
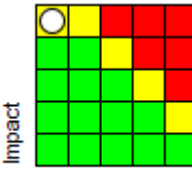
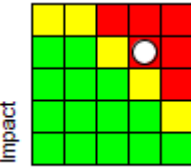
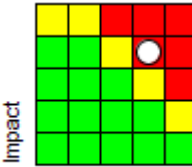


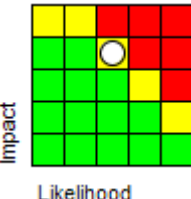
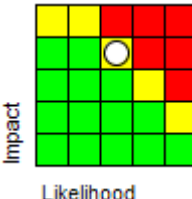
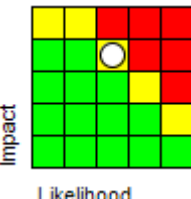
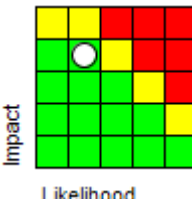
Appendix 1 Corporate Risk Report September 2022

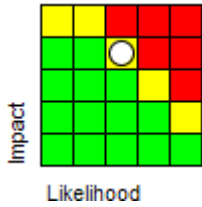
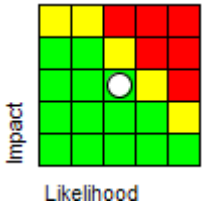
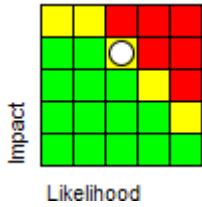
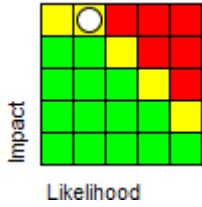
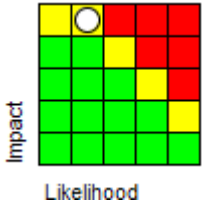
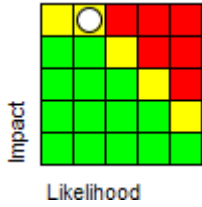
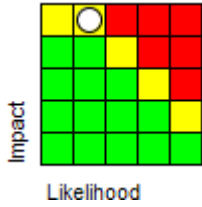
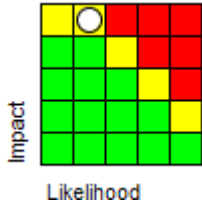
Risks ordered by RAG not numerically

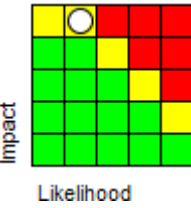
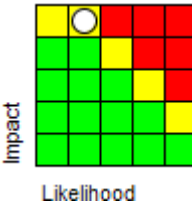
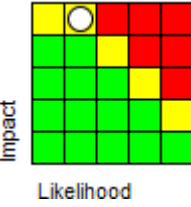
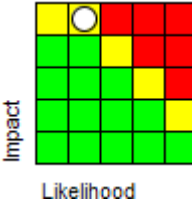
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Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
<p>CRR37</p> <p>Source:</p> <p>Requirement to adopt an up-to-date Local Plan by end 2023 in accordance with government requirements</p> <p>Risk:</p> <p>Delay to plan preparation due to the requirement of the plan to demonstrate water neutrality, or as a result of significant / unexpected changes to government guidance.</p>	<p>Economic damage to district as a result of limits to development which can take place</p>	<p>Barbara Childs</p>		<p>CRR.37.1 Joint working with partners to develop water neutrality mitigation strategy</p>	<p>Catherine Howe</p>		<p>Governance arrangements for Water Neutrality joint working have been agreed and are operational.</p> <p>Detailed work on overall mitigation strategy is ongoing and provisionally scheduled for sign off in the Autumn. However, this requires continued input from all affected local authorities, Natural England, and Southern Water. Some supporting organisations currently significantly under resourced.</p> <p>Successful LEP for funding for additional resources to help deliver the strategic solution co-ordinated by WSCC. Unfortunately, the recruitment exercise for a project manager has been unsuccessful to date. Further requests to central government for additional government funding have also been unsuccessful but continue.</p>
				<p>CRR.37.2 Keep watching brief on government messaging on planning reforms</p>	<p>Catherine Howe</p>		
<p>CRR01b</p> <p>Financial</p> <p>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 2023</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>	<p>Dominic Bradley</p>		<p>CRR.01b.1 Continue to keep a watching brief</p>	<p>Samanth a Wilson</p>		<p>Government has tentatively indicated a two-year settlement for 2023/24 and 2024/25, which if it went ahead would slightly reduce the risk of changes to business rates and revenue funding through the Fair Funding Review for the time being, albeit temporarily. However, we may have to wait until the provisional settlement in December before we have proper insight into the medium term.</p> <p>Maximum Council tax rises and inflationary rises to fees and charges would help balance the budgets, otherwise a £3m budget deficit is</p>
				<p>CRR.01b.2 Revisit the MTFS and if necessary 2022/23 budget in year.</p>	<p>Samanth a Wilson</p>		
				<p>CRR.01b.3 Evaluate and discuss with Members possible future actions to mitigate loss of income. e.g., Corporate Restructure, investment and infrastructure projects that generate income.</p>	<p>Dominic Bradley</p>		

