

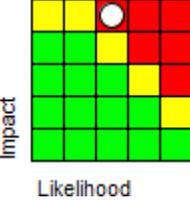
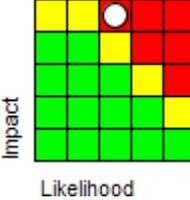
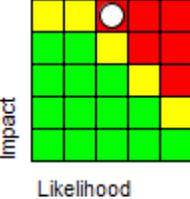
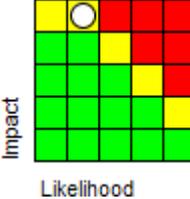
Appendix 1 Corporate Risk Report March 2020

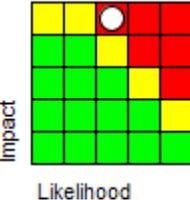
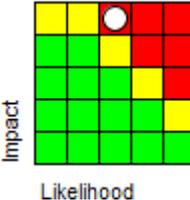
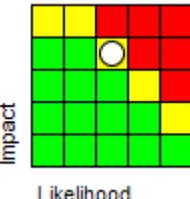
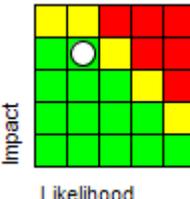
Risks ordered by RAG not numerically

Generated on: 18 March 2020

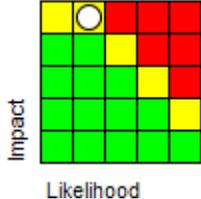
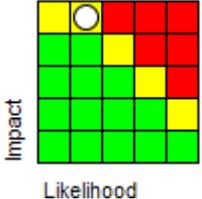
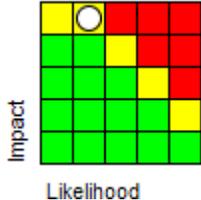
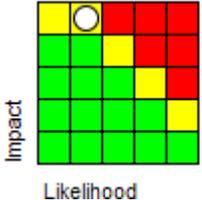


Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR35 <u>Cause:</u> COVID-19 is a new illness that can affect your lungs and airways, and is caused by a virus called coronavirus. The illness is rapidly spreading, and people with underlying health conditions are at a higher risk of becoming very ill. This includes older adults, and/or people with chronic medical conditions such as heart disease; diabetes; and lung disease. <u>Risk:</u> (i) The Council is unable to deliver statutory front line services to the community due to, for example, staff shortages or unavailability of key officers. (ii) Substantial financial loss to the Council.</p>	<p>Failure of business objectives Health and safety Financial Service Delivery Compliance with regulations Reputation Staffing and culture</p>	<p>Glen Chipp</p>		<p>CRR.35.1 Essential services have been highlighted with the intention of redeployment of staff from other service areas. Staffing shortages on refuse collection may benefit from availability in the labour market.</p>	<p>Jane Eaton</p>		<p>New Risk</p>
				<p>CRR.35.2 Funding from Government</p>	<p>Jane Eaton</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. <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 & resource implications. Results of election delayed and associated reputation risk</p>	<p>Jane Eaton</p>		<p>CRR.31.1 Review risks as part of project planning process prior to an election</p>	<p>Sharon Evans</p>		<p>March 2020 update: An experienced Elections Manager has been appointed with handover period with the incumbent Elections Consultant. Corona Virus may have an impact on likelihood of the Police and Crime Commissioner elections taking place and availability of staff.</p>
				<p>CRR.31.2 Training of Internal & external staff</p>	<p>Sharon Evans</p>		
				<p>CRR.31.3 Review the adequacy of insurance cover for Returning Officers at the start of election process; ensure adequate protection against an Election Petition</p>	<p>Sharon Evans</p>		

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<p>CRR01b Financial Cause: The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p>Risk: (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>March 2020 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 mentioned 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, this will not be available until the 2021/22 budget.</p> <p>An updated MTFS was presented to Members during the budget process in February 2020 which indicated near balanced budgets over the period if assumed decisions are made on Council Tax, garden waste and parking charges, alongside officer efficiencies, income generation and digital transformation.</p>
<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>	Adam Chalmers		<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.03.5 Bitesize workshops in 2017 and 2018 to address new procedures and processes and all SLT and heads of service will be invited to attend.</p>	<p>Rob Jarvis</p> <p>Rob Jarvis</p> <p>Rob Jarvis</p>		<p><u>March 2020 Update:</u></p> <p>CRR.03.1: Corporate Business Continuity plan is current and due for review on 28/11/2020 (annual review). Cold sites still not identified and IT DR plan not yet completed and signed off.</p> <p>CRR.03.2: Departmental plans updated in December 2019 and currently being reviewed in response to COVID-19 epidemic.</p> <p>CRR.03.5 Awaiting release of SRF training and development programme for 2020 and will look to put senior management on BC training sessions.</p>

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	Financial losses Censure by regulators Reputation damaged						Additional BC bite size training sessions and BC exercising to continue throughout 2020 to heads of service/departmental managers.
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. 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.	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR.19.2 Monitor the external environment CRR.19.3 Monitor internal indicators, particularly income generation and respond appropriately to adverse trends	Dominic Bradley Dominic Bradley		<u>March 2020 Update:</u> 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 are forecasting to end 2019/20 with more income than the budget contributing towards a small forecast surplus. HDC has published its Brexit plan and updates will be circulated to Members.
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.05.3 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>March 2020 Update:</u> Improvement continues in depot based control following the "minimal assurance" cultural compliance audit. A new Resources Manager started this month with a focus in this area.

