

Review of Strategic Risk Register
Report by Chief Executive

Summary:	This report appends the Authority's updated Strategic Risk Register for members' comments.
Recommendation:	That the updated Strategic Risk Register be reviewed by the Committee and consideration given to the incorporation of risk analysis in policy reports and the timetable for reporting.

1 Introduction

- 1.1 The Authority's Risk Management Policy states that the Strategic Risk Register will be formally reviewed by risk owners, the Management Forum (the group of senior staff comprising the Management Team and Section Heads) and this Committee on a regular basis.
- 1.2 At the meeting of this Committee in September it was reported that the Auditors has suggested that the review should be done more frequently than annually and that it had been recommended by the Internal Auditor and accepted by Management Team to add the Risk Register to the Agenda of this Committee as a standard Item as from this meeting.
- 1.3 The Treasurer and Financial Adviser supported this idea and said that this would provide evidence that the risk had been highlighted and would encourage members to establish and consider what the key risks for the Authority are.
- 1.4 Members also invited officers to produce a report for the next meeting with proposals for the amendment of policy reports to incorporate a specific section addressing the issue of risk.

2 Review Timescale

- 2.1 The current timetable for these reviews is usually as follows:
 - December: Six monthly review of Strategic Risk Register by Risk Owners
 - January: Formal review of Strategic Risk Register by Management Forum
 - June: Six monthly review of Strategic Risk Register by Risk Owners
 - July: Formal review of Strategic Risk Register and Risk Management Policy by Management Forum

- September: Annual review of the Strategic Risk Register by the Financial Scrutiny and Audit Committee

2.2 If the Committee wanted to consider the information more frequently then it is proposed to use the following timetable:

- December: Six monthly review of Strategic Risk Register by Risk Owners
- January: Formal review of Strategic Risk Register by Management Forum
- February: Review of the Strategic Risk Register by the FSAC
- June: Six monthly review of Strategic Risk Register by Risk Owners
- July: Formal review of Strategic Risk Register and Risk Management Policy by Management Forum
- September: Review of the Strategic Risk Register by the FSAC

3 Incorporation of Risk Analysis into Policy Reports

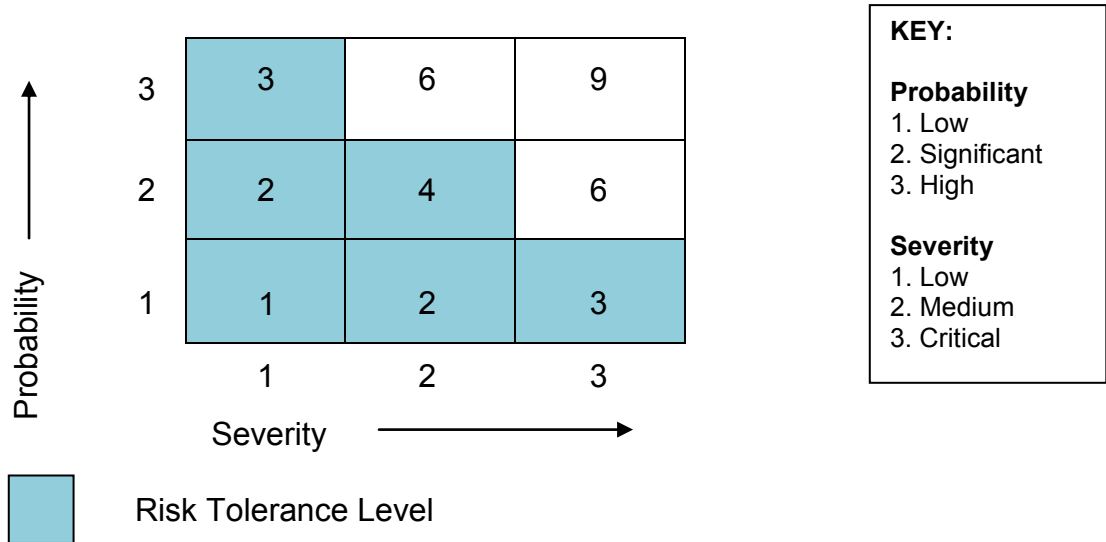
3.1 At the last Broads Authority an analysis of risk was built into three of the reports: High Level Review of Flood Risk Management for the Broads; Network Rail Update and National Park Partnership. The Committee is asked for its feedback on the effectiveness of such an arrangement on selective reports where such a process is considered relevant.

