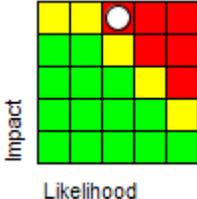
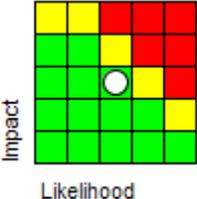
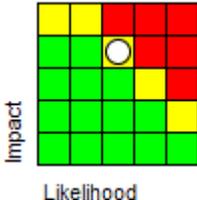
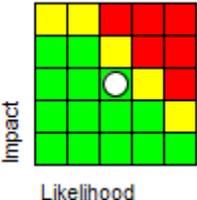


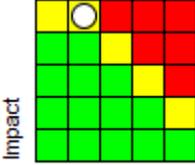
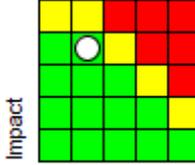
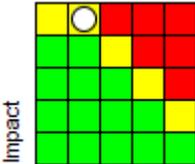
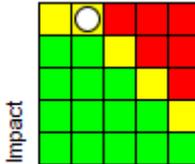
Appendix 1 Corporate Risk Report June 2018

Risks ordered by RAG not numerically

Generated on: 15 June 2018

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). <u>Risk:</u> (ii) Funding from Government is less generous than assumed in the MTFS from 2020</p>	<p>Reductions in funding Adverse effect on morale Financial Failure to achieve agreed objectives</p>	Jane Eaton		CRR.01b.1 Continue to keep a watching brief	Dominic Bradley	▶		<p>June 2018 update:</p> <p>Uncertainty beyond 2019/20, especially with regards to the localisation (75%) 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. The February 2018 MTFS forecasts deficits in the region of £1.6m in 2020/21 and £2.3m in 2021/22.</p> <p>An updated MTFS will be brought back to Members as soon as more is known.</p>
<p>CRR01c Financial <u>Cause:</u> The Council is reliant on Central Controlled Government funding (e.g. Business Rates). <u>Risk:</u> (iii) Decrease in Rateable Value due to several large buildings being redeveloped and coming off the RV list, including Piries Place, Park North and North Point. This causes the Council to fall below the business rates baseline, resulting in loss of funding.</p>	<p>Reductions in funding Financial</p>			CRR.01c.1 Continue to keep a watching brief	Dominic Bradley	▶		<p>New risk:</p> <p>June 2018 Update:</p> <p>There was a £1.16m reduction in Rateable Value on the 2017 list and £2.07m reduction against the 2010 list in 2017/18.</p> <p>On the 2010 list specifically, the resolution of appeals over the GP surgeries has been settled and the removal of the former Novartis site from the 2010 ratings also lost a further significant RV.</p> <p>This trend is a significant concern and risk to the Council's funding position should it continue.</p>

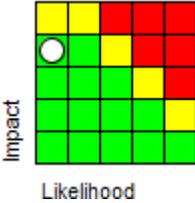
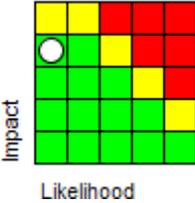
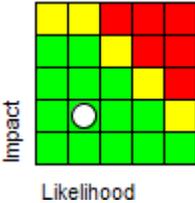
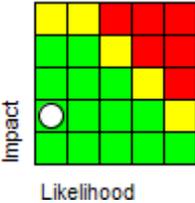
Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
<p>CRR19 Cause: Uncertainty in the UK and World economy. The Government has spoken about an additional 5% reduction in local government funding, and further cuts in years to come.</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	Dominic Bradley			<p>June 2018 update:</p> <p>The uncertain economic environment is being continually monitored and changes will be reported in any MTFS update and regular quarterly budget and performance monitoring to Overview and Scrutiny Committee.</p>
				CRR19.3 Monitor internal indicators, particularly income generation	Dominic Bradley			
				CRR19.4 Productivity and commercialisation reviews will provide recommendations going forward. (Programme of reviews to be completed by 30.09.2018)	Adam Chalmers			
<p>CRR25 Cause: The transition from Mid Sussex DC (who currently host the service for HDC residents) to the new provider (LGSS) is complex, with many inter-related dependencies including HR matters and potential data / and technology issues.</p> <p>Risk: That transfer of Revenues and Benefits service cannot be completed and / or does not go smoothly by 1 April 2018.</p>	Service Delivery Reputation	Jane Eaton		CRR.25.1 Effective project delivery teams at HDC and LGSS	Jane Eaton			<p>June 2018 Update:</p> <p>The sharing of staff resource between Mid Sussex and LGSS comes to an end at the end of June and Horsham's business will be solely staffed by LGSS employees. Difficulties with 3rd party technology suppliers making support available to move our systems to LGSS have continued and Horsham and Mid Sussex may still need to continue to support each other's technology through the residual elements of the CenSus technology partnership beyond June.</p>
				CRR.25.2 Continue to work collaboratively with MSDC to ensure each council has effective teams in place for the future delivery of their service	Jane Eaton			
				CRR.25.3 Ensure successful transfer of customer data - HDC has good in-house skills and will benefit from LGSS's experience transferring other LA's data	Jane Eaton			
<p>CRR26 Cause: The combination of the original partnership agreement, the full integration of staff within CenSus Revenues and Benefits and MSDC's approach to disaggregation.</p> <p>Risk: That the cost of exiting the existing Revenues and Benefits agreement with MSDC may be high.</p>	Financial Reputation	Jane Eaton		CRR.26.1 Continue to work with MSDC to reduce costs	Jane Eaton			<p>June 2018 Update:</p> <p>No change to risk. The outcome of Mid Sussex's redeployment of staff remains unknown at present.</p>
				CRR.26.2 LGSS are prepared to speak with any current staff who want to work for them	Jane Eaton			

