



East
Northamptonshire
Council

Governance and Audit Committee 15 July 2015

Risk Management Update

Purpose of report

To provide Members with an update on the council's current risks and to provide an example of the new risk report for review and feedback.

Attachment(s)

Appendix A: Governance & Audit Risk Report

1. Background

- 1.1. The council manages risk on a daily basis and has had a strategy in place for a number of years. The revised risk management strategy was approved by Governance and Audit Committee on 25 September 2014.

2. Risk Management System

- 2.1. Following the approval of the strategy, the new risk management system has been rolled out to all staff along with relevant training to ensure that risk can be managed effectively in line with the strategy that has been set.
- 2.2. A detailed assessment of risk has also been carried out, which involved reviewing current risks, adding new or emerging risks and deleting those risks that were no longer relevant to the council. This information has been recorded on the new risk register, thereby ensuring that the information is now relevant and up to date.

3. Risk Reporting

- 3.1. The risk management system is set up to provide a quarterly update of risks. Work has been undertaken on the new system to develop reports which can be provided to risk managers, corporate management team and Members on a regular basis.
- 3.2. The new risk report is attached at **Appendix A**.
- 3.3. Members are asked to review the report and note the risks being reported as well as provide any further feedback for development of the report.

4. Equality and Diversity Implications

- 4.1. Effective risk management should reduce the risks resulting from a failure to recognise equality and diversity implications arising from the council's actions.

5. Legal Implications

- 5.1. Effective risk management should reduce the risks of failure to recognise the legal implications arising from the council's actions.

6. Risk Management

- 6.1. The council's new risk management strategy is designed to ensure that effective processes are in place so that the council understands its risk environment and can achieve its objectives.

7. Financial Implications

7.1. There are no financial implications arising from this report.

8. Constitutional Implications

8.1. There are no constitutional implications arising from this report.

9. Corporate Outcomes

9.1. This report links to the following Corporate Outcomes:



- Effective Management
Ensuring robust risk management arrangements are in place to manage and minimise risks the Council is exposed to

10. Recommendation

1.2. The committee is recommended to:

- Note the current status of risks included in the report
- Review the contents of the report and recommend any further development of the risk report as required for the Governance & Audit Committee

(Reason – to ensure the council has an up to date and effective risk report process in place)


Legal	Power: Local Government Act 1972	
	Other considerations:	
Background Papers:		
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Date: 26/06/2015		
CFO 1.7.2015 	MO	CX 29.6.2015 



East
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Governance and Audit Risk Report

Chief Executive's Departments Risks

Corporate Risk Register									
		Inherent Score		Current Score		Resid... Score		Owner	Description
...	RM CEX 004 - Relationships with partners	12	▲	9	▲	6	●	Oliver, David	Relationships with our partners deteriorate Risk owners: CMT (all) Phil Grimley - ICT David Reed - Joint Planning Committee (JPC) Mike Deacon - Waste
...	RM CEX 007 - Deteriorating infrastructure	9	▲	6	●	4	●	Oliver, David	Deteriorating infrastructure (roads, lack of affordable housing, etc)
...	RM CEX 009 - Driving growth agenda	6	●	4	●	4	●	Oliver, David	Lack of ability to drive growth agenda
...	RM CEX 012 Costs Associated with Legal Challenges	12	▲	12	▲	12	▲	Matthews, Sharn	Council becomes liable for costs arising from Crown Court Case.
Summary Count									
▲									Total
2									4
 <p>Red RAG 2 Amber RAG 2</p>									

ENC High Priority

ENC Risks with a HIGH (>=9) Current Score								
		Inherent Score		Current Score		Residual Score		Owner
...	RM CCS 009 Inadvertant release of data when using Test systems	16	▲	12	▲	12	▲	Hadden, Richard
...	RM CEX 004 - Relationships with partners	12	▲	9	▲	6	●	Oliver, David
...	RM CEX 012 Costs Associated with Legal Challenges	12	▲	12	▲	12	▲	Matthews, Sharn
...	RM ICT 001 Loss of critical expertise	16	▲	9	▲	8	●	Grimley, Phil
...	RM ICT 002 Failure of core infrastructure	16	▲	12	▲	4	●	Grimley, Phil
...	RM FIN 001 - Poor Value for Money	16	▲	12	▲	8	●	Drewery, Michelle
...	RM FIN 002 - MTFS Assumptions	16	▲	12	▲	12	▲	Hammons, Glenn
...	RM FIN 005 - Defrauding the Council	12	▲	9	▲	9	▲	Drewery, Michelle
...	RM ENV 008 Failure to deliver DFG service within legal requirements	12	▲	9	▲	9	▲	Walker, Jenny
...	RM PLN 016A Poorly Managed Growth of district [Old CEX 008A]	12	▲	9	▲	6	●	Reed, David
...	RM ROD 008 Data Protection Failure	16	▲	12	▲	8	●	Hook, Angela
...	RM ROD 014 - Ineffective Training in Key Areas [Old CEX 011]	12	▲	12	▲	4	●	Everitt, Katy

ENC Risks with a VERY HIGH Likelihood Score								
		Current Score		Risk Likelihood Score		Risk Impact Score		Owner

