

CORPORATE RISK REVIEW QUARTER 1

Committee: Corporate Governance and Finance Committee

Date: 25 September 2014

Author: Chief Executive

[P84]

1.0 **ISSUE**

1.1 Quarter 1 review of corporate risk register 2014/15.

2.0 **RECOMMENDATION**

2.1 Members are requested to note the Corporate Risk Register as set out in Appendix 1.

3.0 **BACKGROUND**

3.1 The Annual Council on 15 May 2014 agreed the annual review of the Corporate Risk Register for 2013/14 and revisions for 2014/15. The agreement of the Corporate Risk Register is a reserved matter for full Council and this Committee is responsible for regular monitoring of these matters.

3.2 Any changes in residual risk score or additions/amendments to previous risk description since May 2014 are also identified for Members attention.

4.0 **FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT**

4.1 Any financial implications arising from the implementation of the regular review of the corporate risk register, not included in the Council's agreed budget, will be subject to the formal member process.

4.2 Equality Impact Assessment (INRA) not required at this stage.

5.0 **APPENDICES**

5.1 Appendix 1 – Corporate Risk Register 2014/15 – September 2014.

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
(List any background documents used in preparation of report not attached as appendices, or state 'none')	Room (Location: i.e. The Grange, Ely	(Name) (Position: e.g. Head of (01353) 616 E-mail: @eastcamb.gov.uk

CORPORATE RISK REGISTER 2014/15 - SEPTEMBER 2014

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Risk	Change
Coalition Government proposals to reduce budget deficit adversely impact on the Council's budget assumptions resulting in the Council not being able to meet its corporate and service objectives.	Agreed 2014/15 Budget Medium Term Financial Strategy to 2017/18 Statement of the Robustness of the 2014/15 Budget and the Adequacy of Reserves Budget Monitoring Reports	Likelihood	4	Head of Finance (Monthly)	Revisions to MTFS (including suite of key performance indicators) agreed by Finance and Governance Committee 25 July 2013 Agreement to retain £567,229 in 2015/16 earmarked New Homes Bonus reserve (recurring basis) Proposed allocation of £190,798 underspend in 2013/14 into Surplus Savings Reserve.		Likelihood	4
		Impact	4				Impact	4
		Risk	16				Risk	16
							Change	None

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Likelihood	Impact
Failure to achieve budget savings in 2015/16 and 2016/17 as a result of further reductions in the grant settlement undermining the revised Medium Term Financial Strategy.	Agreed 2014/15 Budget Surplus Budget Savings Reserve for 2014/115 and part 2015/16 Budget Monitoring through Management Team and relevant Committees	Likelihood	3	Finance Manager (Fortnightly)	'Root and Branch' review of Council services and staffing (current in-year (2014/15) savings projection of £411,000 estimated as at 8 September 2014). Actions to achieve an underspend in 2013/14 budget (underspend of £190,798) to be reinvested in Surplus Savings Reserve.		Likelihood	3
		Impact	4				Impact	4
		Risk	12				Risk	12
							Change	None

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Risk	Change
The vulnerability and viability of residential and commercial development leading to the Council failing to deliver its growth trajectory and projected CIL income.	Medium Term Financial Strategy Treasury Strategy Ongoing Service Plan reviews CIL Implementation CLT support programme.	Likelihood	3	Chief Executive (Ongoing) Corporate Unit Manager (CIL) (Annual)	Restructuring of management and departments of the Council 2014/2015. Extension of CLT support programme into 2015/16 (to be agreed by Council Feb 2015).	TBC	Likelihood	3
		Impact	4				Impact	4
		Risk	12				Risk	12
							Change	None
Failure to maximise the Council's assets undermining the delivery of the Council's key corporate priorities, specifically capital infrastructure projects	Asset Development Programme overseen by the Asset Development Sub-Committee 'Asset Bank' established	Likelihood	3	Chief Executive (bi-monthly to Committee)			Likelihood	3
		Impact	3				Impact	3
		Risk	9				Risk	9
							Change	None

