



Governance and Audit Committee 23 November 2015

Risk Management Update – November 2015

Purpose of report

To provide Members with an update on the Council's current risk scores at 30 November 2015.

Attachment(s)

Appendix 1: Governance and Audit Risk Report – November 2015

1. Background

- 1.1. The Council manages risk on a daily basis and has processes in place for identifying, evaluating and managing risk across the organisation. The current risk management strategy was approved by Governance and Audit Committee on 25 September 2014 with a further amendment which was approved on 28 September 2015.
- 1.2. Staff have been provided with relevant training to ensure that risk can be managed effectively in line with the strategy that has been set.

2. Risk Reporting

- 2.1. The risk management system is set up to provide a quarterly update of risks. Reports are now provided to risk managers, corporate management team and Members on a regular basis.
- 2.2. The risk report for November 2015 has been prepared for Governance and Audit Committee and can be seen at **Appendix 1**. The report contains the following information:
 - Corporate risks
 - High Priority Risks (risks with high current score, very high likelihood score and very high impact score)
 - Risks with 'very high' impact scores – by each impact measured
 - Risks completed in the last quarter
 - New risks in the last quarter
 - Overdue actions
- 2.3. Members are asked to review the report and note the risks being reported.

3. Equality and Diversity Implications

- 3.1. This is an information report for discussion. There are no equality and diversity implications arising.

4. Legal Implications

- 4.1. This is an information report for discussion. There are no legal implications arising from the proposals.

5. Risk Management

- 5.1. The Council's 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.

6. Financial Implications

- 6.1. There are no financial implications arising from this report.

7. Constitutional Implications

- 7.1. There are no constitutional implications arising from this report.

8. Corporate Outcomes

- 8.1. 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

9. Recommendation

- 9.1 The Committee is recommended to:

- Note the current status of risks included in the report for November 2015

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

Legal	Power: Local Government Act 1972				
	Other considerations:				
Background Papers:					
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Date: 09/11/2015					
CFO		MO		CX	



East
Northamptonshire
Council

Governance and Audit Risk Report

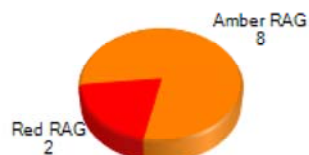
November 2015

Corporate Risks

		Corporate Risk Register							
		Inherent Score		Current Score		Resid... Score	Owner	Description	
...	RM CORP 001 Failure to maintain effective relationships with partners	12	▲	6	●	6	●	Oliver, David Relationships with our partners deteriorate Risk owners: CMT (all) Phil Grimley - ICT David Reed - Joint Planning Committee (JPC) and Joint Delivery Committee (JDC) Mike Deacon - Waste	
...	RM CORP 002 Growth of district is poorly managed	12	▲	9	▲	8	●	Reed, David Growth of the district (population, businesses, houses and employment) is not managed effectively to balance the needs within the area.	
...	RM CORP 003 Anticipated level of growth In district not achieved	12	▲	8	●	8	●	Reed, David District fails to grow/develop as anticipated, which could result in lower council revenues, fewer jobs and insufficient housing supply.	
...	RM CORP 004 Major development does not proceed or is delayed (Rushden Lakes)	6	●	4	●	2	★	Reed, David Rushden Lakes / major developments delayed, resulting in lower employment opportunities than anticipated, impact on prospective retail interest and lower council revenue.	
...	RM CORP 005 Ineffective training in key areas	12	▲	8	●	4	●	Everitt, Katy Inadequate training in key areas for both staff and councillors. Inadequate training and training records management, which could lead to fines and enforcement actions for some statutory training.	
...	RM CORP 006 Loss due to major court cases	12	▲	4	●	12	▲	Matthews, Sharn Council becomes liable for costs arising from Crown Court Cases and similar legal action. Reputation of Council could also be impacted.	
...	RM CORP 007 Lack of engagement with and provision of services by the Voluntary and Third Sector	9	▲	4	●	4	●	Smith, Julia The voluntary sector is changing and diminishing due to various factors such as funding, working environment and increasing expectations. A reduction in voluntary bodies will impact on services available to residents.	
...	RM CORP 008 Contractor non-compliance with health and safety legislation	12	▲	4	●	4	●	Deacon, Mike Organisations/companies that ENC has a contract with to provide services on behalf of the council fail to comply with health & safety legislation.	
...	RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	12	▲	12	▲	4	●	Grimley, Phil Lack of resilience in the core ICT facilities upon which ENC depends could result in service failure, loss of key systems, data loss, reputational damage or failure to meet statutory requirements.	
...	RM CORP 010 Lack of staff resources in terms of numbers and/or knowledge skills and behaviours	9	▲	6	●	4	●	Everitt, Katy Being unable to deliver effective services	