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							forecast at the end of the MTF5, due to inflation and the costs of food waste when implemented.
<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>	Dominic Bradley		CRR.18.1 Staff and Member Training	Claire Ward / Robert Laban		<p>CRR.18.1 Ongoing, as part of induction for new staff/ Members, and as required.</p> <p>CRR18.2 We are following government advice re heightened Cyber Security Threats.</p> <p>CRR.18.5 PSN Accreditation has been awarded for another year.</p> <p>CRR.18.7 Backups being reviewed and improved.</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 Transferring the risks to the cloud provider	Andrea Curson		
				CRR.18.9 Plan developed, approved internally, and being carried out.	Andrea Curson		
<p>CRR19 <u>Cause:</u> Uncertainty in the UK and World economy. Higher levels of salary and non-salary costs from inflation. Impact on the financial markets and the pound in the wake of Covid-19 and the energy crisis. Likelihood of a deeper depression and slowdown in the property and financial markets. The Government has spoken about a reduction in local government funding. <u>Risk:</u> Rapidly rising costs from inflation. 6% inflation equates to a</p>	<p>Financial Service Delivery Compliance with Regulations</p>	Dominic Bradley		CRR.19.2 Monitor the external environment	Samantha Wilson		<p>A small surplus budget was set for 2022/23 as a result of a restructure in November 2020 and a better than expected one-year settlement. However, the impact from soaring inflationary price rises is already putting pressure on the forecast in some areas such as fuel and housing services, although a £0.25m surplus is forecast at M4 due to the benefits from rising interest rates and parking income coming back towards pre-Covid levels. Gross costs in 2023/24 are likely to rise by £2m at approximately 6% inflation levels.</p>
				CRR.19.3 Monitor internal indicators, particularly costs from inflation, income generation and respond appropriately to adverse trends	Samantha Wilson		

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£1m increase in costs per year, making balancing the budget more difficult. Lower levels of income in planning fees; reduced car parking income; property income and Government funding. Increased costs from higher levels of homelessness and housing benefit claims.							Without significant increases in income at similar inflationary levels, budget shortfalls approaching £3m a year would be forecast by the end of the medium-term financial period, the other significant cost being £1.3m from food collection. Pressure is building on homelessness and benefits cases. Cumulative pressure on businesses since 2020 may also increase the risk on their ability to pay all rents.
CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g., Business Rates). <u>Risk:</u> Decrease in Rateable Value due to appeals and businesses going under. This may cause the Council to fall below the business rates baseline, resulting in loss of funding.	Reductions in funding Financial	Dominic Bradley		CRR.01c.1 Continue to keep a watching brief CRR.01c.2 Evaluate and discuss with Members possible actions to mitigate loss of income. e.g., investment and infrastructure projects that generate income.	Samantha a Wilson Samantha a Wilson		Total RV is stable at present, but uncertainty remains in the aftermath of Covid-19 and pending any business rate reform. Any re-baselining is now more likely to be from April 2025. Appeals to the Valuation Office remain high, which could trigger backdated refunds. The appeals provision is approximately £4m, albeit the Council's share is only 40% of this.
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	Dominic Bradley		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. CRR.05.5 Programme of training and information to ensure all managers understand their roles. CRR.05.6 Governance review of the Horsham Museum	Dominic Bradley Dominic Bradley Dominic Bradley Dominic Bradley		The Annual Governance Statement action plan for 2021/22 completed. This included delivering training for management and staff in this area. Heads of Service, all managers, depot-based managers, Capitol and Parks and Countryside management training has taken place. An online training course for all staff went live in May 2022. The review of governance at the museum was completed. The annual e-learning refresher programme for 2022/23 has started, with the following three courses being mandatory: • Corporate Governance

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
	damage						<ul style="list-style-type: none"> Safeguarding adults Safeguarding children and young people.
<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>	Financial Service Delivery Compliance with regulations Reputation	Dominic Bradley; Beccy Salmon		CRR.17.1 Continuously monitor the level of quality control checking.	Beccy Salmon		<p>The service continues to maintain a robust QC process to mitigate financial loss via a qualified subsidy loss. However, in February 2021 colleagues found a long-standing error relating to a claim assessed under the CenSus regime leading to an overpayment of £35,000. This, combined with a small decline in 2020/21 quality due to workload pressure puts the Council closer than it has ever been to the lower threshold for 2020/21 since leaving the CenSus partnership.</p> <p>A further £8,000 historic error was found in April 2021. This will affect the 2021/22 claim but being a lower amount is less likely to lead to a subsidy loss.</p> <p>The LA Error rate decreases slightly as HB expenditure continues without further error but remains a risk due to the low headroom for future LA Error to be found.</p>
				CRR.17.2 An earmarked reserve for subsidy provision is now in place that would cover the loss of subsidy in the event that the upper threshold in the subsidy claim is breached.	Beccy Salmon		
<p>CRR02</p> <p>Managerial / Professional</p> <p><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.</p> <p><u>Risk 2:</u> Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR).</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	Dominic Bradley		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson / Sharon Evans		<p>CRR02.3 An induction programme is established, and new staff are completing IS training as part of probation, where relevant. There will be regular updates and additional training provided where necessary, as and when topical issues emerge, in a fast-moving environment that poses IS threats.</p> <p>CRR02.4 PSN Accreditation 2021 awarded.</p> <p>CRR.02.05 Due to recent data breaches, a new training presentation has been written and was delivered through service team meetings. Member training should be completed</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		