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Risk	Change
Failure to meet critical targets leading to service breakthroughs not being achieved resulting in poor public satisfaction due to areas for improvement identified by the Annual Governance Statement not being achieved.	Performance Management framework including implementation of corporate performance management system	Likelihood	3	Management Team (Quarterly)	Revised Performance and Risk Management Framework (approved by Personnel and Corporate Services Committee – September 2013) Introduction of Service Delivery Plans in 2014/15		Likelihood	3
		Impact	2				Impact	2
		Risk	6				Risk	6
							Change	None
Increased levels of long term sickness absence leading to reduction in productive time resulting in reduced ability to deliver services and increasing levels of stress	Attendance Management Policy	Likelihood	3	HR & Facilities Services Manager (Monthly)	Revised Management of Attendance and Stress at Work Policy and Procedure (agreed by PCS Committee 12 September 2013)		Likelihood	3
		Impact	2				Impact	2
		Risk	6				Risk	6
							Change	None

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Likelihood	Impact
Major civil emergency leads to inability to access key staff or resources resulting in reduced ability to deliver services	Business Continuity Plan Business Continuity Training	Likelihood	1	Chief Executive (Ongoing)	Update of Business Continuity Plan 2014/15		Likelihood	1
		Impact	4				Impact	4
		Risk	4				Risk	4
							Change	None
ICT systems fraud, abuse, intrusion or failure leads to business interruption resulting in reduced ability to deliver services. Increase in risk of fraud as a result of the Governments Transparency Agenda.	ICT Service Improvement Plan ICT Disaster Recovery Plan	Likelihood	2	Principal ICT Officer (Monthly)	System and Penetration testing regime in place ICT Security Policy in place Fraud risk assessment to be carried out as part of Internal Audit Plan	Cost of regular third party penetration testing Government Connect Compliance	Likelihood	2
		Impact	3				Impact	3
		Risk	6				Risk	6
							Change	None
Increasing budgetary pressures impacts on service provision resulting in failure to provide statutory services, leaving the Council open to challenge/sanction or loss of grant.	Maintain staffing levels Monitor and reduce unnecessary pressures	Likelihood	4	Management Team (Quarterly)			Likelihood	4
		Impact	3				Impact	3
		Risk	12				Risk	12
							Change	None

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Likelihood	Impact
Loss of major income stream from legal challenge on repayment of statutory or other charges.	Review of legal situation with other Local Authorities Co-ordination of efforts and legal advice.	Likelihood	3	Management Team (Quarterly)	'Form of Authority' agreed in settlement of APPS claims to limit litigation and financial risk to Council (ref 21 July 2014 Agenda item 20 Exempt)		Likelihood	3
		Impact	4				Impact	3
		Risk	12				Risk	9
							Change	↓ 3

ADDITIONS TO 2014/15 CORPORATE RISK REGISTER – (as agreed by Council May 2014)

Description of Risk	Control Measures in place	Risk Score		Risk Owner / Review Frequency	Additional Control Measures	Additional Cost Resources Required	Residual Risk & Change since last review (May 2014)	
		Likelihood	Impact				Likelihood	Impact
The transitional arrangements to deliver restructuring of management and departments of the Council to deliver medium term savings and achieve cultural change are not implemented effectively and adversely impact on the Council's ability to deliver its corporate and service objectives	Robust project planning Recruitment to key new posts on the establishment UPDATE Assistant Director (Regulatory Services) in post. Assistant Director (Support Services) 1 December 2014.	Likelihood	2	Chief Executive (Monthly)	EELGA Talent Bank 2014/15 programme of Service Reviews Constitutional Review Effective implementation of Service Delivery Plans		Likelihood	2
		Impact	4				Impact	4
		Risk	8				Risk	8
							Change	None
Revised Committee structure and subsequent amendments to the constitution are not fully understood and implemented leading to poor decision making and reputational risk to Council.	Constitutional review agreed by Council April 2014. Service Delivery Plans Effective training and support to Service Delivery Champions	Likelihood	2	Chief Executive/ Principal Solicitor (Quarterly)			Likelihood	2
		Impact	3				Impact	3
		Risk	6				Risk	6
							Change	None