4 Purpose of this Review

4.1 The purpose of this review is:

- to consider whether the risks set out in the Register are still appropriate, and whether the vulnerabilities and impact are up to date and representative of the risk involved;
- to consider whether the actions and controls in place are still adequate and appropriate;
- to consider whether any further action is necessary to help mitigate the risk;
- to consider whether the risk tolerance level is still appropriate; and
- to consider whether any new risks should be added to the Register, in respect of new activities or existing activities for which the risk level has increased.

4.2 The updated Risk Register is set out at Appendix 1, following the six monthly review by Risk Owners and the formal review by the Management Forum. The changes made since it was last considered by the Committee are shown in red. The Register currently incorporates 18 key risks. No new risks have been identified. The Authority's Risk Management Policy states that, in developing its Strategic Risk Register, the Authority will assess all strategic risks against the following grid:



4.3 The Policy also states that the Authority will accept a ‘tolerance level’ of not more than 4, as set out in the shaded squares, although the aim is to introduce mitigation measures to manage all risks to as low a level as reasonably practicable. With the mitigation measures in place, all of the risks identified are considered to fall within the accepted tolerance level. Should a risk exceed the tolerance level, the Chair of the Authority and Chair of the Financial Scrutiny and Audit Committee will be engaged immediately to determine appropriate action to be taken.

4.4 Members’ views are sought on the updated Strategic Risk Register.

Background papers: None

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 Date of report: 27 January 2016

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Updated Strategic Risk Register

Description of Risk Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed	
Loss/Non Availability of Key Staff	Key post or posts absent for a prolonged period	S/M/L	Loss of decision making ability	4 (P2xS2)	Sickness absence reporting and monitoring procedures in place	LP to develop three year People Strategy to aid succession planning, to be incorporated into Business Plan. Initial action is to complete Research and planning stage of document.	01-Apr-16	4(P2xS2)	Head of HR	Apr-16
	Sickness/outbreak of pandemic (eg Swine Flu)	S/M/L	Loss of knowledge and experience, and associated costs		Work Life Balance Policy					
	Over-reliance on key members of staff	S/M/L	Failure to deliver service		Scheme of Local Conditions of Service					
	Inability to compete in terms of pay	S/M/L	Reduced quality/less efficient service		Emergency Management and Reporting System					
	Inadequate succession planning	S/M/L	Increased workload/pressure for remaining staff		People Strategy, including identification of future staff requirements and annually reviewed job descriptions					
Loss of key personnel through oprganisational review, including loss of financial expertise	Loss of key personnel through oprganisational review, including loss of financial expertise	S	Failure to meet Government and other deadlines		Job Evaluation Scheme to ensure fair and appropriate remuneration of staff					
			Loss of credibility/reputation with the public/stakeholders		Employee Assistance Programme					
			Cost of taking on additional staff, including recruitment, agency costs and training.		Monthly meetings between Head of HR and Directors to anticipate staff changes/requirements					
					Use of secondment arrangements where appropriate					
					Staff Representatives Group established					
Loss of Offices including Field Bases	Destruction through fire, explosion or release of hazardous substances	S/M/L	Temporary loss of communication with staff, public and stakeholders	3 (P1xS3)	Fire Safety Risk Assessment Undertaken by Landlord and BA. Appropriate fire prevention measures in place, eg fire alarms, fire extinguishers		3(P1xS3)	† Solicitor and Monitoring Officer	Sep-15	
	Flooding of site or loss of access to site through flooding (especially Dockyard)	S/M/L	Loss of information		Yare House Emergency Fire Procedure and BA Supplementary Procedure (including bomb threat procedures)	A mains operated pump operates on the bridge hole keeping water levels down. Additional large bore pump on standby over pump if required.				
	Loss of use or access to premises	S/M/L	Postponement of work		Business Continuity Plans, including IT Disaster Recovery Plan and Finance Business Continuity Plan					
		Potential failure to achieve objectives/meet deadlines		Emergency Management and Reporting System						
		Damage to reputation/credibility		Home working and hot desking facility at alternative fieldbases available for some members of staff						
				Insurance Policies						

