



Corporate Risk Register 2019/20

Governance, Audit & Committee Update – 24th March 2020

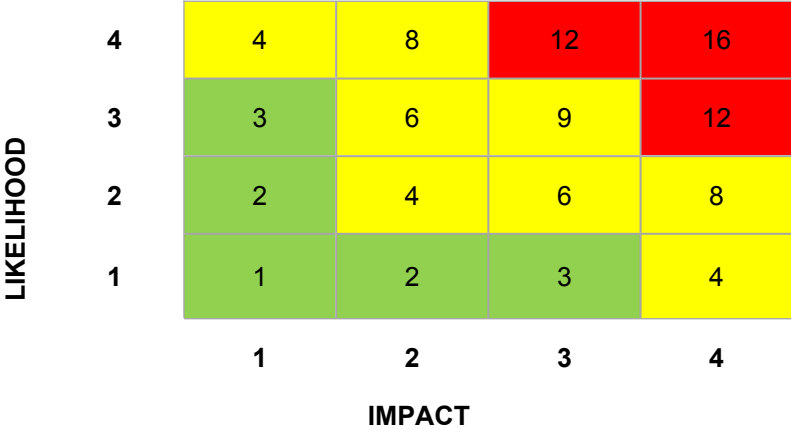
Likelihood Scores

| Score | Probability |
|----------------------------|---------------|
| 1 (Little Likelihood) | Less than 10% |
| 2 (Some Likelihood) | 10% to 50% |
| 3 (Significant Likelihood) | 51% to 90% |
| 4 (Near Certainty) | More than 90% |

Impact Scores

| Score | Impact Level on Strategic Objectives |
|-------|--------------------------------------|
| 1 | Minor impact/delay/difficulty |
| 2 | Small impact/delay/difficulty |
| 3 | Considerable impact/delay/difficulty |
| 4 | Extreme impact/delay/Difficulty |

Each risk score for likelihood and impact is plotted onto a risk matrix to produce its score. A green score indicates risks which the organisation is most prepared to accept and red those which are less likely to be accepted.



| 19-CR-01 FINANCIAL CONTROL | | | | | | |
|--|-------|---------------------|-----------------|----------------|---|-------------------------|
| <p>If the council does not implement and sustain a robust 5 year financial strategy then reserves may be inadequate to meet unforeseen circumstances leaving the council with undue financial pressures</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | |
| | AW | 2 | 4 | 8 | <ul style="list-style-type: none"> • Monthly budget monitoring – Revenue and Capital (including HRA) • Quarterly budget monitoring to Members | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | 2 | 4 | 8 | <ul style="list-style-type: none"> • Actively seeking more major investments | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| 1 | 4 | 4 | CMT | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (March 2020)</u></p> <p>The Commercial Strategy, approved as part of the budget set in February 2020, allocates £300million for commercial investments which will underpin the costs of service delivery over the next 5 years. This strategy will reduce the need to draw upon Reserves.</p> | | | | | | |

| 19-CR-02 BUSINESS CONTINUITY | | | | | | |
|--|-------|---------------------|------------------------|----------------|--|-------------------------|
| <p>If the council does not have sufficient and robust corporate resilience and Business Continuity management then a major disruptive event could impact staff, property, or systems and networks leading to a reduction in service delivery, damage to organisational reputation or significant financial loss</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | |
| | RH | 2 | 3 | 6 | • Existing Business Continuity Plans | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | 2 | 3 | 6 | <ul style="list-style-type: none"> • CMT to approve Corporate Business Continuity Plan • Service Business Continuity Plans to be reviewed/prepared by service managers for approval • Update corporate and service BCPs annually • Testing of existing Business Continuity Plans | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| 1 | 3 | 3 | Service Managers (SMT) | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (February 2020)</u></p> <ul style="list-style-type: none"> • Part time Emergency Planning Officer (EPO), a shared resource with Essex County Council, has been recruited. • EPO has completed a review of the Corporate Business Continuity Plan, and existing policies and procedures. • An updated Corporate Business Continuity Plan was completed in January 2020. | | | | | | |

