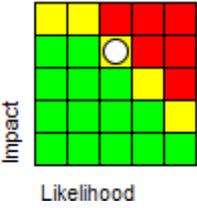
Risks ordered by RAG not numerically

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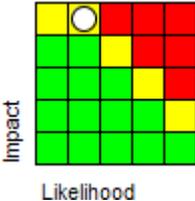
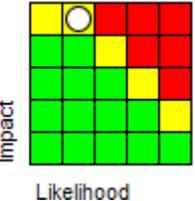
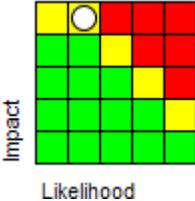
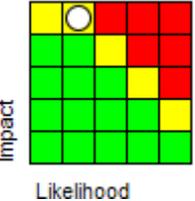


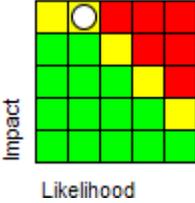
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR30 Cause: WSCC have proposed some cuts to their budgets on the September 2018 forward plan. Risk: Increase in costs of homelessness, housing services, recycling and transport</p>	<p>Financial Service delivery in all services due to limited money</p>	<p>Glen Chipp</p>		<p>CRR.30.1 Work with other districts and voluntary organisations to seek ways to re-provide preventative services</p>	<p>Glen Chipp</p>			<p>June 2019 Update:</p> <p><u>Waste</u></p> <p>Work is still progressing on evaluating food waste collections. MSDC are so far the only Council agreeing to start in September. Disposal capacity still being negotiated by WSCC.</p> <p>Recycling credits reduction is still being modelled by WSCC – no confirmation yet whether this can be phased.</p> <p>WSCC’s highways contract with Balfour Beatty has reduced the frequency of grass cutting on all roads.</p> <p><u>Housing</u></p> <p>Work still progressing with cuts being managed in two phases.</p> <p>Phase One: reviewing the impact of funding changes from September 2019 – March 2020.</p> <p>Phase Two: designing a new approach to services are commissioned collaboratively with WSCC in the future.</p>
				<p>CRR.30.2 Provide evidence to county to inform their decision making</p>	<p>Glen Chipp</p>			
				<p>CRR.30.3 Task and finish group set up with representatives from across Districts and Boroughs to feed into process</p>	<p>Glen Chipp</p>			

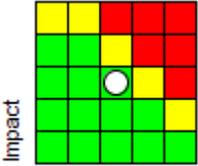
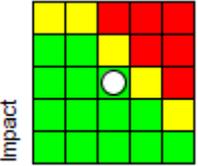
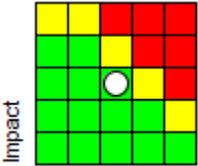
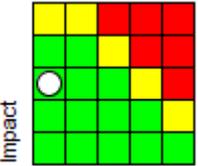
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government 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>June 2019 Update:</u></p> <p>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. Currently under consultation, that mention using excess Parking service income in the funding calculations, this will be reviewed as information and guidance on how the business rates scheme will work and results from the fair funding review are released.</p> <p>The January 2019 Budget and MTFS forecasts near balanced budgets, providing that £1.3m of savings and new income are achieved over the three years from 2020/21 to 2022/23.</p> <p>An updated MTFS will be presented to Members during 2019.</p>
<p>CRR19 <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>	Jane Eaton		CRR.19.2 Monitor the external environment	Dominic Bradley	▶		<p><u>June 2019 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> <p>The Council is reviewing some areas of income generation activity, but generally ended 2018/19 with more income than the budget which contributed towards a surplus.</p>

