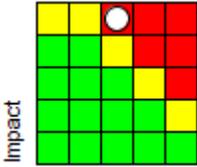
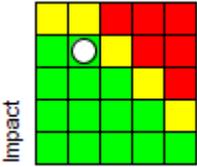


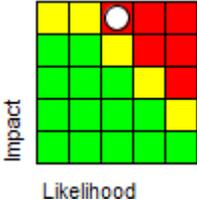
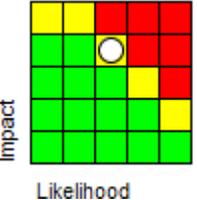
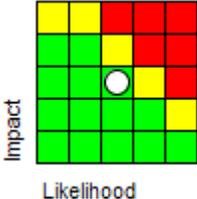
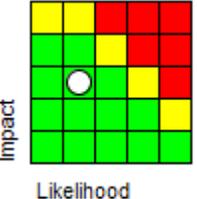
Corporate Risk Report March 2017 V2

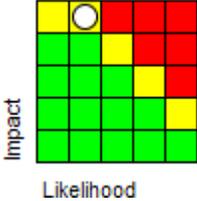
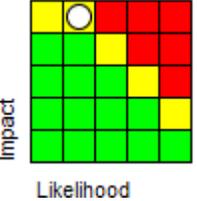
Generated on: 13 March 2017



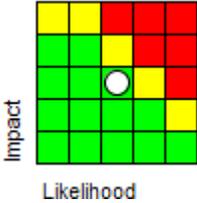
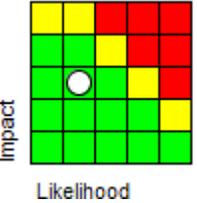
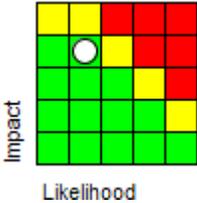
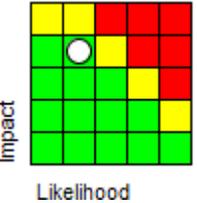
Status Icons:
 = Completed
 = Assigned & in progress
 = Overdue

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01a Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (eg. Business Rates). <u>Risk:</u> (i) Failure to achieve the required level of savings and income in the MTFS to 2019/20</p>	Reductions in funding	Jane Eaton		CRR.01.1 Review current budgets in preparation for the 2018/19 budget (October Annually)	Dominic Bradley			<p><u>March 2017 Update:</u> A balanced budget for 2017/18 has been set incorporating many of the efficiency and additional income plans generated over the last 9 months. This was approved at Cabinet on 26 January 2017 and Council on 15 February 2017.</p> <p>It also forecast balanced budgets through to 2019/20 on the expectation that central funding from the government's four year settlement is delivered and that the proposed plans to deliver further efficiencies and income are implemented.</p> <p>The Council's acceptance of the 2015/16 four year settlement during 2016 has helped to provide a degree of certainty for the next three years, in as much as the Revenue Support Grant and the baseline Business Rates funding reduction from £2.2m in 2017/18 to £1.4m in 2019/20 should not get any worse during this period.</p>
	Adverse effect on morale			CRR.01.2 Develop options to deal with pressure for consideration by Members	Dominic Bradley			
	Financial			CRR.01.3 Implement the Medium Term Plan	Dominic Bradley			
	Failure to achieve agreed objectives			CRR.01.4 Ongoing monitoring under the Service Efficiency Board (Future Horsham)	Dominic Bradley			
				CRR.01.5 Productivity & commercialisation projects reviews being undertaken, each of which will provide recommendations (programme of reviews to be completed by 31/03/19)	Mark Pritchard			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial</p> <p><u>Cause:</u> The Council is reliant on Central Controlled Government funding (eg. Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2020</p>	<p>Reductions in funding</p> <p>Adverse effect on morale</p> <p>Financial</p> <p>Failure to achieve agreed objectives</p>			See CRR01a above.	As above	As above		<p><u>March 2017 Update:</u></p> <p>Uncertainty beyond 2020, especially with regards to the 100 per cent retention of business rates remains a significant area of concern. This will be reviewed as information and guidance on how the scheme will work is released. An updated MTFS will be brought back to Members as soon as more is known.</p>
<p>CRR02 Managerial / Professional</p> <p><u>Cause:</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.</p> <p><u>Risk:</u> Major data breach or leak of sensitive information to a third party.</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>Fines from regulators</p> <p>Adverse publicity Reputation damage</p>	Jane Eaton		<p>CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy</p> <p>CRR.02.2 Develop Strategy for implementation of General Data Protection Regulations (GDPR) (to follow)</p> <p>CRR.02.3 Provide a programme of training on Information Security to all staff.</p> <p>CRR.02.4 Annual PSN Accreditation</p>	Paul Cummins Paul Cummins Paul Cummins Dave Briggs	▶ ▶ ▶ ▶		<p><u>March 2017 Update:</u></p> <p>E-learning module now launched and staff have started using the module.</p>