| 19-CR-03 HEALTH AND SAFETY | | | | | | | |
|---|----------|---------------------|--------------------|----------------|------------------|--|-------------------------|
| If the council does not manage the Health and Safety and welfare of its general public, visitors and staff then it will not be meeting its statutory organisational responsibilities leading to a loss of reputation as a responsible employer, potential involvement in legal action or loss of life or serious injury | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
| | AW | | 1 | 4 | 4 | <ul style="list-style-type: none"> • Regular H&S Audits/Training/Risk Assessments • Up-to-date Policies and Procedures | |
| | | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | | 1 | 4 | 4 | <ul style="list-style-type: none"> • Ongoing maintenance of systems, procedures and reporting | |
| | | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| | 1 | 4 | 4 | RM/TC | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (March 2020)</u></p> <p>A Health & Safety audit based upon the HSG 65 guidance published by the Health and Safety Executive has been undertaken and a positive outcome achieved. Additional work needed in some areas is currently being addressed. The internal Safety Advisor's Team (SAT) is meeting regularly.</p> | | | | | | | |

| 19-CR-04 PEOPLE | | | | | | | |
|---|----------|---------------------|--------------------|----------------|------------------|--|-------------------------|
| <p>If the council's workforce is not reviewed and developed then it may hinder its ability to support transformational programmes and service delivery leading to an inability to achieve corporate objectives, retain and recruit staff and loss of reputation</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
| | AW | | 2 | 3 | 6 | <ul style="list-style-type: none"> Transformational projects identified corporate planning process and staff resources identified to deliver. | |
| | | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | | 2 | 3 | 6 | <ul style="list-style-type: none"> Workforce Strategy ("People Plan") to be developed as per LGA peer review recommendation in order to identify organisational needs for the coming years and put in place actions to address those needs. | |
| | | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| | 1 | 3 | 3 | RA | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (February 2020)</u></p> <p>A new HR Manager is now in place and work on developing a Workforce Strategy has begun. A new cohort is in the process of undertaking the Institute of Leadership and Management Level 5 qualification, including project work looking at succession planning and workforce development issues. Two officers have recently completed the #LGE2019 Whole System Leadership Course, bringing increased leadership capacity to the Senior Management Team level of the organisation.</p> | | | | | | | |

| 19-CR-05 DATA PROTECTION | | | | | | | |
|---|----------|---------------------|-----------------|-------------------------|------------------|--|--|
| <p>If the council does not adopt and implement Data Protection controls then there may be a loss of data, inadequate data handling, unlawful sharing of data or security breaches leading to loss of public and partner confidence, reputational damage, breach of legislation and financial loss due to fines</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
| | DF | | 2 | 4 | 8 | <ul style="list-style-type: none"> E-learning module for all staff Use, storage and sharing protocols Building and IT security | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | | |
| | | | 2 | 4 | 8 | <ul style="list-style-type: none"> Learning, reflection and sharing of good practice arising from implementation of GDPR, in particular advice from the ICO; monitoring of subject access requests; appointment of permanent DPO; monitoring of new procedures introduced to the organisation; establishment of Information Governance Group; regular reports to the Corporate Management Team. | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date | |
| | 1 | 4 | 4 | Project team, led by SP | 31.03.2020 | | |

PROGRESS UPDATE (February 2020)

The GDPR implementation project has been completed and the organisation has moved forward significantly. An Information Governance Group has been established, chaired by the Assistant Director for Governance & Legal, on which representatives from across the organisation attend; this group receives a regular update on progress against new tasks identified and approved by that group, providing a strengthened governance role around this work. This group reports to the Chief Executive and Corporate Management Team. All new processes and services are now subject to a data protection assessment, to identify the risks and introduce mitigation measures as part of implementation. The review of the documentation policy remains outstanding but will be completed by March 2020. The large intake of new members following the election in May has created an additional area of work to ensure they are fully aware of their role in data protection. We remain ambitious to reduce the likelihood to 1 through the range of proactive measures by increasing the organisational awareness;

however, this is an area in which simple human error will always be a risk. New monitoring measures for Freedom of Information requests and Environmental Information Regulations requests are now in place. Service Managers now have access to a working spreadsheet, which highlights the current status of all requests; thereby improving the management and monitoring of requests.