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
Loss of IT/ Communications Systems	Destruction of or serious damage to buildings	S/M/L	Temporary loss of communication with staff, public and stakeholders	3 (P1xS3)	Business Continuity Plan			3 (P1xS3)	Head of ICT and Collector of Tolls	Sep-15
	Significant virus	S/M/L	Potential loss of data		Short-term power back-up facility available	Virtual environment is 4 years old and needs replacing. Project initiation commenced Sep 15 to confirm requirements and tender for supplier.	31-Mar-16			
	Loss of power	S/M/L	Postponement of work		Home working facility available for some members of staff	Following environment refresh, current infrastructure to become DR environment.	31-May-16			
			Potential failure to achieve objectives/meet deadlines		Use of Firewall, anti-virus systems, password security policies and daily back-ups with data taken offsite					
			Potential loss of income (eg tolls) Reduced service delivery Loss of credibility/reputation with the public/stakeholders Inability to calculate/pay monthly salaries Inability to pay suppliers		Electronic Communications Policy Insurance Policies IT Disaster Recovery Plan Virtualisation of servers Payroll Contingency Plan in place Finance Business Continuity Plan					
Financial Overspend	Large overspend of budget	S/M/L	Reduction in service	3 (P1xS3)	Budgetary control system including monthly reports to Budget Holders/Management Team	Note - can this item be removed for next 3 years?		3 (P1xS3)	Head of Finance	Sep-15
	Project overspend	S/M/L	Inability to meet expenses including payment of salaries without external support		Financial Regulations and Standing Orders Relating to Contracts					
	Underestimation of costs of managing Breydon Water	M/L	Loss of credibility/reputation with the public/stakeholders		Internal control systems eg separation of duties	Hydrographic modelling of Breydon Water, formation of Breydon User group and re-designed Turntide Jetty have increased our understanding of this waterbody and reduced the amounts of unknowns	Ongoing			
	Poor financial management and inadequate forecasting leading to flawed decision-making	S/M/L	Inability to meet commitments		Regular auditing of financial systems and controls					
	Underestimation of / failure to make provision for costs of maintaining the Authority's assets		Potential redundancies Loss of reserves		Three year Financial Strategy published September 2014 Counter Fraud, Corruption and Bribery Strategy Budget Management Procedures, training and ongoing support provided to Budget Holders Asset Management Strategy, updated Nov 2015 with regular reviews scheduled, planned contributions to reserves set out in Financial Strategy Turntide jetty renewed, routine replacement of channel markers included in budget provision	Update required	2015/16			Nov-16