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<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>Effect:</u> The Council is found to have failed to fulfil its obligations under the Act in the event of a civil contingency.</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 damage</p>	<p>Natalie Brahma-Pearl</p>		<p>CRR.03.1 Update corporate business continuity plan and regular review.</p>	Trevor Beadle	▶		<p><u>March 2017 Update:</u> CRR.03.1 – Waiting for final IT improvements at warm site (drill hall) before full revision of Business Continuity Plan due to take place last week of Feb 2017. Once complete SLT and other senior managers will be trained in its use by 1 hour bitesize workshops throughout 2017 and 2018. Once IT is installed at warm site a live walk through should take place (no date to action as yet).</p> <p>CRR.03.2 – All plans updated in October last year. Varied compliance scores across departments with an average of 71%. Areas of concern are IT (no documented plan), Census Revs and Bens (susceptible from offsite risks) and Strategic Housing (lack of succession planning leading to poor plan). IT provided with Business Impact Analysis (BIA) in December 2016 to inform their Disaster Recovery plan. Audits and reviews due to take place again in October 2017. Currently looking at holding additional 1 hour Business Continuity exercises for departments to test and validate plans and fit these in with the 2017/18 Emergency Planning & Business Continuity Management training schedule.</p>
			<p>CRR.03.2 Update departmental business continuity plans and regular review.</p>	Trevor Beadle	▶			

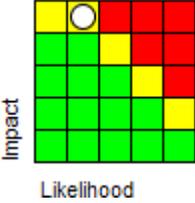
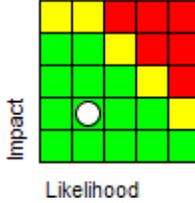
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR05 Governance Cause: Managers are responsible for ensuring that controls to mitigate risks are consistently applied.</p> <p>Risk: Officers are either unaware of expected controls or do not comply with control procedures.</p>	Failure of business objectives	Jane Eaton		CRR.05.1 Officer training	Jane Eaton	✓		<p>March 2017 Update:</p> <p>A Blitz on Bureaucracy project is underway to reduce levels of control that have limited benefit. So remaining controls more likely to be followed.</p>
	Health & Safety			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	▶		
	Financial			CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually).	Jane Eaton	▶		
	Service Delivery							
<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 responsibility for H&S in some partner organisations where it does not have operational control.</p> <p>Risk: A health & safety failure occurs.</p>	People come to harm	Jane Eaton		CRR.06.1 Set up a Health & Safety Forum with clear terms of reference (by 30/11/15).	Robert Laban	✓		<p>March 2017 Update:</p> <p>CRR.06.2 -Corporate H&S Adviser continues to inspect HDC premises; ongoing. Premises Coordinators have been identified and briefed and premises inspection format has been agreed with Property & Facilities Manager and inspections are underway. Line / team manager self-audits being progressed.</p> <p>CRR.06.3 - H&S responsibilities are set out in the Corporate H&S Policy in H&S subject policies. Directorate H&S Working Groups are responsible for implementing these policies. E-learning courses for H&S key topics are accessible via Horsham</p>
	Complaints /claims/ litigation			CRR.06.2 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer	▶		
	Financial losses			CRR.06.3 Clarity of responsibilities and implementation of a training programme	Robert Laban	▶		
	Censure by audit / inspection							
	Reputation damage			CRR.06.4 Implement a central repository for risk assessments	Robert Laban / Health & Safety Officer	▶		
Adverse effect on morale								
Stress and absenteeism								

