

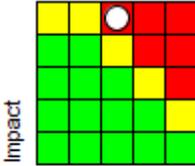
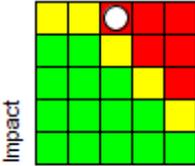
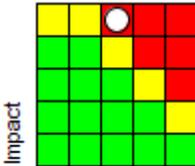
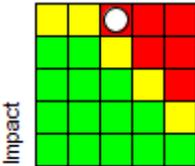
Appendix 1 Corporate Risk Report September 2019

Risks ordered by RAG not numerically

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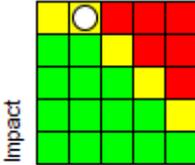
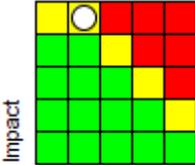
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR30 Cause: WSCC have proposed some cuts to their budgets on the September 2018 forward plan. Risk: Increase in costs of homelessness, housing services, recycling 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><u>September 2019 Update:</u></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 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>			
				<p>CRR.30.4 Include on MTFS (Risk also relates to future cuts)</p>	<p>Glen Chipp</p>			

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<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 2021.</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>September 2019 Update:</u></p> <p>Uncertainty beyond 2020, especially with regards to the localisation (75%) retention of business rates and changes from the fair funding review remains a significant area of concern. Government has consulted on both schemes. The Fair Funding consultation mentions potentially 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>Due to Government's focus on Brexit in 2019, this will not be available until the 2021/22 budget.</p> <p>An updated MTFS will be presented to Members during November 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</p> <p>Service</p> <p>Delivery</p> <p>Compliance with Regulations</p>	Jane Eaton		<p>CRR.19.2 Monitor the external environment</p> <p>CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends</p>	Dominic Bradley	▶		<p><u>September 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 ended 2018/19 with more income than the budget which contributed towards a surplus.</p>

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NEW RISK CRR32 Cause: Nationally, NHS Foundation Trusts (and some NHS Trusts) have applied for mandatory charitable relief on their business rates, on the basis that they should be treated as charities. Risk: Decrease in Rateable Value, and potentially backdated refunds to 2010.	Reductions in funding Financial	Jane Eaton		CRR.32.1 Continue to keep a watching brief	Dominic Bradley			September 2019 Update: A High Court judicial review date has been set for 4 Nov 2019. One NHS FT appeal in the district has been received and was included in the business rates appeals provision at 31 March 2019. No separate provision has been created for appeals that have not yet been received.
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	Jane Eaton		CRR.05.1 Officer training	Jane Eaton			September 2019 Update: Both 2019/20 cultural compliance audits received a less than satisfactory assurance from Internal Audit. Action plans are being developed to resolve the specific issues found. Two issues related to procurement and financial compliance arose in Economic Development. The team have had further briefings from Finance and Procurement about these issues. Compliance with monthly financial forecasting across the council has improved.
	Health & Safety			CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Jane Eaton			
	Financial			CRR.05.4 "Cultural compliance" Internal Audits identify service based issues and help managers to resolve these.	Jane Eaton			
	Service Delivery							
	Compliance with Regulations							
	Personal Privacy Infringement							
	Reputation damage							
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. Risk: The IT transition will not be fully completed by 1 April 2018 (extended to July 2019).	Service Delivery Reputation	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			September 2019 Update: Transfer successfully completed. Risk to be deleted next time.

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CRR31 Cause: 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). Risk: 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	Jane Eaton		CRR31.1 Review risks as part of project planning process prior to an election	Sharon Evans			<u>September 2019 Update:</u> Have secured an Elections Officer in case a General Election is called.
				CRR31.2 Training of staff	Sharon Evans			
				CRR31.3 Review the adequacy of insurance cover for Returning Officers at the start of election process. Ensure adequate protection against an Election Petition	Sharon Evans			
				CRR31.4 Training of Elections staff to provide cover	Sharon Evans			
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.	Reductions in funding Financial	Jane Eaton		CRR.01c.1 Continue to keep a watching brief	Dominic Bradley			<u>September 2019 Update:</u> The 2017 Rateable Value list has fallen by £1.9m since 1 April 2017, although has remained relatively stable to date in 2019/20. This overall downward 'trend' remains a significant concern and risk to the Council's funding position should it continue.
CRR02 Managerial / Professional Cause: The Council has a legal obligation to protect personal data. The Information Commissioners powers are much more far reaching following May 2018 legislation changes.	People and businesses come to harm and suffer loss that might not otherwise have occurred Complaints /	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans			<u>September 2019 Update:</u> 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			

