

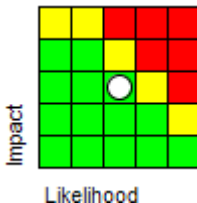

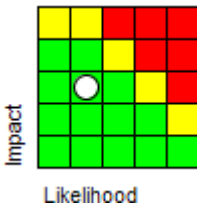








Corporate Risk Report September 2016 V2

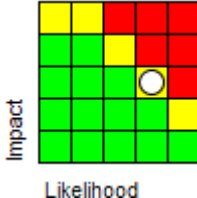

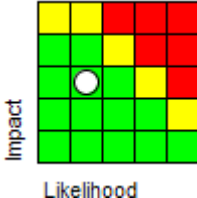

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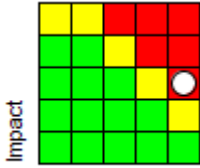

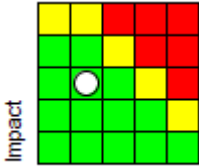


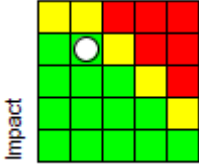


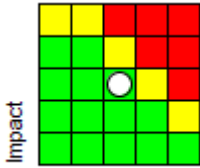

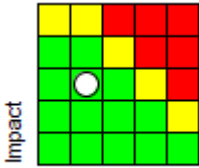





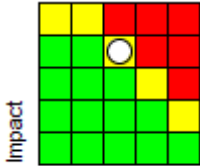
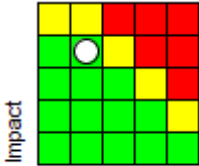
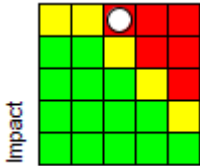
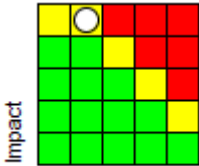
Risk Code & Description	Consequences	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01 Financial Source: The Council is reliant on Central Government funding (eg. New Homes Bonus). Event: Grant funding from Government is less generous than assumed in the MTFS.</p>	<ul style="list-style-type: none"> . Reductions in funding . Adverse effect on morale . Financial losses . Failure to achieve agreed objectives 	Jane Eaton		CRR.01.1 Review current budgets in preparation for the 2017/18 budget	Dominic Bradley			<p>September 2016 Update: The MTFS is being refined and detail added to the 'savings' plans which will generate more income, efficiencies and commissioning and transformation to help close the budget deficits that are forecast from 2017/18 through to 2019/20. These 'savings' are interlinked with the emerging Future Horsham programme which will be led by eight sub-programme sponsors. The budget setting process for 2017/18 has also started and will run in parallel, capturing the 2017/18 element into the annual budget. An updated MTFS, together with the savings plans, will be taken back to Council in the Autumn of 2016. The NHB consultation which closed in March 2016 indicated a reduction of NHB compared to present levels. When the outcome of the NHB consultation is known, the assumptions will be included in the MTFS.</p>
				CRR.01.2 Develop options to deal with pressure for consideration by Members	Dominic Bradley			
				CRR.01.3 Develop a Medium Term Plan	Dominic Bradley			

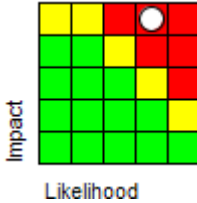

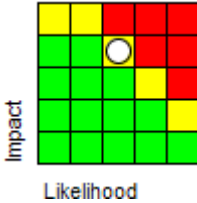
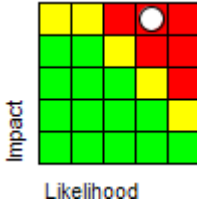