19-CR-06 INFORMATION TECHNOLOGY

| <p>If the council does not ensure resilient and robust IT security is in place then the organisation may be exposed to network vulnerabilities such as cyber-attacks and system failures leading to reputational damage, liability issues, loss of service provision and reputation</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
|--|----------|---------------------|--------------------|----------------|------------------|--|-------------------------|
| | AW | | 3 | 4 | 12 | <ul style="list-style-type: none"> • The majority of ICT systems are held off site in data centres • Windows operating system security patches are updated • Members of CERT-UK WARP (Warning, Advice and Reporting Point) part of the Centre for protection of National Infrastructure. It provides us with privileged access to cyber threats. | |
| | | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | | 2 | 4 | 8 | <ul style="list-style-type: none"> • Further investment in system security • Robust recovery plan • Continued investment in cyber security and training | |
| | | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| | 2 | 4 | 8 | NW | 31.03.2020 | | |

PROGRESS UPDATE (February 2020)

The Council has been working in conjunction with the LGA stocktake to identify areas of risk and implement systems to reduce the likelihood and impact of a cyber-attack. A year ago the council scored an Amber-Amber rating and this has now improved to an Amber – Green rating indicating significant progress in reducing the likelihood. The impact will always remain as high.

| 19-CR-07 GOVERNANCE | | | | | | |
|---|-------|---------------------|-----------------|----------------|---|-------------------------|
| <p>If the council does not have a clear and robust governance framework understood and adhered to by councillors and officers then this could lead to ineffective and potentially unlawful decision-making, resulting in financial and reputational loss, ineffective service provision, maladministration and legal challenge.</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | |
| | DF | 2 | 4 | 8 | <ul style="list-style-type: none"> Annual Governance Statement Have a documented constitution, which is regularly reviewed Adopted corporate plan and service plans | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | 2 | 4 | 8 | <ul style="list-style-type: none"> Review corporate governance framework in accordance with CIPFA guidance notes Update training/awareness Roll out the use of mod.gov to all staff and members including the recording and public of key decisions. | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| 1 | 4 | 4 | SP | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (February 2020)</u></p> <p>The implementation of mod.gov has substantially improved the governance of formal decision making. A significant member development programme has been implemented for all members following the elections in May 2019, which included topics on the Constitution and effective decision making. The programme has received very positive feedback and results of a survey have been analysed to ensure further improvements as the next phase of the programme is delivered. The Council has used the services of a number of barristers to support members in determining a number of significant matters arising early in their term of office. The full review of the corporate governance framework has been put on hold pending a member-led review of the Council's governance arrangements.</p> | | | | | | |