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<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>claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage</p>			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			
<p>CRR03 Legal Cause: 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>Risk: The Council is found to have failed to fulfil its obligations under the Act in the event of a civil emergency.</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> <p>Censure by regulators</p> <p>Reputation damaged</p>	Adam Chalmers		CRR.03.1 Update corporate business continuity plan and regular review.	Rob Jarvis			<p>September 2019 Update:</p> <p>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).</p> <p>CRR.03.2: Managers responsible for departmental BC plans will be asked to review and update their department plans using the new simpler template this month (sept) and will be reviewed by the EPO in October. The Brexit risk will feature and consideration of this risk by each head shall be required.</p> <p>CRR.03.4: Rob Jarvis to give an update.</p> <p>CRR.03.5: Bitesize workshops have been ongoing through 2019 and 2020 and some councillor awareness sessions will be scheduled in late 2019/2020.</p>
				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.	Rob Jarvis			
				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			
<p>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</p>	<p>People come to harm Complaints/claims/ litigation Financial losses Censure by</p>	Glen Chipp		CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer			<p>September 2019 Update:</p> <p>CRR.06.2: A self-inspections policy has been implemented and is being monitored by the H&S Forum.</p> <p>CRR.06.3 – Completed</p>
				CRR.06.3 Clarity of responsibilities and	Robert Laban			

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responsibility for H&S in some partner organisations where it does not have operational control. Risk: A health & safety failure occurs.	audit / inspection Reputation damage Adverse effect on morale Stress and absenteeism			implementation of a training programme				<ul style="list-style-type: none"> 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 across the Council. Team self-audits in place. H&S Training matrix has been published. E-learning courses for H&S key topics are accessible via Horsham LAB. <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 and is an agenda item for the H&S Management Forum until resolved.</p>
				CRR.06.4 Implement a central repository for risk assessments	Robert Laban / Health & Safety Officer	▶		
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. <u>Risk 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems. <u>Risk 2:</u> IT not working due to	Loss of key systems-disruption to Council services. Cost of investigation and recovery of systems. Fraud/theft. Loss of the integrity of Council Records.	Jane Eaton		CRR.18.1 Staff Member Training	Claire Oliver / Robert Laban	▶		<p><u>September 2019 Update:</u></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>
				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	▶		

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environmental problems: fire, flood, power cut	Penalties from the ICO. Adverse media coverage.			CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Andrea Curson			CRR.18.5 Work is in progress on PSN accreditation for 2019/2020. CRR.18.6 – Info security policies published. CRR.18.7 – Work is ongoing. CRR.18.8 – Work is ongoing.
				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 LGA Cyber Security review plan developed, approved internally and now being carried out.	Andrea Curson			
NEW CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and recent high profile failures, eg Carillion <u>Risk:</u> Key contractor failure	Financial Reputation Service Delivery	Jane Eaton		CRR34.1 Regularly check accounts of key suppliers CRR34.2 Check public liability insurance of key suppliers CRR34.3 Ask for key suppliers' business continuity plans CRR34.4 Consider whether the failure of a key supplier needs to go in service business continuity plans.	Heads of Service			<u>September 2019 update:</u> New risk proposed
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	Jane Eaton		CRR.17.1 Continuously monitor the level of quality control checking.	Beccy Salmon			<u>September 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. In- year monitoring of performance suggests error rates are well within threshold in 2019/20.

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Refer to new risk CRR25								
<p>CRR26</p> <p>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 existing Revenues and Benefits agreement with MSDC may be high.</p>	Financial Reputation	Jane Eaton		CRR.26.1 Continue to work with MSDC to reduce costs	Jane Eaton	▶		<p><u>September 2019 Update:</u></p> <p>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> <p>To Be back to the Department Risk Register as this is now a green risk.</p>
Key contractor failure	Financial Reputation Service Delivery	Jane Eaton		<p>Regularly check accounts of key suppliers</p> <p>Check public liability insurance of key suppliers</p> <p>Ask for key suppliers' business continuity plans</p> <p>Consider whether the failure of a key supplier needs to go in service business continuity plans.</p>	Heads of Service			<p><u>September 2019 update:</u></p> <p>New risk proposed</p>

