



East
Northamptonshire
Council

Governance & Audit Committee 18 April 2016

Risk Management Update – Quarter 4 (2015/16)

Purpose of report

To provide Members with a revised report on the Council's current risk scores for quarter 4 of 2015/16.

Attachment(s)

Appendix 1: Governance and Audit Risk Report – March 2016

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 management process is now fully embedded across the council.
- 2.3. A risk report for March 2016 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 or very high impact score)
 - Risks with 'very high' impact scores – by each impact measured
 - New risks in the last quarter
 - Overdue actions
 - Risks with no actions awaiting completion
- 2.4. Members are asked to note the changes to the report.

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 and manages its risk environment and can achieve its objectives.

6. Resource and 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. Customer Service Implications

8.1. There are no customer service 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

10.1 The Committee is recommended to:

- Note the current status of risks included in the report for March 2016

(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:					
Person Originating Report: Michelle Drewery, Finance Manager ☎ 01832 742267 ✉ mdrewery@east-northamptonshire.gov.uk					
Date: 31/03/2016					
CFO		MO		CX	



East
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Governance and Audit Risk Report

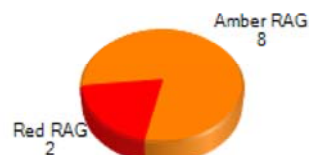
18th April 2016

Corporate Risk Register

	Description	Inherent Score	Current Score	Resid... Score	Previous Score	Direction	Owner
RM CORP 001	Failure to maintain effective relationships with partners Risk owners: CMT (all) Phil Grimley - ICT Paul Bland - Joint Planning Committee (JPC) and Joint Delivery Committee (JDC) Mike Deacon - Waste	12	6	6	6	→	Oliver, David
RM CORP 002	Growth of district is poorly managed Growth of the district (population, businesses, houses and employment) is not managed effectively to balance the needs within the area.	12	6	4	9	↕	Bland, Paul
RM CORP 003	Anticipated level of growth in district not achieved District fails to grow/develop as anticipated, which could result in lower council revenues, fewer jobs and insufficient housing supply.	12	8	8	8	→	Bland, Paul
RM CORP 004	Major development does not proceed or is delayed (Rushden Lakes) Rushden Lakes / major developments delayed, resulting in lower employment opportunities than anticipated, impact on prospective retail interest and lower council revenue.	6	4	2	4	→	Bland, Paul
RM CORP 005	Ineffective training in key areas 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.	12	8	4	8	→	Everitt, Katy
RM CORP 006	Loss due to major court cases Council becomes liable for costs arising from Crown Court Cases and similar legal action. Reputation of Council could also be impacted.	12	9	9	9	→	Matthews, Sharn
RM CORP 007	Lack of engagement with and provision of services by the Voluntary and Third Sector 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.	9	4	4	4	→	Smith, Julia
RM CORP 008	Contractor non-compliance with health and safety legislation Organisations/companies that ENC has a contract with to provide services on behalf of the council fail to comply with health & safety legislation.	12	4	4	4	→	Deacon, Mike
RM CORP 009	Failure of core ICT infrastructure leading to inability to provide statutory services 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.	12	12	4	12	→	Peters, Ian
RM CORP 010	Lack of staff resources in terms of numbers and/or knowledge skills and behaviours Being unable to deliver effective services	9	6	4	6	→	Everitt, Katy

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 006 Loss due to major court cases	12	▲	9	▲	9	▲ Matthews, Sharn
...	RM CORP 009 Failure of core ICT infrastructure leading to inability to provide statutory services	12	▲	12	▲	4	● Peters, Ian
...	RM ICT 001 Loss of critical technological expertise	16	▲	9	▲	8	● Peters, Ian
...	RM ICT 002 Failure to comply with Data Protection Act 1998	16	▲	12	▲	8	● Squires, Kirsty
...	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
	RM PLN 016 Cessation of the council's Choice Based Lettings Scheme	8	●	4. Very High	▲	2. Medium	● Conway, Carol

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	▲ Bland, Paul
...	RM CORP 004 Major development does not proceed or is delayed (Rushden Lakes)	4	●	1. Low	★	4. Very High	▲ Bland, Paul
...	RM CORP 005 Ineffective training in key areas	8	●	2. Medium	●	4. Very High	▲ Everitt, Katy
...	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	▲ Peters, Ian
...	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	▲ Oliver, David
...	RM ICT 004 Failure to comply with security legislations	8	●	2. Medium	●	4. Very High	▲ Peters, Ian
...	RM FIN 001 Failure of the Council to achieve Value for Money	8	●	2. Medium	●	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

Risks with 'Very High' Impact Scores

Very High Legal Impact Risks RM02a

	03 2016	
	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

	03 2016	
	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	Peters, Ian	4. Complete failure to deliver service. Government intervention
RM ICT 004 Failure to comply with security legislations	Peters, Ian	4. Complete failure to deliver service. Government intervention

Very High Reputational Impact Risks RM02e

	03 2016	
	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 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

	03 2016	
	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	Bland, Paul	4. Over £500k
RM CORP 004 Major development does not proceed or is delayed (Rushden Lakes)	Bland, Paul	4. Over £500k
RM CORP 005 Ineffective training in key areas	Everitt, Katy	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	Peters, Ian	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	Oliver, David	4. Over £500k
RM ICT 004 Failure to comply with security legislations	Peters, Ian	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

	03 2016	
	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 new risks created in the last quarter.