ENC Risks with Impact Scores = Very High								
		Current Score		Risk Likelihood Score		Risk Impact Score		Owner
...	RM CCS 009 Inadvertant release of data when using Test systems	12	▲	3. High	●	4. Very High	▲	Hadden, Richard
...	RM CCS 020 - Inability to publish statutory notices and information	4	●	1. Low	★	4. Very High	▲	Spolton, Louise
...	RM CCS 021 - Loss of business rate income	8	●	2. Medium	●	4. Very High	▲	Matthews, Sharn
...	RM CEX 012 Costs Associated with Legal Challenges	12	▲	3. High	●	4. Very High	▲	Matthews, Sharn
...	RM ICT 002 Failure of core infrastructure	12	▲	3. High	●	4. Very High	▲	Grimley, Phil
...	RM ICT 003 Failure of ICT partnership	8	●	2. Medium	●	4. Very High	▲	Grimley, Phil
...	RM ICT 004 Failure to comply with security legislations	8	●	2. Medium	●	4. Very High	▲	Grimley, Phil
...	RM FIN 001 - Poor Value for Money	12	▲	3. High	●	4. Very High	▲	Drewery, Michelle
...	RM FIN 002 - MTFS Assumptions	12	▲	3. High	●	4. Very High	▲	Hammons, Glenn
...	RM ENV 013 - Contractor non-compliance with H&S legislation	4	●	1. Low	★	4. Very High	▲	Deacon, Mike
...	RM PLN 011 Failure to deliver sufficient affordable housing in the district	8	●	2. Medium	●	4. Very High	▲	Conway, Carol
...	RM PLN 012 Housing register or homelessness fraud	4	●	1. Low	★	4. Very High	▲	Conway, Carol
...	RM PLN 016B Lack of Growth In District [Old CEX 008B]	8	●	2. Medium	●	4. Very High	▲	Reed, David
...	RM PLN 017 - Rushden Lakes/major development [Old CEX 010]	4	●	1. Low	★	4. Very High	▲	Reed, David
...	RM ROD 008 Data Protection Failure	12	▲	3. High	●	4. Very High	▲	Hook, Angela
...	RM ROD 014 - Ineffective Training in Key Areas [Old CEX 011]	12	▲	3. High	●	4. Very High	▲	Everitt, Katy

Very High Legal Impact Risks RM02a

	03 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data when using Test systems	Hadden, Richard	4. Section 151 or government intervention or criminal charges
RM CCS 020 - Inability to publish statutory notices and information	Spolton, Louise	4. Section 151 or government intervention or criminal charges
RM ENV 013 - Contractor non-compliance with H&S legislation	Deacon, Mike	4. Section 151 or government intervention or criminal charges
RM PLN 012 Housing register or homelessness fraud	Conway, Carol	4. Section 151 or government intervention or criminal charges
RM ROD 008 Data Protection Failure	Hook, Angela	4. Section 151 or government intervention or criminal charges

Very High Performance/Service Delivery Impact Risks RM02c

	03 2015	
	Owner	Actual
RM ENV 013 - Contractor non-compliance with H&S legislation	Deacon, Mike	4. Complete failure to deliver service. Government intervention
RM ICT 002 Failure of core infrastructure	Grimley, Phil	4. Complete failure to deliver service. Government intervention
RM ICT 004 Failure to comply with security legislations	Grimley, Phil	4. Complete failure to deliver service. Government intervention

Very High Reputational Impact Risks RM02e

	03 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data when using Test systems	Hadden, Richard	4. Questions raised in Parliament and/or reported in the national media
RM CEX 012 Costs Associated with Legal Challenges	Matthews, Sharn	4. Questions raised in Parliament and/or reported in the national media
RM ENV 013 - Contractor non-compliance with H&S legislation	Deacon, Mike	4. Questions raised in Parliament and/or reported in the national media

Very High Financial Impact Risks RM02b

	03 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data when using Test systems	Hadden, Richard	4. Over £500k
RM CCS 020 - Inability to publish statutory notices and information	Spolton, Louise	4. Over £500k
RM CCS 021 - Loss of business rate income	Matthews, Sharn	4. Over £500k
RM CEX 012 Costs Associated with Legal Challenges	Matthews, Sharn	4. Over £500k
RM ENV 013 - Contractor non-compliance with H&S legislation	Deacon, Mike	4. Over £500k
RM FIN 001 - Poor Value for Money	Drewery, Michelle	4. Over £500k
RM FIN 002 - MTFS Assumptions	Hammons, Glenn	4. Over £500k
RM ICT 002 Failure of core infrastructure	Grimley, Phil	4. Over £500k
RM ICT 003 Failure of ICT partnership	Grimley, Phil	4. Over £500k
RM ICT 004 Failure to comply with security legislations	Grimley, Phil	4. Over £500k
RM PLN 011 Failure to deliver sufficient affordable housing in the district	Conway, Carol	4. Over £500k
RM PLN 016B Lack of Growth In District [Old CEX 008B]	Reed, David	4. Over £500k
RM PLN 017 - Rushden Lakes/major development [Old CEX 010]	Reed, David	4. Over £500k
RM ROD 014 - Ineffective Training in Key Areas [Old CEX 011]	Everitt, Katy	4. Over £500k

Very High Health and Safety Impact Risks RM02d

	03 2015	
	Owner	Actual
RM ENV 013 - Contractor non-compliance with H&S legislation	Deacon, Mike	4. Death of an individual for whom the Council has a responsibility

Risks Completed in the last quarter

Risk	Owner	Object End Date	Stage
RM CEX 001A - Elections 2015 Change of Administration	Oliver, David	26/05/2015	Completed
RM CEX 001B - Elections 2015 process	Oliver, David	08/05/2015	Completed