| 19-CR-08 SERVICE DELIVERY | | | | | | |
|---|-------|---------------------|-----------------|----------------|--|-------------------------|
| <p>If the council does not achieve its key priorities and objectives and service plans then opportunities to improve the wellbeing of the community and protect the character of the district will be missed leading to dissatisfied residents and stakeholders, reputational damage and potential government intervention</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | |
| | DF | 1 | 4 | 4 | <ul style="list-style-type: none"> Adopted corporate plan, delivery plan and service plans Budget and MTFs to support delivery Regular performance monitoring and reporting to CMT, Cabinet & GAP | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | 1 | 4 | 4 | <ul style="list-style-type: none"> Produce corporate governance framework | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| 1 | 4 | 4 | SP | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (February 2020)</u></p> <p>The organisation has continued to work to the Council's priorities agreed by Council in February 2019 and a delivery plan approved in March. Work to progress the new Administration's priorities was hindered by the Parliamentary General Election held in December 2019, which has resulted in a fixed budget being allocated for member priorities. Some work is progressing on the corporate governance framework and aligning it to the CIPFA recommended presentation.</p> <p>The 2020/21 Service Planning Process is now underway, and Service Managers are currently drafting their 2020/21 Service Plans. The performance management framework involving PIs, Service-level Risks and Service Plan Actions has been advanced, to further ensure service delivery is regularly monitored and improved. This process has been intrinsically linked to the 2020/21 budget setting process, with managers being asked to identify Service Plan actions within their service which relate to budget matters such as efficiencies or new income streams. Once the 2020/21 Corporate Plan Delivery Plan has been adopted by Cabinet, managers will also be asked to identify actions within their service area which relate to the delivery of the Council's priorities. Service-level risk management has also been re-launched, with risks identified in five categories which broadly relate to risks within the Corporate Risk Register: Finance, IT, Assets, People & Service Delivery. Service Managers will be required to update internal controls and risk scores on a quarterly basis, and these updates will be</p> | | | | | | |

reviewed by CMT. Cabinet members continue to monitor KPI and PI data prior for formal consideration by GAP. At the March meeting of GAP, members will be asked to agree to proposed 2020/21 KPI & PI targets.

19-CR-09 LOCAL PLAN

| | | | | | | |
|---|-------|---------------------|-----------------|--|---|-------------------------|
| <p>If the council does not have an approved local plan then it could impact on finances, planning resources and application decisions, leading to a loss of reputation; speculative and unsustainable development; potential intervention by the MHCLG; the inability to bid for government funding and the inability to recruit and retain high calibre staff</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | |
| | RH | 2 | 4 | 8 | <ul style="list-style-type: none"> Local Plan Project Board Planning Policy Working Group | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | 4 | 4 | 16 | <ul style="list-style-type: none"> Legal advice Decision making as to the appropriate way forward | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| 1 | 4 | 4 | CMT | This will depend on the option that the Council chooses. If the plan is withdrawn then achieving an adopted Local Plan will take longer. | | |

PROGRESS UPDATE (February 2020)

The local plan was submitted as programmed, in January 2019. Two Planning Inspectors were subsequently appointed by the Secretary of State in February 2019. The Inspectors' initial Matters, Issues and Questions (MIQs) were addressed in May 2019. The Local Plan Hearings Stage 1 started on 2nd July and came to a close on 18th July, having sat for six days in total. The Inspectors' letter relating to the first stage of hearings has been received by the Council, and it indicates that Inspectors have serious concerns and are of the view that it is likely the plan should be withdrawn. The Council is currently engaging legal advice and seeking to come to decision as to the most appropriate way forward.

| 19-CR-10 EU EXIT | | | | | | | |
|--|----------|---------------------|--------------------|----------------|------------------|---|-------------------------|
| <p>If the council does not prepare for the short term outcome and implications of the UK exiting from the EU Exit then staff, partners, residents, businesses and visitors may be adversely affected resulting in the reputation of the council being damaged</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
| | RH | | 4 | 3 | 12 | <ul style="list-style-type: none"> For the transition period following EU withdrawal on 31 January 2020 to 31 December 2020, new systems for controlling food imports and exports with third countries, and monitoring movements within the EU will apply. Withdrawal Act ensures that there is legal certainty over areas of law that impact on the council's activities | |
| | | | Current Likelihood | Current Impact | Current Score | Further Action | |
| | | | 2 | 4 | 8 | <ul style="list-style-type: none"> Training for and testing of UK replacement systems for controlling food imports and exports from all other countries including the EU Continued review of potential implications on the authority | |
| | | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date |
| | 1 | 3 | 3 | CMT | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (February 2020)</u></p> <ul style="list-style-type: none"> Following the UK's exit from the EU on 31 January 2020, the Withdrawal Agreement with the EU provides for a Transition period The Transition Period provides continuity up to 31 December 2020. During the Transition Period, the government will seek to agree its future relationship with the EU. It has stated that it is not prepared to seek any extension of the transitional arrangements. It is possible that agreement will not be reached. The financial implications will be explored and reported as national plans become clearer. Senior officers are liaising with the MHCLG and attending workshops as appropriate. Officers are participating in discussions regarding border controls and systems, and monitoring the Settlement Scheme for EU Citizens. Resources are being made available (together with security clearance) to support airport activity before and immediately after the UK exits. Procurement issues such as EU processes and systems and contracts to establish any supply issues are being reviewed. | | | | | | | |