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 (e.g. Business Rates). <u>Risk:</u> (i) Failure to achieve the required level of savings and income in the MTFS to 2019/20</p>	<p>Reductions in funding Adverse effect on morale Financial Failure to achieve agreed objectives</p>	Jane Eaton		CRR.01.1 Review current budgets in preparation for the 2019/20 budget (October Annually)	Dominic Bradley			<p><u>June 2018 update:</u> A balanced budget with a £0.5m surplus for 2018/19 was approved by Council on 21 February 2018. This incorporated many of the efficiency and additional income plans worked on during the year. The MTFS was also updated which forecasts a small surplus in 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. Ideas are being worked through to identify areas where further income and efficiencies can be generated. This is being done across a number of work streams.</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	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)	Adam Chalmers			
<p>CRR02 Managerial / Professional <u>Cause:</u> The Council has a legal obligation to protect personal data. The Information Commissioners powers are much more far reaching when they change in May 2018. <u>Risk 1:</u> Major data breach or leak of sensitive information to a third party. <u>Risk 2:</u> Risk of significant ICO fine for non-compliance with new General Data Protection Regulations (GDPR).</p>	<p>People and businesses come to harm and suffer loss that might not otherwise have occurred Complaints / claims / litigation Resources consumed in defending claims Financial losses Fines from regulators Adverse publicity Reputation damage</p>	Jane Eaton		CRR.02.1 Develop appropriate processes & procedures which underpin the IT Security Policy	Andrea Curson			<p><u>June 2018 Update:</u> CRR.02.1 This work is ongoing. CRR02.2 The Council's implementation of GDPR was complete at 25 May and is now embedded in general operating. CRR02.3 GDPR on line training rolled out to all staff in February and briefing for Councillors arranged for March. CRR02.4 PSN submission completed for 2018/2019. Waiting on validation checks.</p>
				CRR.02.2 Develop Strategy for implementation of General Data Protection Regulations (GDPR) (to follow)	Jane Eaton			
				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 meeting every other month to maintain compliance, updates and training				