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	Adverse publicity Reputation damage						before end Sept 2022.
<p>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.</p> <p><u>Risk:</u> 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>	Dominic Bradley		CRR.03.1 Update corporate business continuity plan and regular review.	Robert Laban		<p>CRR.03.1 Plan is up to date. All Neighbourhood Wardens have been trained as Rest Centre Managers and are earmarked for Incident Liaison Officer training later in the year to provide a tactical response at bronze level. Consideration is given to establish a process/ rota for senior managers to manage emergencies.</p> <p>CRR.03.2 All BC plans have been updated in 2021, Q3; a sample was tested in Q4 with the service heads.</p> <p>CRR.03.5 Hybrid bitesize workshops are starting again from April for: Response, BC, Recovery, Rest Centre ops.</p> <p>CRR.03.6 In line with lifting of all Covid restrictions, regular Covid focussed BC meetings have stopped (but can be reinstated quickly if needed).</p>
				CRR.03.2 Update departmental business continuity plans and regular review.	Robert Laban		
				CRR.03.5 Bitesize workshops to address new procedures and processes.	Robert Laban		
				CRR.03.6 Fortnightly BC meetings during Covid-19	Robert Laban		
<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</p> <p>Complaints/claims/ litigation</p> <p>Financial losses</p> <p>Censure by audit / inspection</p> <p>Reputation damage</p> <p>Adverse effect on morale</p> <p>Stress and absenteeism</p>	Jane Eaton		CRR.06.2 H&S Management Forum reviews corporate inspection strategy quarterly.	Robert Laban / Health & Safety Officer		<p>Risk assessments being undertaken, reviewed, and updated.</p>
				CRR.06.3 Training programme includes annual refreshers on a rolling programme. All mandatory training must be completed as part of probation	Robert Laban		
				CRR.06.01 Risk assessments undertaken	Robert Laban / Health & Safety Officer		
				CRR.06.04 H&S Officer regularly reviews high risk	Robert Laban		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Target Risk Matrix	Quarterly Update
				areas			
CRR34 <u>Cause:</u> Uncertainty in the UK and World economy. Instability and high-profile failures. <u>Risk:</u> Key contractor failure	Financial	Dominic Bradley		CRR.34.1 Regularly check accounts of key suppliers	Heads of Service		The impact on the loss of key suppliers is lessening and we no longer have the Head of Procurement on the business continuity group. The impact of the world shortage of building supplies is lessening but remains uncertain. Risk of inflation, interest rate rise and recession being monitored. Some suppliers are starting to come forward to increase prices outside of the contract, which is being resisted.
				CRR.34.2 Check public liability insurance of key suppliers	Heads of Service		
				CRR.34.3 Ask for key suppliers' business continuity plans	Heads of Service		
				CRR.34.4 Consider whether the failure of a key supplier needs to go in service business continuity plan	Heads of Service		
CRR35a <u>Cause:</u> Covid-19 infection <u>Risk:</u> Serious risk to the health and safety of workers	Failure of Health and safety, Service Delivery, Compliance with regulations, Reputational loss.	Dominic Bradley		CRR.35a.1 Corporate Health and Safety group oversees H&S measures (staff H&S representative observes)	Dominic Bradley		CRR.35a.3 In line with diminishing Covid-19 infection risks, the Business Continuity Group has been stayed. Monitoring is ongoing by the Corporate H&S Adviser and Emergency Planning Adviser, reviewing relevant HSE, NHS/ Government guidance. Any necessary updates will be through the Comms service by the Head of HR&OD. Risk assessments are reviewed and updated as needed. CRR.35a.7 The Council's trial to move to 50/50 working was extended and will be reviewed in the summer, considering emerging practice, staff/ manager feedback and LGA guidance. CRR.35a.7 Despite the lifting of all Covid-19 restrictions, managers are advised to conduct risk assessments for staff who identify themselves as high risk. Staff working from home must have completed a risk assessment, signed off by their manager.
				CRR.35a.3 Regular updates on government advice on keeping safe	Robert Laban		
				CRR.35a.7 Risk assessments for offices and specific staff	Robert Laban		