<p>CRR18 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.</p> <p>Risk 1: A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p>Risk 2: IT not working due to environmental problems: fire, flood, power cut</p>	<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.</p>	<p>Jane Eaton</p>		<p>CRR.18.1 Staff Member Training</p>	<p>Claire Oliver / Robert Laban</p>			<p>June 2019 Update:</p> <p>Level of attack is great. Remediation ongoing.</p> <p>CRR.18.1 - IT Security Training has been 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 Work is in progress on PSN accreditation for 2019/2020.</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>
				<p>CRR.18.2 Awareness of current threats</p>	<p>Andrea Curson</p>			
				<p>CRR.18.3 An effective ICT Service delivery team</p>	<p>Andrea Curson</p>			
				<p>CRR.18.4 Effective patching and updates to mitigate known vulnerabilities</p>	<p>Andrea Curson</p>			
				<p>CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)</p>	<p>Andrea Curson</p>			
				<p>CRR.18.6 Effective policies in place which outline security requirements for users of ICT</p>	<p>Andrea Curson</p>			
				<p>CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.</p>	<p>Andrea Curson</p>			
				<p>CRR.18.8 The CenSus Cloud will transfer the risks to the cloud provider</p>	<p>Andrea Curson</p>			
				<p>CRR.18.9 Implementation of LGA Cyber Security review plan</p>	<p>Andrea Curson</p>			
<p>CRR01c Financial Cause: The Council is reliant on Central Controlled Government funding (e.g. Business Rates). Risk: (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>	<p>Reductions in funding Financial</p>	<p>Jane Eaton</p>		<p>CRR.01c.1 Continue to keep a watching brief</p>	<p>Dominic Bradley</p>			<p>June 2019 Update:</p> <p>There was a £1.16m reduction in Rateable Value on the 2017 list during 2017/18 and a further £0.78m reduction during 2018/19.</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.</p> <p><u>Risk:</u> Officers are either unaware of expected controls or do not comply with control procedures.</p>	<p>Failure of business objectives</p>	Jane Eaton		<p>CRR.05.1 Officer training</p>	Jane Eaton	▶		<p><u>June 2019 Update:</u></p> <p>CRR.05.3: The 2018/19 assurance statements have been signed off.</p> <p>Training meeting held with the new Head of Communities and she is addressing some historic non-compliance in her area (refer to the Capitol Cultural Compliance audit).</p> <p>Head of Strategic Planning training meeting set for 21 June.</p>
	<p>Health &amp; Safety</p>			<p>CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)</p>	Jane Eaton	▶		
	<p>Financial</p> <p>Service Delivery</p> <p>Compliance with Regulations</p> <p>Personal Privacy Infringement</p> <p>Reputation damage</p>			<p>CRR.19.3 Monitor internal indicators, particularly income generation, and respond appropriately to adverse trends.</p>	Dominic Bradley	▶		
<p>CRR25 <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> The IT transition will not be fully completed by 1 April 2018 (extended to May 2019).</p>	<p>Service Delivery</p> <p>Reputation</p>	Jane Eaton		<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	▶		<p><u>June 2019 Update:</u></p> <p>Transfer scheduled for the last weekend in June</p>
<p>CRR31 <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).</p> <p><u>Risk:</u> Unavailability of key officers, inadequate processes (including risk assessments and election project plan) leading to failure (including legal challenge).</p>	<p>Election Petition (challenge through the courts). Election would need to be re-run - potential for significant financial &amp; resource implications. Results of election delayed and associated reputation risk</p>	Jane Eaton		<p>CRR31.1 Review risks as part of project planning process prior to an election</p> <p>CRR31.2 Training of staff</p> <p>CRR31.3 Review the adequacy of insurance cover for Returning Officers @ start of election process ~ ensure adequate protection against an Election Petition</p> <p>CRR31.4 Training of Elections staff to provide cover</p>	Sharon Evans	▶		<p><u>June 2019 Update:</u></p> <p>There have been previous staffing difficulties in Democratic Services which was temporarily overcome by using a Locum to enable the smooth running and the successful completion of elections without incident.</p>