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<p>CRR02 Managerial / Professional <u>Source:</u> The Council has a legal obligation to protect personal data. The Information Commissioner has the power to levy significant financial penalties up to £500k for data breaches. Some information held by the Council is politically / commercially sensitive, and it is important that such information is not leaked.</p> <p><u>Event:</u> Major data breach or leak of sensitive information to a third party.</p>	<ul style="list-style-type: none"> . 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 . Adverse publicity . Reputation damage 	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Jane Eaton			<p>September 2016 Update: PSN accreditation has been achieved. An on-line data protection training solution is being investigated.</p>
				CRR.02.2 Provide a programme of training on Information Security to all staff.	Jane Eaton			
				CRR.02.3 Annual PSN Accreditation	Jane Eaton			
<p>CRR03 Legal <u>Source:</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>Event:</u> The Council is</p>	<ul style="list-style-type: none"> . 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 	Natalie Brahma-Pearl		CRR.03.1 Update corporate business continuity plan and regular review.	Trevor Beadle			<p>September 2016 Update: CRR.03.1 Our warm site is currently undergoing an IT upgrade to suit the needs of the business and the plan will be reviewed once the upgrade is complete. In addition, recommendations and lessons learned from the Crowmarsh (South Oxfordshire) fire are being incorporated into the HDC BC plan to improve resilience. CRR.03.2 All departmental plans are due for review in September 2016 and every department will be audited to ensure full reviews are undertaken. All reviewed plans will be stored in</p>
				CRR.03.2 Update departmental business continuity plans and regular review.	Trevor Beadle			

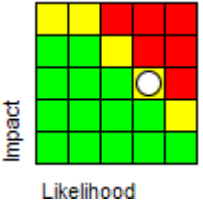

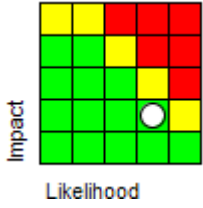






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fulfil its obligations under the Act in the event of a civil contingency.								'Resilience Direct' and made available to SLT.
<p>CRR05 Governance Source: Managers are responsible for ensuring that controls to mitigate risks are consistently applied.</p> <p>Event: Officers are either unaware of expected controls or do not comply with control procedures.</p>	<ul style="list-style-type: none"> . Failure of business objectives . Health & Safety . Financial . Service Delivery . Compliance with Regulations . Personal Privacy Infringement . Reputation damage 	Jane Eaton		CRR.05.1 Officer training	Jane Eaton			<p>September 2016 Update: Assurance statements issued and signed this summer.</p>
				CRR.05.2 Raise the profile of risk and control by incorporating them into the performance management framework (e.g. integrate into appraisal process).	Jane Eaton			
				CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually).	Jane Eaton			
<p>CRR06 Physical Source: The Council is responsible for the health & safety of its clients, staff and other</p>	<ul style="list-style-type: none"> . People come to harm . Complaints/claims/ 			CRR.06.1 Set up a Health & Safety Forum with clear terms of reference (by 30/11/15).	Robert Laban			<p>September 2016 Update:</p> <p>CRR06.2 - The Corporate H&S Adviser is continuing a programme of inspections; the introduction of Premises Coordinators (PCs) at all sites has been agreed and 100% of localities have been assigned. A pilot log for PCs has been developed and is being tested – training of PCs started in June 2016. Estimated completion date 30/11/16.</p> <p>CRR 06.3 – This is continuing; H&S responsibilities have been set out, generically, in the Corporate H&S Policy; more specific responsibilities are being set out as each</p>
				CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer			
				CRR.06.3 Clarity of responsibilities and implementation of a training programme	Robert Laban			
				CRR.06.4 Implement a central repository for risk assessments (by 30/06/16).	Robert Laban / Health & Safety Officer			

