

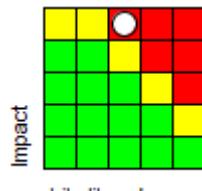
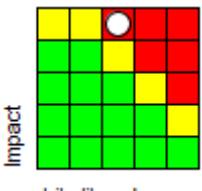
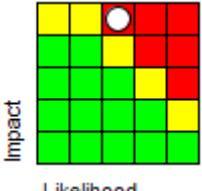
Appendix 1 Corporate Risk Report November 2019

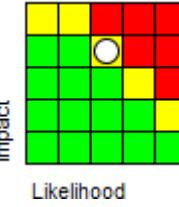
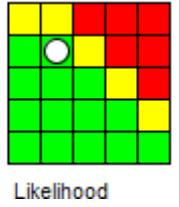
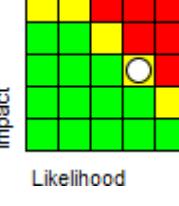
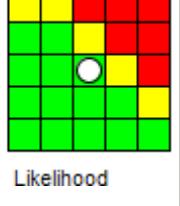
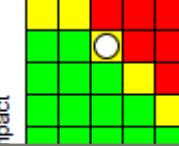
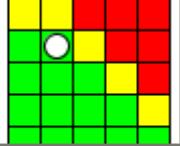
Risks ordered by RAG not numerically

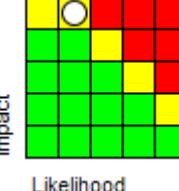
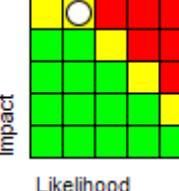
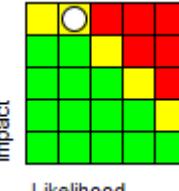
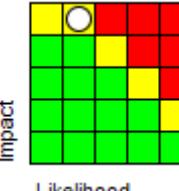


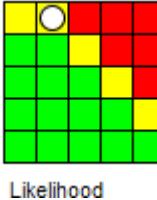
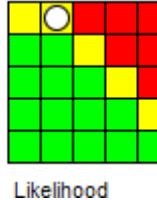
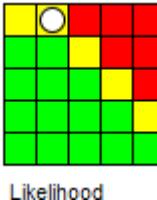
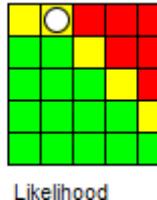
Horsham
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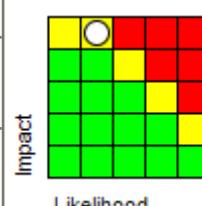
Generated on: 25 November 2019

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
	Failure to achieve agreed objectives							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. Due to Government's focus on Brexit in 2019, this will not be available until the 2021/22 budget. An updated MTFS was presented to Members during November 2019 which indicated near balanced budgets over the period if stout political decisions are made on Council Tax, garden waste and parking charges, alongside officer efficiencies, income generation and digital transformation.
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. <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.	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR.19.2 Monitor the external environment	Dominic Bradley			November 2019 Update: 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. 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. HDC has published its Brexit plan and updates will be circulated to Members.
CRR32 <u>Cause:</u> 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. <u>Risk:</u> Decrease in Rateable Value,	Reductions in funding Financial	Jane Eaton		CRR.32.1 Continue to keep a watching brief	Dominic Bradley			November 2019 Update: A High Court judicial review is being heard in November 2019 and is ongoing. One NHS Foundation Trust appeal in the district has been received and was included in the business rates

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and potentially backdated refunds to 2010.								appeals provision at 31 March 2019. No separate provision has been created for appeals that have not yet been received.
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 Health & Safety Financial Service Delivery Compliance with Regulations Personal Privacy Infringement Reputation damage	Jane Eaton		CRR.05.1 Officer training CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical) CRR.05.4 "Cultural compliance" Internal Audits identify service based issues and help managers to resolve these.	Jane Eaton Jane Eaton Jane Eaton	  		<u>November 2019 Update:</u> 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. A further issue has arisen with regards to Trade Waste invoicing. Compliance with monthly financial forecasting across the council has remained high since the improvement in the summer.
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>November 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 led to further 40+ checking as in previous years. The outcome of this and whether further risks have materialised will be known by the time of the Committee.
CRR31 <u>Cause:</u> The success of the election process is dependent upon adequate staffing, effective	Election Petition (challenge through the courts). Election would	Jane Eaton		CRR31.1 Review risks as part of project planning process prior to an election CRR31.2 Training of Internal & external staff	Sharon Evans Sharon Evans	 		<u>November 2019 update:</u> An experienced Elections Officer has been appointed.