- Withdrawal of access to grants currently received from the EU and the opportunity to 'bid' for replacement funds from the UK government are being monitored.
- Together with the Essex Resilience Forum and the Resilience and Emergency Division of the MHCLG, risks relating to fuel, food, transport, animal welfare and medicines are being monitored.
- Business Continuity plans are being refreshed to ensure that risks not specific to EU Exit but which may arise can be managed (e.g. staff shortage).
- The EU Exit is a standing item on the CMT agenda to maintain visibility and aid communication.
- The EU Exit is a standing item on the Essex Chief Executives' association agenda.
- Officers are keeping under review the Government's technical notes and information shared by the LGA.

| 19-CR-11 FRAUD | | | | | | | |
|---|----------|---------------------|-----------------|----------------|------------------|---|--|
| <p>If the council does not prevent, detect and respond effectively to incidents of fraud and corruption, this could result in financial loss, detrimental impact on services, risks to wellbeing and reputational loss.</p> | Owner | Original Likelihood | Original Impact | Original Score | Current Controls | | |
| | SP | | 3 | 2 | 6 | <ul style="list-style-type: none"> • Ongoing work of the Counter Fraud & Corruption Working Group to raise aware across the authority • Corporate Policies in place, e.g. Corporate Counter-Fraud & Corruption Strategy • Participation in National Fraud Initiative | |
| | | Current Likelihood | Current Impact | Current Score | Further Action | | |
| | | | 3 | 2 | 6 | <ul style="list-style-type: none"> • Implementation of Management Action Plan, following Fraud Risk Assessment 2019 • NFI 2020/21 Main Exercise • Revision of the Whistleblowing Policy • Counter Fraud Awareness Publicity Campaign | |
| | | Target Likelihood | Target Impact | Target Score | Action owner | Planned Completion date | |
| | 2 | 2 | 4 | CMT | 31.03.2020 | | |
| <p><u>PROGRESS UPDATE (March 2020)</u></p> <p>The Council's revised Counter Fraud Strategy and Policies were published in April 2019, and available on the Council website. Ongoing work of the Counter Fraud & Corruption Working Group continues to raise corporate awareness of Fraud, and work to improve the prevention and detection of incidents. During the 2020/21 Service Planning process, actions relating to the management of fraud at the service-level will be included in Service Plans for areas where the risk of fraud and corruption is most significant.</p> <p>During 2019, Internal Audit carried out a Fraud Risk Assessment of the Council's current level of counter fraud activities and fraud awareness. Results highlighted that whilst the Council is demonstrating an increasing level of fraud awareness that further actions should be implemented to meet all of CIPFA's recommendations for fighting Fraud and Corruption. A Management Action Plan was drawn up containing eight recommendations, five of which have been implemented, and three partially implemented.</p> | | | | | | | |

Continued participation in the National Fraud Initiative ensures potentially fraudulent claims, errors and overpayments are identified, and investigated with other partnered organisations as necessary. The most recent exercise was undertaken in the 2018/19 year, and data has just been submitted for the main 2019/20 Council Tax Single Person Discount Exercise.