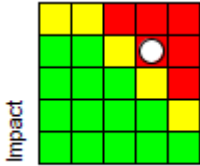

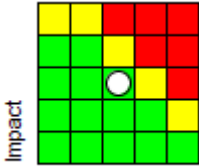

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								<p>existing H&S subject policy is reviewed and as an additional suite of H&S subject policies is introduced; the reviews and introductions are now 50% complete. The Corporate Health & Safety Adviser has drafted a H&S training matrix, and developed e-learning modules on statutory training and induction. Work is ongoing with the L&D Adviser to fit this into a wider programme and pilot/ roll out on the council's e-learning system, LEON.</p> <p>CRR 06.4 –This action is slipping and new target date is 30/09/16. Still working with IT on an electronic solution. If this is not forthcoming, consideration will be given to placing documents on the Horsham Manager website.</p>
<p>CRR07 Managerial / Professional <u>Source:</u> There is a lack of corporate consistency in terms of the way in which contracts are managed, and contract management is inadequate in some areas. <u>Event:</u> Failure of contract / poor service delivery / failure to achieve VFM.</p>	<ul style="list-style-type: none"> . Failure of business objectives . Financial . Service delivery . Compliance with regulations . Personal Privacy Infringement . Reputation damage 	Jane Eaton		CRR.07.1 Specific contract management guidelines will be developed. (By 31/10/16).	Mark Pritchard			<p><u>September 2016 Update:</u> Contract Management guidance is nearing completion. Target completion date has been extended to 31/10/16.</p>
				CRR.07.2 A contract management training programme will be designed and implemented. (By 31/10/16).	Mark Pritchard			

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<p>CRR08 Governance <u>Source:</u> The Council's decision-making processes are based on a Constitution that is overly bureaucratic and unnecessarily complicated</p> <p><u>Event:</u> Non-compliance with the Constitution and delays in decision-making</p>	<ul style="list-style-type: none"> . Opportunities lost . Complaints / claims / litigation . Financial losses . Lack of openness and transparency 	Paul Cummins	 <p>Impact</p> <p>Likelihood</p>	CRR.08.1 The Council's Constitution will be updated using the 2011 template. (By December 2016).	Paul Cummins		 <p>Impact</p> <p>Likelihood</p>	<p><u>September 2016 Update:</u> The Constitutional Review Group has now met several times and work is well underway to fully review and modernise the Council's Constitution. There are plans to report the revised Constitution to Council in October.</p>
<p>CRR09 Governance <u>Source:</u> The Council's decision-making relies upon the taking of professional advice from officers or external consultants</p> <p><u>Event:</u> Advice is not taken.</p>	<ul style="list-style-type: none"> . Poor/ultra vires decisions . Complaints/claims/litigation . Financial losses . Reputation damage 	Tom Crowley	 <p>Impact</p> <p>Likelihood</p>	CRR.09.1 Member training (ongoing)	Paul Cummins		 <p>Impact</p> <p>Likelihood</p>	<p><u>September 2016 Update:</u> Further training is going to be undertaken over the next quarter.</p>
				CRR.09.2 Officer training (ongoing)	Paul Cummins			
				CRR.09.3 Member briefings to improve communications	Paul Cummins			
<p>CRR12 Partnership / Supplier / Contractual <u>Source:</u> The Council is subject to EU procurement rules and regulations, is putting more services out to tender, and contractors are increasingly challenging contract awards.</p> <p><u>Event:</u> A contractor successfully challenges an award (eg on inflexible price:quality ratios).</p>	<ul style="list-style-type: none"> . Financial losses . Censure by audit / inspection . Reputation damage . Adverse effect on morale 	Jane Eaton	 <p>Impact</p> <p>Likelihood</p>	CRR.12.1 Staff training	Mark Pritchard / Roger Dennis		 <p>Impact</p> <p>Likelihood</p>	<p><u>September 2016 Update:</u> The Procurement Toolkit will be finalised at the end of November, once the amendments to the Constitution have been approved.</p>
				CRR.12.2 Up-to-date procedures (by 30/11/16).	Mark Pritchard / Roger Dennis			
				CRR.12.3 Reference to Procurement Team for advice	Mark Pritchard / Roger Dennis			
				CRR.12.4 Proactive monitoring by the Procurement Team	Mark Pritchard / Roger Dennis			