Summary Count

▲	●	Total
2	8	10



ENC Risks with a HIGH (>=9) Current Score							
		Inherent Score		Current Score		Residual Score	Owner
...	RM CCS 009 Inadvertant release of data from test system into a live system	16	▲	12	▲	12	▲ Hadden, Richard
...	RM CCS 017 Inability to recover Housing Benefit overpayments	12	▲	9	▲	4	● Hogston, Lucy
...	RM CORP 002 Growth of district is poorly managed	12	▲	9	▲	8	● Reed, David
...	RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	12	▲	12	▲	4	● Grimley, Phil
...	RM ICT 001 Loss of critical technological expertise	16	▲	9	▲	8	● Grimley, Phil
...	RM ICT 002 Failure to comply with Data Protection Act 1998	16	▲	12	▲	8	● Squires, Kirsty
...	RM FIN 001 Failure of the Council to achieve Value for Money	16	▲	12	▲	8	● Drewery, Michelle
...	RM FIN 002 Medium Term Financial Strategy Assumptions become inaccurate	16	▲	12	▲	12	▲ Hammons, Glenn
...	RM FIN 005 Risk of loss impacting the Council as a result of fraudulent activity	12	▲	9	▲	9	▲ Drewery, Michelle
...	RM ENV 008 Failure of the Disabled Facilities Grant service to meet legal requirements	12	▲	9	▲	9	▲ Walker, Jenny

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 from test system into a live system	12	▲	3. High	●	4. Very High	▲ Hadden, Richard
...	RM CCS 016 - Low growth of new businesses in East Northamptonshire	8	●	2. Medium	●	4. Very High	▲ Hadden, Richard
...	RM CCS 020 - Inability to publish statutory notices and information due to changes in media practice	4	●	1. Low	★	4. Very High	▲ Spolton, Louise
...	RM CCS 021 - Loss of business rate income due to valuation assessment decisions	8	●	2. Medium	●	4. Very High	▲ Matthews, Sharn
...	RM CORP 003 Anticipated level of growth In district not achieved	8	●	2. Medium	●	4. Very High	▲ Reed, David
...	RM CORP 004 Major development does not proceed or is delayed (Rushden Lakes)	4	●	1. Low	★	4. Very High	▲ Reed, David
...	RM CORP 005 Ineffective training in key areas	8	●	2. Medium	●	4. Very High	▲ Everitt, Katy
...	RM CORP 006 Loss due to major court cases	4	●	1. Low	★	4. Very High	▲ Matthews, Sharn
...	RM CORP 008 Contractor non-compliance with health and safety legislation	4	●	1. Low	★	4. Very High	▲ Deacon, Mike
...	RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	12	▲	3. High	●	4. Very High	▲ Grimley, Phil
...	RM ICT 002 Failure to comply with Data Protection Act 1998	12	▲	3. High	●	4. Very High	▲ Squires, Kirsty
...	RM ICT 003 Failure of ICT partnership leading to breakdown in service provision	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 Failure of the Council to achieve Value for Money	12	▲	3. High	●	4. Very High	▲ Drewery, Michelle
...	RM FIN 002 Medium Term Financial Strategy Assumptions become inaccurate	12	▲	3. High	●	4. Very High	▲ Hammons, Glenn
...	RM PLN 011 Failure to deliver sufficient affordable housing in the district	8	●	2. Medium	●	4. Very High	▲ Conway, Carol
...	RM PLN 012 Fraudulent homeless and housing register applications	4	●	1. Low	★	4. Very High	▲ Conway, Carol