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equipment (including IT) and proper processes <u>Risk:</u> Unavailability of key officers, inadequate processes (including risk assessments and election project plan) leading to failure (including legal challenge).	need to be re-run - significant financial & resource implications. Results of election delayed and associated reputation risk			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	✓		
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.	Reductions in funding Financial	Jane Eaton	 <p>Impact Likelihood</p>	CRR.01c.1 Continue to keep a watching brief	Dominic Bradley	▶	 <p>Impact Likelihood</p>	<u>November 2019 Update:</u> The 2017 Rateable Value list has fallen by £1.8m since 1 April 2017, although has remained relatively stable to date in 2019/20 with a £0.15m 'increase' in the year to date. This overall downward 'trend' remains a significant concern and risk to the Council's funding position should it continue.
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. Complaints / claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage	Jane Eaton	 <p>Impact Likelihood</p>	CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy CRR.02.3 Provide a programme of Induction and at least annual training on Information Security to all staff. CRR.02.4 Annual PSN Accreditation CRR.02.5 Representatives from each department meet every other month to maintain compliance, updates and training	Andrea Curson / Sharon Evans Robert Laban Andrea Curson Sharon Evans	▶ ▶ ▶ ▶	 <p>Impact Likelihood</p>	<u>November 2019 Update:</u> CRR.02.1 This work is ongoing and will be supported by the IT Security Officer now in post. CRR02.3 This work is ongoing and will be supported by the IT Security Officer now in post. CRR02.4 PSN Accreditation obtained on 8th November 2019 for the year.

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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. Risk: 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 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. CRR.03.2 Update departmental business continuity plans and regular review. 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			November 2019 Update: CRR.03.1: Corporate Business Continuity plan reviewed and updated 28/11/2019. 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 have been reviewed and SLT provided with an update 12/11/19. CRR.03.5: Bitesize workshops are ongoing through 2019 and 2020 and some councillor awareness sessions will be scheduled in late 2019/2020.
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. 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	Glen Chipp		CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16). CRR.06.3 Clarity of responsibilities and implementation of a training programme CRR.06.4 Implement a central repository for risk assessments	Robert Laban / Health & Safety Officer Robert Laban Robert Laban / Health & Safety Officer	  		November 2019 Update: CRR.06.2: A self-inspections policy has been implemented and is being monitored by the H&S Forum. CRR.06.3 – Completed <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. CRR.06.4: The introduction of a central repository for risk assessments remains deferred until

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								Technology One can be configured in this respect, or an alternative system can be developed/purchased – assessments of suitability/ effective system is underway and is an agenda item for the H&S Management Forum until resolved.
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 environmental problems: fire, flood, power cut	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.	Jane Eaton	 Impact Likelihood	CRR.18.1 Staff and Member Training CRR.18.2 Awareness of current threats CRR.18.3 An effective ICT Service delivery team CRR.18.4 Effective patching and updates to mitigate known vulnerabilities CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS) CRR.18.6 Effective policies in place which outline security requirements for users of ICT CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems. CRR.18.8 Transferring the risks to the cloud provider CRR.18.9 LGA Cyber Security review plan developed, approved internally and being carried out.	Claire Oliver / Robert Laban Andrea Curson Andrea Curson Andrea Curson Andrea Curson Andrea Curson Andrea Curson Andrea Curson Andrea Curson	        	 Impact Likelihood	November 2019 Update: Level of attack is great. Remediation ongoing. CRR.18.1 - IT Security Training has been rolled out to all staff and the IT Security Officer will be reviewing this training. CRR.18.2 – This work is ongoing. CRR.18.3 All work is ongoing. CRR.18.4 Patching of devices ongoing. CRR.18.5 PSN Accreditation

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CRR33 TO BE EXEMPTED <u>Cause:</u> Compensation claim received from L&Q (Landlord of adjacent buildings) in relation to new Piries Place car park works. <u>Risk:</u> Potential litigation action from L&Q in relation to Piries Place car park project. Larger sums being claimed than anticipated	Financial Reputation	Barbara Childs	<table border="1"> <tr><th>Impact</th><th>Low</th><th>Medium</th><th>High</th></tr> <tr><th>Low Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>Medium Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>High Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> </table>	Impact	Low	Medium	High	Low Likelihood	Green	Yellow	Red	Medium Likelihood	Green	Yellow	Red	High Likelihood	Green	Yellow	Red	CRR.33.1 Claim is being investigated by HDC Legal	Sharon Evans		<table border="1"> <tr><th>Impact</th><th>Low</th><th>Medium</th><th>High</th></tr> <tr><th>Low Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>Medium Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>High Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> </table>	Impact	Low	Medium	High	Low Likelihood	Green	Yellow	Red	Medium Likelihood	Green	Yellow	Red	High Likelihood	Green	Yellow	Red	<u>November 2019 Update:</u> Ongoing.
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CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and recent high profile failures, e.g. Carillion <u>Risk:</u> Key contractor failure	Financial	Jane Eaton	<table border="1"> <tr><th>Impact</th><th>Low</th><th>Medium</th><th>High</th></tr> <tr><th>Low Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>Medium Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>High Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> </table>	Impact	Low	Medium	High	Low Likelihood	Green	Yellow	Red	Medium Likelihood	Green	Yellow	Red	High Likelihood	Green	Yellow	Red	CRR.34.1 Regularly check accounts of key suppliers CRR.34.2 Check public liability insurance of key suppliers CRR.34.3 Ask for key suppliers' business continuity plans CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan	Heads of Service Heads of Service Heads of Service Heads of Service	 	<table border="1"> <tr><th>Impact</th><th>Low</th><th>Medium</th><th>High</th></tr> <tr><th>Low Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>Medium Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> <tr><th>High Likelihood</th><td>Green</td><td>Yellow</td><td>Red</td></tr> </table>	Impact	Low	Medium	High	Low Likelihood	Green	Yellow	Red	Medium Likelihood	Green	Yellow	Red	High Likelihood	Green	Yellow	Red	<u>November 2019 Update:</u> No change to uncertainty.
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