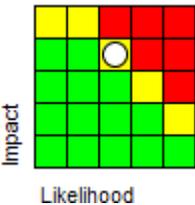
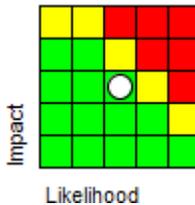
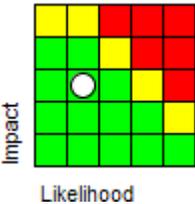
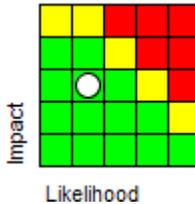
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
								LAB; a corporate e-learning strategy/ promotion will make this more prominent. A H&S Training matrix has been drafted and will be introduced as part of a new corporate competencies framework from April 2017. CRR.06.04 - The introduction of a central repository for risk assessments has been deferred until the introduction of Office 365 in 2017 which may provide a cost effective solution.
CRR07 Managerial / Professional <u>Cause:</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>Risk:</u> Failure of contract / poor service delivery / failure to achieve value for money.	Failure of business objectives	Jane Eaton		CRR.07.1 Specific contract management guidelines will be developed. (By 31/05/17).	Mark Pritchard	▶		March 2017 Update: Due to staffing issues the programme has been delayed. Work scheduled for completion end May 2017.
	Financial Service delivery Compliance with regulations Personal Privacy Infringement Reputation damage			CRR.07.2 A contract management training programme will be designed and implemented. (By 31/05/17).	Mark Pritchard	▶		
CRR09 Governance <u>Source:</u> The Council's decision-making relies upon the taking of professional advice from officers or external consultants <u>Event:</u> Advice is not taken.	Poor/ultra vires decisions Complaints/claims/ litigation Financial losses Reputation damage	Tom Crowley		Member and Officer training are ongoing.	Paul Cummins	▶		March 2017 Update: Senior Leadership Team has decided that this risk can be removed from the live register as the risk has now been mitigated.

