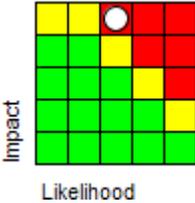
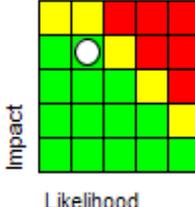
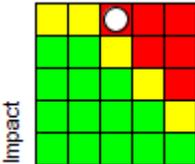
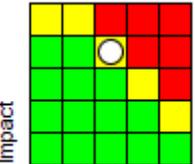
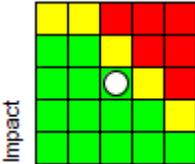
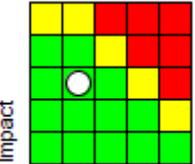
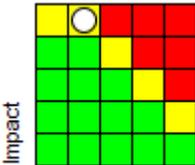
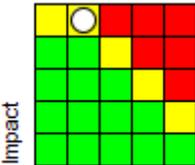
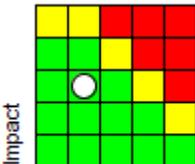
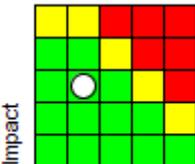


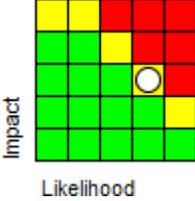
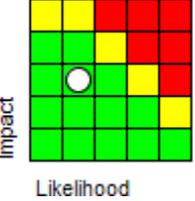
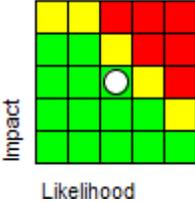
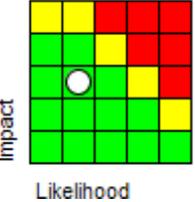
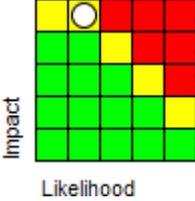
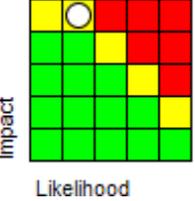
Appendix 1 Corporate Risk Report June 2017

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01a Financial Cause: The Council is reliant on Central Controlled Government funding (e.g. Business Rates).</p> <p>Risk: (i) Failure to achieve the required level of savings and income in the MTFS to 2019/20</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.01.1 Review current budgets in preparation for the 2018/19 budget (October Annually)	Dominic Bradley			<p>June 2017 Update:</p> <p>A balanced budget for 2017/18 was approved at Cabinet on 26 January 2017 and Council on 15 February 2017. This incorporated many of the efficiency and additional income plans worked on during the year.</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. This 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> <p>Business rates was retention taken out of the Queen's speech in June 2017, further information is awaited.</p> <p>Increase in planning fees (20%) due to commence from July 2017. Guidance from Government is awaited.</p>
				CRR.01.2 Develop options to deal with pressure for consideration by Members	Dominic Bradley			
				CRR.01.3 Implement the Medium Term Plan	Dominic Bradley			
				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 30/09/18)	Chris Lyons			

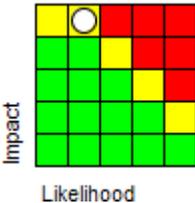
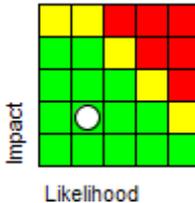
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR01b Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (eg. Business Rates).</p> <p><u>Risk:</u> (ii) Funding from Government 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>			CRR.01b.1 Continue to keep a watching brief	Dominic Bradley	▶		<p>June 2017 Update:</p> <p>Uncertainty beyond 2019/20, 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>Business rates retention taken out of Queen's speech June 2017, awaiting further information.</p>
<p>CRR02 Managerial / Professional <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>Financial losses</p> <p>Fines from regulators</p> <p>Adverse publicity</p> <p>Reputation damage</p>	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Jeannine Batchelor (Interim)	▶		<p>June 2017 Update:</p> <p>About 50% of staff have now completed the e-learning Data module. The remainder now need to complete the module. A report has been taken to Senior Leadership Team setting out the relevant issues around GDPR implementation. A briefing for all Service Managers is scheduled to take place.</p> <p>Decision taken by SLT not to replace Head of Service until review of Legal Services has been completed.</p>
				CRR.02.2 Develop Strategy for implementation of General Data Protection Regulations (GDPR) (to follow)	Jeannine Batchelor (Interim)	▶		
				CRR.02.3 Provide a programme of training on Information Security to all staff.	Jeannine Batchelor (Interim)	▶		
				CRR.02.4 Annual PSN Accreditation	Dave Briggs	▶		