				CRR31.5 Elections Officer temporary cover in place to lessen the risk	Sharon Evans	▶		
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 Data Protection Regulations (GDPR).	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 / Sharon Evans	▶		June 2019 Update:  CRR.02.1 This work is ongoing.  CRR02.3 This work is ongoing  CRR02.4 Work is in progress on PSN accreditation for 2019/2020.
				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	▶		
				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 emergency.	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  Censure by regulators  Reputation damaged	Adam Chalmers		CRR.03.1 Update corporate business continuity plan and regular review.	Rob Jarvis	▶		June 2019 Update:  CRR.03.1: Corporate Business Continuity plan reviewed and updated 28/11/2018. Next review date is 28/11/2020 (or in line with any changes or a BC incident).  CRR.03.2: Managers responsible for departmental BC plans were asked (via e-mail) to complete an annual review by Friday 30th November 2018 as part of the annual review. This is not followed up every year however 2019 BCP's will be reviewed by Tony Skelding.  Some managers have expressed difficulty in updating embedded excel tables so Tony Skelding will review the template for rollout for 2019 BCP's.  CRR.03.4: Hop Oast being reconsidered to be the new warm site, as dark fibre to be installed
				CRR.03.2 Update departmental business continuity plans and regular review.	Rob Jarvis	▶		
				CRR.03.4 Build IT disaster recovery procedure into new warm site. Further plan revision will be made to reflect changes.	Barbara Childs	▶		
				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.	Rob Jarvis	▶		

							there. With IT to confirm suitability.  CRR.03.5: Bitesize workshops completed, 2019 sessions have been scheduled.  Plan to hold councillor training pending date from Democratic Services.
<p>CRR06 Physical <u>Cause:</u> The Council is responsible for the health &amp; safety of its clients, staff and other stakeholders, owns and maintains significant assets, and also has responsibility for H&amp;S in some partner organisations where it does not have operational control.</p> <p><u>Risk:</u> A health &amp; safety failure occurs.</p>	<p>People come to harm Complaints/claims/ litigation Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism</p>	<p>Glen Chipp</p>		<p>CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).</p>	<p>Robert Laban / Health &amp; Safety Officer</p>		<p><u>June 2019 Update:</u></p> <p>CRR.06.2: A self-inspections policy has been implemented. Monitoring details and reporting to be finalised by Sept 2019.</p> <p>CRR.06.3 – Completed</p> <ul style="list-style-type: none"> <li>• H&amp;S responsibilities are set out in the Corporate H&amp;S Policy and H&amp;S subject policies.</li> <li>• H&amp;S Management Forum is responsible for implementing these policies and sharing best practice across the Council.</li> <li>• Team self-audits in place.</li> <li>• H&amp;S Training matrix has been published.</li> <li>• E-learning courses for H&amp;S key topics are accessible via Horsham LAB.</li> </ul> <p>CRR.06.4: The introduction of a central repository for risk assessments remains deferred until Technology One can be configured in this respect, or an alternative system can be developed/ purchased – assessments of suitability/ effective system in underway.</p> <p>Orbis audit of fire safety is complete and recommendations are being addressed.</p>
				<p>CRR.06.3 Clarity of responsibilities and implementation of a training programme</p>	<p>Robert Laban</p>		
				<p>CRR.06.4 Implement a central repository for risk assessments</p>	<p>Robert Laban / Health &amp; Safety Officer</p>		

<p>CRR17 Cause: 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. Risk: The Benefit Subsidy claim may be qualified and/or financial losses incurred. HDC has a case load with a particularly high number of working people with many changes of circumstances. <b>Refer to new risk CRR25</b></p>	<p>Financial Service Delivery Compliance with regulations Reputation</p>	<p>Jane Eaton</p>	 <p>Impact</p> <p>Likelihood</p>	<p>CRR.17.1 Continuously monitor the level of quality control checking.</p>	<p>Beccy Salmon</p>		 <p>Impact</p> <p>Likelihood</p>	<p><u>June 2019 Update:</u> This is an ongoing risk. The risk remains until Universal Credit comes in for all working age cases. Figures submitted for 2018/19 had reasonable headroom for the auditors finding more error but this does not guarantee that there won't be losses in future years</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. Risk: That the cost of exiting the existing Revenues and Benefits agreement with MSDC may be high.</p>	<p>Financial Reputation</p>	<p>Jane Eaton</p>	 <p>Impact</p> <p>Likelihood</p>	<p>CRR.26.1 Continue to work with MSDC to reduce costs</p>	<p>Jane Eaton</p>		 <p>Impact</p> <p>Likelihood</p>	<p><u>June 2019 Update:</u> Horsham District Council has paid the sums it believes are reasonable redundancies. However Mid Sussex District Council have asked for a further £114k and this remains in dispute. A contingent liability was allowed in the 2018/19 accounts for this sum.</p>