Very High Legal Impact Risks RM02a

	12 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data from test system into a live system	Hadden, Richard	4. Section 151 or government intervention or criminal charges
RM CCS 020 - Inability to publish statutory notices and information due to changes in media practice	Spolton, Louise	4. Section 151 or government intervention or criminal charges
RM CORP 008 Contractor non-compliance with health and safety legislation	Deacon, Mike	4. Section 151 or government intervention or criminal charges
RM ICT 002 Failure to comply with Data Protection Act 1998	Squires, Kirsty	4. Section 151 or government intervention or criminal charges
RM PLN 012 Fraudulent homeless and housing register applications	Conway, Carol	4. Section 151 or government intervention or criminal charges

Very High Performance/Service Delivery Impact Risks RM02c

	12 2015	
	Owner	Actual
RM CORP 008 Contractor non-compliance with health and safety legislation	Deacon, Mike	4. Complete failure to deliver service. Government intervention
RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	Grimley, Phil	4. Complete failure to deliver service. Government intervention
RM FIN 001 Failure of the Council to achieve Value for Money	Drewery, Michelle	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

	12 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data from test system into a live system	Hadden, Richard	4. Questions raised in Parliament and/or reported in the national media
RM CORP 006 Loss due to major court cases	Matthews, Sharn	4. Questions raised in Parliament and/or reported in the national media
RM CORP 008 Contractor non-compliance with health and safety legislation	Deacon, Mike	4. Questions raised in Parliament and/or reported in the national media
RM FIN 001 Failure of the Council to achieve Value for Money	Drewery, Michelle	4. Questions raised in Parliament and/or reported in the national media

Very High Financial Impact Risks RM02b

	12 2015	
	Owner	Actual
RM CCS 009 Inadvertant release of data from test system into a live system	Hadden, Richard	4. Over £500k
RM CCS 016 - Low growth of new businesses in East Northamptonshire	Hadden, Richard	4. Over £500k
RM CCS 020 - Inability to publish statutory notices and information due to changes in media practice	Spolton, Louise	4. Over £500k
RM CCS 021 - Loss of business rate income due to valuation assessment decisions	Matthews, Sharn	4. Over £500k
RM CORP 003 Anticipated level of growth In district not achieved	Reed, David	4. Over £500k
RM CORP 004 Major development does not proceed or is delayed (Rushden Lakes)	Reed, David	4. Over £500k
RM CORP 005 Ineffective training in key areas	Everitt, Katy	4. Over £500k
RM CORP 006 Loss due to major court cases	Matthews, Sharn	4. Over £500k
RM CORP 008 Contractor non-compliance with health and safety legislation	Deacon, Mike	4. Over £500k
RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	Grimley, Phil	4. Over £500k
RM FIN 002 Medium Term Financial Strategy Assumptions become inaccurate	Hammons, Glenn	4. Over £500k
RM ICT 003 Failure of ICT partnership leading to breakdown in service provision	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

Very High Health and Safety Impact Risks RM02d

	12 2015	
	Owner	Actual
RM CORP 008 Contractor non-compliance with health and safety legislation	Deacon, Mike	4. Death of an individual for whom the Council has a responsibility

If the only entry in the table is 'Unknown', there have not been any risks completed in the last quarter.

Risk	Owner	Object End Date	Stage
Unknown	n/e	n/e	n/e

If the only entry in the table is 'Unknown', there have not been any new risks created in the last quarter.

Risk	Owner	Object Start Date	Stage
Unknown	n/e	n/e	n/e

If the only entry in the table is 'Unknown', there are currently no overdue actions.

Action	Risk	Owner	Actual
Unknown	Unknown	n/e	n/e