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<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 contingency.</p>	People and businesses come to harm and suffer loss that might not otherwise have occurred	Trevor Beadle (Interim) (Adam Chalmers from Sept.)		CRR.03.1 Update corporate business continuity plan and regular review.	Trevor Beadle			<p>July 2017 Update:</p> <p>CRR.03.1 – Full review completed but small changes due to take place in near future. Currently, servers are planned to be rebuilt at Worthing BC facility and drill hall still to be used as a meeting hub.</p> <p>CRR.03.2 – All departmental plans are due for their annual review by service heads in August/September and audited by the emergency planning officer in October/November. All dependencies detailed in the departmental plans will inform IT disaster recovery planning.</p> <p>CRR.03.4 - Hop Oast offices now completed.</p> <p>A training exercise has been arranged for Autumn 2017, and an emergency planning briefing for all Heads of Service is taking place w/c 17/07/17</p>
	Complaints / claims / litigation			CRR.03.2 Update departmental business continuity plans and regular review.	Trevor Beadle			
	Resources consumed in defending claims			CRR.03.4 Build IT disaster recovery procedure into new Hop Oast development (warm site). Further plan revision will be made to reflect changes.	Trevor Beadle			
	Financial losses			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	Trevor Beadle			
	Censure by regulators			CRR.03.6 Pick up Emergency Planning changes due to changes to Heads of Service (e.g. Mark Pritchard, Paul Cummins leaving)	Trevor Beadle			
	Reputation damaged							
<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.05.04 Complete Blitz on Bureaucracy	Jeannine Batchelor (Interim)			<p>June 2017 Update:</p> <p>Risk reviewed annually (cyclical). Annual assurance statement comments received and statement completed.</p> <p>Blitz on Bureaucracy complete. Unnecessary controls removed and more serious ones in preparation to report to management team in late June. Project will then be complete. Two items to go to SLT for their consideration.</p>
	Health & Safety			CRR.05.1 Officer training	Jane Eaton			
	Financial			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			
	Service Delivery			CRR.05.3 All Service Managers required to sign an Assurance Statement. (By 30th June Annually) (Cyclical)	Jane Eaton			
Compliance with Regulations								
Personal Privacy Infringement								
Reputation damage								