Risk	Owner	Object Start Date	Stage	Current Score
RM ICT 006 Security Vulnerabilities of Microsoft 2003 Servers	Peters, Ian	01/02/2016	In Progress	4
RM ICT 007 Inappropriate sharing of personal data with/between Councillors	Squires, Kirsty	24/02/2016	In Progress	

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

Action	Risk	Owner	Action Description	Action Stage	Action Due Date
<input checked="" type="checkbox"/> RM CCS 006a Act1 - Develop Strategy	RM CCS 006 ASB Community Trigger Activated	Greenway, Mike	The county-wide strategy and action plan has been developed and approved by the Northants ASB & Hate Crime Strategic Group. This document will be presented to Policy & Resources Committee in February for formal adoption by ENC. It will incorporate specific issues to East Northants.	In Progress	15/02/2016
<input checked="" type="checkbox"/> RM CCS 010a Micro site	RM CCS 010 Short term loss of key communication channels (telephone, website, etc.)	Ward, Janet	Investigate agreement with another authority to develop a micro site.	Not Started	19/02/2016
<input checked="" type="checkbox"/> RM CCS 015c Review resources	RM CCS 015 - Uncertainty of Universal Credit rollout plans by government	Hogston, Lucy	Review resources according to transfer of client group to DWP.	Not Started	29/02/2016
<input checked="" type="checkbox"/> RM CORP 001a Review shared service governance arrangements	RM CORP 001 Failure to maintain effective relationships with partners	Matthews, Sharn	Review shared service governance arrangements and ensure they remain fit for purpose.	In Progress	31/12/2015
<input checked="" type="checkbox"/> RM ICT 002a - DP training programme	RM ICT 002 Failure to comply with Data Protection Act 1998	Squires, Kirsty	DP training is part of the induction programme at ENC. However, some long-serving staff have not received updates for several years. Task: to identify training history and needs of all staff. To set up a refresh/update timetable for staff. Plan refresh training sessions. Add to list of 'compulsory' training in line with HR's new policy. % of staff that have received training currently up to 50%, from around 20%.	In Progress	31/12/2015
<input checked="" type="checkbox"/> RM ICT 006b Decommission EUNICE server (EUNICESRV)	RM ICT 006 Security Vulnerabilities of Microsoft 2003 Servers	Rance, Kathryn	Included as part of the agreed remediation with the Cabinet Office.	Not Started	01/03/2016
<input checked="" type="checkbox"/> RM ICT 006h Replace NLIS Server (NLISSRV)	RM ICT 006 Security Vulnerabilities of Microsoft 2003 Servers	Rance, Kathryn	Included as part of the agreed remediation with the Cabinet Office.	Not Started	01/03/2016
<input checked="" type="checkbox"/> RM PLN 016b establish scope for a break clause	RM PLN 016 Cessation of the council's Choice Based Lettings Scheme	Conway, Carol	Break clause included in draft contract renewal document, subject to agreement by Midland Heart and Policy and Resources Committee. (80% done) Establish scope for a break clause in the contract renewal from 01.04.2016, to take effect should circumstances change and Midland Heart are no longer able or willing to deliver the contract at the agreed price. Alternatively, consider only renewing the contract for 1 or 2 years instead of 3.	In Progress	31/01/2016

Risks that currently have no actions

Risks that are labeled as having "no actions" may have had actions which have not been transferred from the old risk system (4Risk).

Risk	These current scores are higher than their residual scores, so these risks may need an action			Action History
	Current Score	Residual Score		
RM CCS 016 - Low growth of new businesses in East Northamptonshire	8	6	Requires an Action?	All Actions Complete
RM PLN 014 Increase in homelessness	4	2	Requires an Action?	No Actions

The risks in this table are all achieving their residual score so should not currently need actions.

They are still being monitored and reviewed to ensure that they are still active and are being managed effectively.

Risk	These risks do not currently have actions on them but the residual scores have been achieved			Action History
	Current Score	Residual Score		
RM CCS 008 Voluntary Sector fail to deliver against Grant Agreements (terms and conditions)	1	1	Residual Score achieved	All Actions Complete
RM CCS 013 Inability to collect income from Council Tax and NNDR	1	1	Residual Score achieved	All Actions Complete
RM CORP 007 Lack of engagement with and provision of services by the Voluntary and Third Sector	4	4	Residual Score achieved	All Actions Complete
RM PLN 001 Failure to attend emergency / out of hours building control calls	2	2	Residual Score achieved	No Actions
RM PLN 003 Loss of business and income for Building Control	2	2	Residual Score achieved	No Actions
RM PLN 006 Site Visit accidents or incidents	1	1	Residual Score achieved	No Actions
RM PLN 007 Risk of major appeals and associated costs	4	4	Residual Score achieved	No Actions
RM PLN 012 Fraudulent homeless and housing register applications	4	4	Residual Score achieved	No Actions
RM PLN 013 Increase in appeals against homelessness and housing register decisions	2	2	Residual Score achieved	No Actions
RM PLN 015 Failure to process housing/homelessness applications on time and correctly	2	2	Residual Score achieved	No Actions
RM ROD 002 Significant Payroll Failure	3	3	Residual Score achieved	No Actions
RM ROD 012 Failure to deliver elections in which all stakeholders have confidence	2	2	Residual Score achieved	No Actions