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<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. HDC has a case load with a particularly high number of working people with many changes of circumstances. Refer to new risk CRR25</p>	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Continuously monitor the level of quality control checking.	Beccy Salmon		<p>March 2020 Update:</p> <p>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. There was no subsidy loss but the cost of the audit was higher than expected. The contract for 2019/20 was let in May 2019 but officers are looking for a more inclusive fee and other suppliers for the 2020/21 audit.</p>
<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>	Financial Service delivery in all services due to limited money	Glen Chipp		<p>CRR.30.1 Work with other districts and voluntary organisations to seek ways to re-provide preventative services</p> <p>CRR.30.2 Provide evidence to county to inform their decision making</p> <p>CRR.30.3 Task and finish group set up with representatives from across Districts and Boroughs to feed into process</p> <p>CRR.30.4 Include on MTFS (Risk also relates to future cuts)</p> <p>CRR.30.5 Services rated as amber are being redesigned with all District & Boroughs having a say in how these will be secured in the future</p>	Glen Chipp Glen Chipp Glen Chipp Glen Chipp		<p>March 2020 Update:</p> <p>The recycling credits have been removed and the Housing cuts have been successfully mitigated. The impact of both items has been budgeted for. Risk is being kept in view given current economic circumstances.</p> <p>Note that WSCC is now charging HDC for ground floor meeting room bookings.</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</p>	Reductions in funding Financial	Jane Eaton		CRR.01c.1 Continue to keep a watching brief	Dominic Bradley		<p>March 2020 Update:</p> <p>The 2017 Rateable Value list has fallen by £0.7m since 1 April 2017. It has recovered from the lowest point of £2.1m over the last six months, as Piries Place and a new supermarket have come back onto the list.</p> <p>This overall 'trend' of being below the initial RV three years later remains a</p>

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rates baseline, resulting in loss of funding.							significant concern and risk to the Council's funding position should it continue.
<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> <p><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).</p>	<p>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</p>	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans		<p><u>March 2020 Update:</u></p> <p>CRR.02.1 This work is ongoing</p> <p>CRR02.3 The Head of Technology has recently completed Information Security Training.</p> <p>CRR02.4 PSN Accreditation obtained on 8th November 2019 for the year.</p> <p>CRR02.5 This is continuing and is ongoing.</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		
				CRR.02.5 Representatives from each department meet every other month to maintain compliance, updates and training	Sharon Evans		
<p>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.</p> <p><u>Risk:</u> A health & 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>	Glen Chipp		CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer		<p><u>March 2020 Update:</u></p> <p>CRR.06.2: Completed</p> <ul style="list-style-type: none"> A self-inspections policy has been implemented and is being monitored by the H&S Forum. <p>CRR.06.3 – Completed</p> <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.
				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		

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							<ul style="list-style-type: none"> E-learning courses for H&S key topics are accessible via Horsham LAB. <p>CRR.06.4: No change: 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 is underway and is an agenda item for the H&S Management Forum until resolved.</p>
<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 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p><u>Risk 2:</u> 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>	Jane Eaton		<p>CRR.18.1 Staff and Member Training</p> <p>CRR.18.2 Awareness of current threats</p> <p>CRR.18.3 An effective ICT Service delivery team</p> <p>CRR.18.4 Effective patching and updates to mitigate known vulnerabilities</p> <p>CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)</p> <p>CRR.18.6 Effective policies in place which outline security requirements for users of ICT</p> <p>CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.</p> <p>CRR.18.8 Transferring the risks to the cloud provider</p> <p>CRR.18.9 LGA Cyber Security review plan developed, approved internally and being carried out.</p>	<p>Claire Ward / Robert Laban</p> <p>Andrea Curson</p>		<p>March 2020 Update:</p> <p>Level of attack, particularly Ransomware attacks has been raised by the Cabinet Office. Remediation ongoing.</p> <p>CRR.18.1 IT Security Training has been rolled out to all staff and the IT Security Officer is reviewing this training.</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</p>

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<p>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.</p>	Reductions in funding Financial	Jane Eaton		CRR.32.1 Continue to keep a watching brief	Dominic Bradley		<p>March 2020 Update:</p> <p>A High Court judicial review dismissed the hearing in November 2019. The claimants have appealed to the Court of Appeal. The date of the appeal hearing has not yet been set.</p> <p>One NHS Foundation Trust appeal in the district has been received and was included in the business rates appeals provision at 31 March 2019.</p> <p>No separate provision has been created for appeals that have not yet been received.</p>
<p>CRR33 TO BE EXEMPTED Cause: Compensation claim received from L&Q (Landlord of adjacent buildings) in relation to new Piries Place car park works. Risk: Potential litigation action from L&Q in relation to Piries Place car park project. Larger sums being claimed than anticipated</p>	Financial Reputation	Barbara Childs		CRR.33.1 Claim is being investigated by HDC Legal	Sharon Evans		<p>March 2020 Update:</p> <p>Ongoing.</p>
<p>CRR34 Cause: Uncertainty in the UK and World economy. Instability and recent high profile failures, e.g. Carillion Risk: Key contractor failure</p>	Financial	Jane Eaton		<p>CRR.34.1 Regularly check accounts of key suppliers</p> <p>CRR.34.2 Check public liability insurance of key suppliers</p> <p>CRR.34.3 Ask for key suppliers' business continuity plans</p> <p>CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan</p>	<p>Heads of Service</p> <p>Heads of Service</p> <p>Heads of Service</p> <p>Heads of Service</p>		<p>March 2020 Update:</p> <p>Contract Management training in January reminded officers of the need for regular checks of accounts, insurance and business continuity plans.</p>