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<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 Develop and implement a corporate inspection strategy (By 30/06/16).	Robert Laban / Health & Safety Officer			<p><u>June 2017 Update:</u></p> <p>CRR.06.2 -Corporate H&S Adviser continues to inspect HDC premises; ongoing.</p> <p>A more formal process is being developed by Head of Property, Human Resources and Mike Marchant for implementation asap. Some fire safety assessments already completed by Mike Marchant.</p> <p>CRR.06.3 - H&S responsibilities are set out in the Corporate H&S Policy and H&S subject policies. Directorate H&S Working Groups are responsible for implementing these policies. Team self-audits will provide good indication of how well directorates are implementing H&S policies and to identifying training needs. These can commence from late 2017.</p> <p>A H&S Training matrix has now been published as part of a new corporate competencies framework.</p> <p>E-learning courses for H&S key topics are accessible via Horsham LAB; a corporate e-learning strategy/ promotion will make this more prominent.</p> <p>CRR.06.04 - The introduction of a central repository for risk assessments has been deferred until the introduction of Office 365 in 2017/18, which may provide a cost effective solution. Alternative opportunities may be considered where the council buys other software that may also include such functionality.</p>
				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			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>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.</p> <p><u>Risk:</u> Failure of contract / poor service delivery / failure to achieve value for money.</p>	<p>Failure of business objectives Financial Service delivery Compliance with regulations Personal Privacy Infringement Reputation damage</p>	Jane Eaton		CRR.07.1 Specific contract management guidelines will be developed.	Jane Eaton			<p><u>June 2017 Update:</u> Specialist audit to be carried out in 2017/18, findings will inform corporate approach. Also consider a joint approach with our procurement partners</p>
				CRR.07.2 A contract management training programme will be designed and implemented.	Jane Eaton			
<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.</p> <p><u>Risk:</u> A contractor successfully challenges an award (e.g. 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	Jo Newton-Smith			<p><u>June 2017 Update:</u> CRR.12.2 Procurement Code has been reviewed and amended to reflect constitutional revision and best practice guidelines. Training provided to Managers Forum on changes. CRR.12.4 Six monthly update to SLT. Issues reported to JE by exception.</p>
				CRR.12.2 Up-to-date procedures (by 31/7/17).	Jo Newton-Smith			
				CRR.12.3 Reference to Procurement Team for advice (ongoing)	Jo Newton-Smith			
				CRR.12.4 Proactive monitoring by the Procurement Team.	Jo Newton-Smith			
<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>	<p>Reduced funding to deliver outcomes for the community</p>	Chris Lyons		CRR.14.1 Ensure that leisure priorities are understood within the CIL schedule process and keep under review	Trevor Beadle			<p><u>June 2017 Update:</u> Council agreed at its meeting on April 26 to adopt the CIL Charging Schedule with implementation from 1 October 2017 or as soon as practicable thereafter. CIL Procedures Working Group meets regularly and work is ongoing to ensure that the Council is prepared for implementation from this date. The Planning Obligations and Affordable Housing SPD is to be reported to Cabinet 21 September for adoption in advance of CIL implementation. Note: Housing White Paper of 7 February 2017 indicates there is</p>
				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
								likelihood that Government will change CIL system in the Autumn Statement 2017, based on the CIL Report that was published alongside White Paper. There is likely to be a two year transition period to any new system when CIL can then be reviewed alongside the Local Plan Review.
<p>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. 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><u>Risk:</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>	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Increase / improve the level of quality control checking.	Tim Delany			<p><u>June 2017 Update:</u></p> <p>17.1 After completion of new entrant training, QA random checking has been increased; current Accuracy Rate is at 98%</p> <p>17.2 This plan is embedded in the organisation and continues to be implemented.</p> <p>17.3 A dedicated team of appropriately skilled agency staff overseen by a CenSus technical officer continue this exercise. The 'end of May' date has been extended and will now continue until the end of July.</p> <p>17.4 On 25 May, subject to reaching a satisfactory legal and financial agreement Cabinet agreed to transfer the service to LGSS, from a date no later than 1 October 2018. Discussions on the detail of the agreement are underway. LGSS has a good record of improving performance of services experiencing losses of this type.</p> <p>Go Live date agreed as 1 April 2018.</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			
				CRR.17.6 Complete successful transfer to new provider by April 2018	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. 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.</p>	Jane Eaton		CRR.18.1 Staff Training	Claire Oliver / Robert Laban			<p>June 2017 Update:</p> <p>PSN submission complete. Remediation ongoing Patching of devices ongoing</p> <p>Following the ransomware attack that affected the NHS, it was confirmed by the Head of IT that HDC was not at risk as all PC's in use by HDC had been upgraded from Windows XP some time ago and the latest Microsoft update was carried out as scheduled in April 17. Running checks on the server are carried out to make sure all is in order. Our public facing systems are totally locked down.</p>
				CRR.18.2 Awareness of current threats	Dave Briggs (Andrea Curzon)			
				CRR.18.3 An effective ICT Service delivery team	Dave Briggs (Andrea Curzon)			
				CRR.18.4 Effective patching and updates to mitigate known vulnerabilities	Dave Briggs (Andrea Curzon)			
				CRR.18.5 Compliance with expected security standards. (PSN, PCI-DSS)	Dave Briggs (Andrea Curzon)			
				CRR.18.6 Effective policies in place which outline security requirements for users of ICT	Jeannine Batchelor			
				CRR.18.7 Effective back-up and recovery processes in place for Council ICT systems.	Dave Briggs (Andrea Curzon)			
				CRR.18.8 The CenSus Cloud will transfer the risks to the cloud provider	Dave Briggs (Andrea Curzon)			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR19</p> <p>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.</p> <p>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.</p>	Financial Service Delivery Compliance with Regulations	Jane Eaton		CRR19.2 Monitor the external environment	SLT	▶		<p><u>June 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 Future Horsham focuses on productivity and commercialisation reviews; these will provide recommendations going forward. (Programme of reviews to be completed by 30.09.2018)	Chris Lyons	▶		
<p>CRR20</p> <p>Technological</p> <p>Cause: There is an inherent risk when significant financial systems change. Current contract for Financial Management System (FMS) expires November 2017.</p> <p>Risk: 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 Data inaccuracies Inaccurate reporting and decision-making Failure to achieve agree objectives and deliver statutory services Poor VfM			CRR.20.1 Monitor and control Joint tender process (with A&WDC) in line with procurement requirements.	Dominic Bradley	✔		<p><u>June 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 have been completed. Key user training and data migration are progressing as planned.</p> <p>The implementation is currently on schedule with the anticipated 'go-live' date expected to be in September 2017.</p>
				CRR.20.2 Training and implementation for finance users. Parallel running of old and new system.	Dominic Bradley	▶		
				CRR.20.3 Training and implementation for all Council users to enable access and self-service usage of new system.	Dominic Bradley	▶		
				CRR.20.4 Project management and sufficient testing time incorporated into plan.	Dominic Bradley	▶		
				CRR.20.5 Ensure procedure notes for new system and skills are maintained.	Dominic Bradley	▶		