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CRR13 Governance <u>Source:</u> Decisions are not always based on data. <u>Event:</u> Wrong decision made.	. Missed opportunities . Poor decisions . Poor VFM . Increased costs / financial losses	Tom Crowley		CRR.13.1 Robust evaluation of business cases to inform decisions (ongoing)	SLT	▶		<u>September 2016 Update:</u> The Senior Leadership Team will continue to review the quality of business cases.
				CRR.13.2 Ensure that decisions are properly documented (Ongoing)	SLT	▶		
CRR14 Customer/Citizen <u>Source:</u> The negotiation of Section 106 and CIL (Community Infrastructure Levy) are essential for ensuring outcomes for residents. <u>Event:</u> Failure to negotiate the optimum outcome.	Reduced funding to deliver outcomes for the community	Chris Lyons		CRR.14.1 Ensure that leisure priorities are understood within the CIL schedule process and keep under review	Trevor Beadle	▶		<u>September 2016 Update:</u> Comments were received on the Draft CIL Charging Schedule and Planning Obligations & Affordable Housing SPD which have resulted in some changes being proposed although the rate and amount of CIL generated would remain unchanged. The principal of the proposed changes are being reported to Cabinet on 22 September for approval so that detailed Proposed Modifications can be worked up and be subject to targeted public consultation before submission of the Draft Charging Schedule, Proposed Modifications (and any comments on the Proposed Modifications) for examination by an independent Examiner. The Examination will take place directly following the consultation on the Proposed Modifications. <u>Revised CIL Preparation Timetable:</u>
				CRR.14.2 Identify the impact of funding erosion with competing partners e.g. WSCC	Barbara Childs	▶		
				CRR.14.3 Update the Planning Obligations SPD (Supplementary Planning Document) and CIL charging schedule.	Barbara Childs	▶		

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								Submission – November 2016. Examination (Inspector appointed – Geoff Salter) – November/December 2016 Adoption – January/February 2017.
CRR17 <u>Source:</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. Targeted sample testing is undertaken to ensure that housing benefit claims have been correctly administered, and extended sample testing is carried out should errors be identified. The amount of the error is then extrapolated across the entire population (for that particular cell) to produce an estimate of the total error amount. Where errors are identified, the Subsidy Claim may be qualified, and financial penalties may occur. It is important to note that the Administration of Housing Benefit is undertaken by the CenSus Partnership and Benefits staff are employed by Mid-Sussex.	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Increase / improve the level of quality control checking.	Tim Delany			September 2016 Update: Specialist consultant in place reviewing the future of CenSus and the benefits subsidy issues. Reporting in autumn 2016 means any underlying problems could run into the 2016/17 year.
				CRR.17.2 Continued implementation of the Census Quality Plan which came out of the 2013/14 audit.	Tim Delany			

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<p><u>Event:</u> Errors may be made which are not identified by quality control checking. This may result in the Benefit Subsidy claim being qualified and/or financial losses.</p>								
<p>CRR 18 Technological <u>Source:</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>Event 1:</u> A malicious attacker exploits a known or unknown security weakness to penetrate the Council's ICT systems.</p> <p><u>Event 2:</u> An internal attack on ICT systems by a disgruntled employee or other trusted user.</p>	<ul style="list-style-type: none"> . Loss of key systems resulting in disruption to Council services. . Cost of investigation and recovery of systems. . Fraud/theft. . Loss of the integrity of Council Records. . Exposure of sensitive/personal data resulting in penalties from the ICO. . Reputational or political damage from adverse media coverage. 	Jane Eaton		CRR.18.1 Staff Training	Tony Corbett / Robert Laban			September 2016 update: New risk
				CRR.18.2 Awareness of current threats	Tony Corbett			
				CRR.18.3 An effective ICT Service delivery team	Tony Corbett			
				CRR.18.4 Effective patching and updates to mitigate known vulnerabilities	Tony Corbett			
				CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Tony Corbett			
				CRR.18.6 Effective policies in place which outline security requirements for users of ICT	Tony Corbett			
				CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems	Tony Corbett			

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<p>CRR19 <u>Source:</u> The Brexit vote has caused some uncertainty in the UK economy. The Government has spoken about an additional 5% reduction in local government funding, and in years to come, there may be a further deterioration in the local government pension fund. There is a risk that EU Law will not be complied with during the interim period..</p> <p><u>Event:</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>	Financial Service Delivery Compliance with Regulations			CRR19.1 MTFS is being designed with £1m headroom being built in.	Jane Eaton			<p>September 2016 Update: Headroom in the MTFS is unlikely to be as high as originally envisaged. Internal indicators not showing any worrying signs at present.</p>
				CRR19.2 Monitor the external environment	SLT			
				CRR19.3 Monitor internal indicators, particularly income generation	SLT	