Description of Risk Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
Significant Loss of Income Significant reduction in core Government grant aid	S/M	Reduction in service	3 (P1xS3)	Budgetary control system including monthly reports to Budget Holders/Management Team			3 (P1xS3)	Head of Finance	Sep-15
				Work on securing National Park Grant				Chief Executive	
	S/M/L	Shortfall in income to meet commitments arising out of EC/other projects		Hedging of exchange risk is considered for significant contractual arrangements involving foreign currency					
Low level of investment income as a result of low returns / low interest rates due to wider economic climate		Inability to meet expenses including payment of salaries		Regular auditing of financial systems and controls					
		Loss of credibility/reputation with the public/stakeholders Potential redundancies		Three year Financial Strategy Regular reports to members Investments managed with Broadland to maximise returns including cash flow forecasting and placing of fixed term investments. Ongoing liaison with Barclays to identify alternative investment options					
Loss of invested reserve funds Risks to investments due to wider economic uncertainty	S/M/L	Reduction in service	3 (P1xS3)	Investments managed in line with CIPFA Code of Practice on Treasury Management				Head of Finance	Sep-15
		SLA with Broadland does not define risk sharing however subsequent agreement (see investment strategy) defines any losses to be split 50/50 with Broadland.		Inability to meet commitments or other expenses including payment of salaries	Low risk appetite within Broadland District Council resulting in "safer" investment decisions				
				Loss of credibility/reputation with the public/stakeholders Potential redundancies Loss of reserves	Report regularly to Members				
Failure of major procurement activity Inadequate or incorrect procurement process applied	S/M	Reduction in service or failure to deliver service	2 (P1xS2)	Standing Orders Relating to Contracts (updated)			2 (P1xS2)	Head of Finance	Sep-15
		Inappropriate supplier identified		Financial loss	Procurement Strategy	Update Procurement Strategy			
		Contract let incorrectly		Loss of credibility/reputation with the public/stakeholders	Financial Regulations				
		Potential for activity to be challenged			Standard Terms for Contracts	Finance support for Payroll service	ongoing		
				Internal Audit of Key Controls Finance / Director oversight of procurement activity SLA for services provided by Broadland District Council in place for 2015/16					
Loss resulting from fraud, corruption or misappropriation of resources Economic climate resulting in higher incidence of fraudulent and criminal activity	S/M/L	Financial loss and / or loss of other resources	2 (P1xS2)	Financial Regulations	Updated HR policies for disciplinary procedures		2 (P1xS2)	Head of Finance	Sep-15
		Potential vulnerabilities in systems including those of external organisations (internet banking, payroll provider)		Loss of credibility/reputation with the public/stakeholders	Standing Orders Relating to Contracts				
		Fraudulent changes to supplier bank details		Higher insurance premiums	Standard Terms for Contracts				

Description of Risk Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
Loss or theft of significant items of equipment Damage and / or theft at TICs, Yacht Stations, Dockyard or other Authority sites Fraudulent creation of fictitious employees		Impact on ability to deliver services		Internal / External Audit Supplier bank detail checking procedures Internal payment processing and authorisation controls, budget monitoring and financial reconciliations Separation of duties IT security and passwords Counter Fraud, Corruption and Bribery Strategy Insurance Physical security arrangements					
Death or Serious Injury to Member of Staff									
Use of heavy plant and equipment	S/M/L	Loss of expertise	3 (P1xS3)	Health and Safety at Work Policy.	SB to regularly review Health and Safety observations to identify trends	Every six months (December and June)	3 (P1xS3)	Head of Safety Management	Sep-15
Lone working	S/M/L	Lowering of staff morale		Generic, Site Specific and Public Risk Assessments					Dec-15
Danger of drowning through water based activity	S/M/L	HSE involvement		Codes of Practice eg for use of Lifejackets, provision of PPE	SB to Audit key areas to determine level of compliance and identify further development	ongoing audit programme			
Road traffic accident	S/M/L	Loss of credibility/reputation with the public/stakeholders		Safety Recording System and vehicle trackers for Lone Workers	SB to review all hazards and control methods				
Negligence (by Authority/ manager/individual)	S/M/L	Potential legal action against the Authority/costs		Safety Committee and nominated Safety Reps Health and Safety/Fire Awareness specific skills Training for relevant staff First Aid trained staff and Defibrillator at Yare House Insurance Policies Driving licence checks for All staff. All vehicles maintained in accordance with manufacturers requirements Audits in accordance with a public Audit schedule Quarterly reports on Health and Safety Monitoring to Management Team Personal Risk Assessment System introduced					
Death or Serious Injury to Member of the Public									
Danger of drowning through water based activity	S/M/L	Civil or criminal action against the Authority/costs	3 (P1xS3)	Port Marine Safety Code Safety Management System including regular Hazard Review	Complete roll out of electronic asset monitoring system to whole Broads area for BA properties	Mar-16	3 (P1xS3)	Head of Safety Management	Sep-15
Injury through embarkation/ disembarkation	S/M/L	Potential closure of a facility		Port Marine Safety Code Safety Management System including regular Hazard Review					
Death or accident through the Authority's negligence	S/M/L	HSE involvement Loss of credibility/reputation with the public/stakeholders		Boat Safety Management Group Safety leaflets and ongoing programme of education, including through Broad Sheet and the Broadcaster Regular site inspections and surveying of trees on BA managed sites Annual Site Specific and Public Risk Assessments Tree Mangement Policy published end 2013 and rolled out to all sites 2015 Site safety system developed CDM Regs					Dec-15
Denial of Public Access to the Broads									
Major flooding incident/failure of sea defences	S/M/L	Closure of sites, footpaths, other public areas	3 (P1xS3)	Integrated method of reviewing hazards both land and water developed	Publicise weather warnings on new website	Ongoing	3 (P1xS3)	Director of Operations	Sep-15