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR12 Partnership / Supplier / Contractual <u>Cause:</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. <u>Risk:</u> A contractor successfully challenges an award (eg on inflexible price:quality ratios).</p>	<p>Financial losses Censure by audit / inspection Reputation damage Adverse effect on morale</p>	Jane Eaton		CRR.12.1 Staff training	Mark Pritchard / Jo Newton-Smith	✓		<p>March 2017 Update: CRR.12.2 Interim updates submitted for review with Legal Services of revised Procurement Code to reflect constitutional revision. CRR.12.4 Six monthly report is being prepared for SLT</p>
				CRR.12.2 Up-to-date procedures (by 31/7/17).	Mark Pritchard / Jo Newton-Smith	▶		
				CRR.12.3 Reference to Procurement Team for advice (ongoing)	Mark Pritchard / Jo Newton-Smith	▶		
				CRR.12.4 Proactive monitoring by the Procurement Team. Six monthly report to Senior Leadership Team (SLT).	Mark Pritchard / Jo Newton-Smith	▶		
				CRR.12.5 Six monthly report to SLT agreed at last risk meeting	Mark Pritchard	▶		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR14 Customer/Citizen <u>Cause:</u> The negotiation of Section 106 and CIL (Community Infrastructure Levy) are essential for ensuring necessary level of infrastructure provision for residents.</p> <p><u>Risk:</u> Failure to negotiate the optimum outcome. Failure to deliver the infrastructure needs of the District</p>	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			<p><u>March 2017 Update:</u></p> <p><u>Section 106:</u></p> <p>The planning application for the Land North of Horsham will now be considered at a special meeting of the Planning North Committee in April and the Council has had specialist input to advise on the s.106.</p> <p><u>CIL:</u></p> <ul style="list-style-type: none"> . CIL has been agreed. . Report to be taken to Cabinet 30 March 2017 and Full Council April 26 for adoption of the CIL Charging Schedule. . The Procedures Working Group will meet summer 2017 however; Housing White Paper of 7 February 2017 indicates there is likelihood that Government will change CIL system in the Autumn Statement 2017, based on the CIL Report that was published alongside White Paper. . Implementation to be delayed until Council is clear how Government will proceed with CIL reorganisation, following autumn statement. . Adoption of SPD to be delayed due to potential Government reorganisation of CIL and abolition of Regulation 123 list in the Autumn Statement 2017 (Regulation 123 List sets out what the council will use Section 106 for and what it will use CIL for).
				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			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<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. 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..</p> <p>Risk: 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>Financial Service Delivery</p> <p>Compliance with regulations</p> <p>Reputation</p>	Jane Eaton		CRR.17.1 Increase / improve the level of quality control checking.	Tim Delany			<p>March 2017 Update: This is currently under review.</p>
				CRR.17.2 Continued implementation of the Census Quality Plan which came out of the 2013/14 audit.	Tim Delany			
				CRR.17.3 A reassessment of all "Working Age In Work" cases will be undertaken by the end of May 2017.	Tim Delany			
				CRR.17.4 Explore options for future service provision	Jane Eaton			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR 18 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 resulting in disruption to Council services.</p> <p>Cost of investigation and recovery of systems.</p> <p>Fraud/theft.</p> <p>Loss of the integrity of Council Records.</p> <p>Exposure of sensitive /personal data resulting in penalties from the ICO.</p> <p>. Reputational or political damage from adverse media coverage.</p>	Jane Eaton		CRR.18.1 Staff Training	Claire Oliver / Robert Laban			<p>March 2017 Update: A Managed Service Provider to be appointed for the security work.</p>
				CRR.18.2 Awareness of current threats	Claire Oliver			
				CRR.18.3 An effective ICT Service delivery team	Claire Oliver			
				CRR.18.4 Effective patching and updates to mitigate known vulnerabilities	Claire Oliver			
				CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Claire Oliver			
				CRR.18.6 Effective policies in place which outline security requirements for users of ICT	Paul Cummins			
				CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.	Claire Oliver			
				CRR.18.8 The CenSus Cloud will transfer the risks to the cloud provider.	Claire Oliver			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<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>	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR19.2 Monitor the external environment	SLT			<p><u>March 2017 Update:</u></p> <p>The uncertain economic environment is being continually monitored.</p>
				CRR19.3 Monitor internal indicators, particularly income generation	SLT			
				CRR19.4 Productivity & commercialisation projects reviews being undertaken, each of which will provide recommendations (programme of reviews to be completed by 31/03/19)	Mark Pritchard			
<p>CRR20 Technological <u>Cause:</u> There is an inherent risk when significant financial systems change. Current contract for Financial Management System (FMS) expires Autumn 2017.</p> <p><u>Risk:</u> System that has not been adequately tested or is without the right level of functionality goes live. Lack of integration with other systems that requires significant systems re-processing.</p>	Incorrect data migration			CRR.20.1 Monitor and control Joint tender process (with A&WDC) in line with procurement requirements.	Dominic Bradley			<p><u>March 2017 Update:</u></p> <p>The contract with Technology 1 was signed at the end of October 2016.</p> <p>The project initiation stages phases of site data collection and prototype build are progressing as planned and are currently on schedule.</p> <p>The anticipated 'go-live' date is expected to be early September 2017.</p>
	Data inaccuracies			CRR.20.2 Training and implementation for finance users. Parallel running of old and new system.	Dominic Bradley			
	Inaccurate reporting and decision-making			CRR.20.3 Training and implementation for all Council users to enable access and self-service usage of new system.	Dominic Bradley			
	Failure to achieve agree objectives and deliver statutory services			CRR.20.4 Project management and sufficient testing time incorporated into plan.	Dominic Bradley			
	Poor VfM			CRR.20.5 Ensure procedure notes for new system and skills are maintained.	Dominic Bradley			