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>	<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>	Trevor Beadle		CRR.03.1 Update corporate business continuity plan and regular review.	Trevor Beadle			<p>June 2018 Update:</p> <p>CRR.03.1 – Full review currently taking place in line with the new IT DR plan.</p> <p>CRR.03.2 – All departmental managers to be contacted in September to update as audit will take place in October/November 2018 as per annual programme.</p> <p>CRR.03.4 – Awaiting confirmation from SLT to place order for backup generator.</p> <p>CRR.03.5 – Bitesize programmes are ongoing.</p> <p>CRR.03.6 – Changes have been accounted for and will be included in future plan reviews.</p>
				CRR.03.2 Update departmental business continuity plans and regular review.	Trevor Beadle			
				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			
				CRR.03.5 Bitesize workshops in 2017 and 2018 to address new procedures and processes and all SLT and heads of service will be invited to attend.	Trevor Beadle			
				CRR.03.6 Pickup Emergency Planning changes due to changes to Heads of Service (e.g. Mark Pritchard, Paul Cummins leaving)	Trevor Beadle			
<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>	<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>June 2018 Update:</p> <p>CRR.06.2: Corporate H&S Adviser continues to inspect HDC premises. A self-inspections approach is being developed throughout 2018/19.</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 to commence from 2018/19.</p> <p>H&S Training matrix has been published as part of the corporate competencies framework.</p> <p>E-learning courses for H&S key</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>topics are accessible via Horsham LAB.</p> <p>CRR.06.4: The introduction of a central repository for risk assessments remains deferred until the roll-out of Office 365 is completed or Technology One can be configured in this respect - this is not likely before Dec 2018.</p>
<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><u>June 2018 Update:</u></p> <p>Remediation ongoing.</p> <p>Patching of devices ongoing.</p> <p>All work is ongoing.</p> <p>CRR.18.5 - PSN submission completed in May 2018 we are working on remedial items and waiting on PSN validation checks.</p> <p>All work is ongoing.</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 The CenSus Cloud will transfer the risks to the cloud provider	Andrea Curson			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
CRR17 Cause: The External Auditors audit the HDC Benefits Grant Subsidy return to the Department for Work and Pensions (DWP) on an annual basis to identify errors. Risk: The Benefit Subsidy claim may be qualified and/or financial losses. HDC has a case load with a particularly high number of working people with many changes of circumstances. Refer to new risk CRR25	Financial Service Delivery Compliance with regulations Reputation	Jane Eaton		CRR.17.1 Continuously monitor the level of quality control checking.	Peter Stuart			<u>June 2018 Update:</u> This is an ongoing risk. The risk remains until Universal Credit comes in for all working age cases. Risk actions complete, retained on register to keep in view.
				CRR.17.6 Complete successful transfer to new provider	Jane Eaton			
CRR20 Technological Cause: There is an inherent risk when significant financial systems change. New Financial Management System (FMS) went live in September 2017 Risk: FMS system runs without the right level of functionality in all areas. Lack of integration with other systems that requires significant systems re-processing. Some functions are not used.	Incorrect data migration Data inaccuracies Inaccurate reporting and decision-making Failure to achieve agree objectives and deliver statutory services • Poor VfM	Jane Eaton		CRR.20.3 Training and implementation for all Council users to enable access and self-service usage of new system.	Dominic Bradley			<u>June 2018 update:</u> Suggest removed from Corporate Risk register now implementation project completed and will remain on the department risk register though until all functionality in place.
				CRR.20.4 Sufficient time and testing incorporated into plans to constantly develop usage of the new FMS.	Dominic Bradley			
				CRR.20.5 Ensure procedure notes for new system and skills are maintained.	Dominic Bradley			
CRR05 Governance Cause: Managers are responsible for ensuring that controls to mitigate risks are consistently applied. Risk: Officers are either unaware of expected controls or do not comply with control procedures.	Failure of business objectives Health & Safety Financial Service Delivery Compliance with Regulations Personal	Jane Eaton		CRR.05.1 Officer training	Jane Eaton			<u>June 2018 Update:</u> Risk actions complete, retained on register to keep in view
				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) (Cyclical)	Jane Eaton			

Risk Code & Description	Effect	Risk Owner	Current Risk Matrix	Control Action	Control Action Owner	Status	Target Risk Matrix	Quarterly Update
	Privacy Infringement Reputation damage							
CRR24 Cause: The implementation of the new bin collection service is a major change of service delivery with a high level of complexity that affects all residents Risk: Failure to successfully roll out the new bin collection service. There are multiple risks around late delivery; cost impact and reputation	Failure of business objectives Financial Service Delivery Reputation Environmental	Adam Chalmers		CRR.24.1 Control actions identified in project risk register	Adam Chalmers	✓		<u>June 2018 Update:</u> Roll out of new bin collection service is complete. The project was delivered to timetable and to budget. The service is now concentrating on making the service more efficient. Recommended that the risk be removed from the register.
CRR27 Cause: Current Chief Executive leaving, new Chief Executive appointed Risk: Transition from current to new Chief Executive takes longer than expected; changes in corporate strategy.	Reputation			CRR.27.1 Support from current CE in period up to start date CRR.27.2 Support from SLT and other senior officers to provide context, priorities etc.	Jane Eaton Jane Eaton	✓ ✓		<u>June 2018 Update:</u> Recommended that the risk be removed.

SLT: New Director post to be added to risks?