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
	Outbreak of disease, eg Foot and Mouth, Avian Flu, Ash Dieback	S/M/L	Closure of visitor attractions, negative impact on tourism and the local economy		Short to medium term coastal and flood defence provisions in place					
	Closure of bridges (by Network Rail)	S/M	Potential reduction in income for the Authority		Close working relationship with key EA and NE staff					
	Occurance of invasive species (eg killer shrimp)	S/M/L	Closure of navigation/inability to navigate parts of Broads system Loss of credibility/reputation with the public/stakeholders Loss of or damage to property Loss of habitat Possible loss of life		Involvement in County Council emergency response procedures Emergency Communications Strategy Participation in major oil spill/pollution events and exercises Legal undertaking with Network Rail regarding maintenance of the bridge network Involvement in partnership invasive species response, including agreement on appropriate control and communication measures Urgent boating/ environment news published on website Weather warnings circulated to operational staff					
Ineffective Project Management	Lack of adequately trained project management staff	S/M/L	Project not managed to time or within budget	2 (P1xS2)				2 (P1xS2)	Director of Planning & Resources for Development and Director of Operations for Implementation	Sep-15
	Lack of effective project management arrangements	S/M/L	Failure to meet project objectives Failure to meet commitment to partners Additional costs Loss of credibility/reputation with the public/stakeholders		Standing Orders Relating to Contracts PRINCE2/PRINCE Lite training provided for staff Acquisition of PRINCE Lite programme Approval/monitoring of key projects by Management Team Contract management training completed for selected staff Improvements made to PDG process including introduction of regular Project Teams for specific projects	Lessons learned to be captured from each project as part of PDG project evaluation process	Ongoing			
Ineffective Management of Assets	Lack of Asset Management Plan	S/M/L	Ineffective control of costs/application of resources	2 (P2xS1)	Specialist property advice available from NPS Property Consultants	Database to be developed to maintain related records for each site	Ongoing following development of condition monitoring system	2 (P2xS1)	Head of Safety Management	Sep-15
	Lack of Corporate Capital Strategy	S/M/L	Inappropriate utilisation of Assets Asset devaluation Failure to properly maintain assets Loss of credibility/reputation with the public/stakeholders Potential negative impact on accounts and adverse audit opinion		All assets have been identified and recorded, with a record of all legal agreements maintained Schedule of inspection of all assets in place Detailed capital plan developed and reported to navigation Committee in November and updated and endorsed by Broads Authority in November 2015 Spreadsheet of assets has been enhanced to provide day to day management of assets Annual review of Asset Management Strategy and sites	Property Services contract to be retendered Condition assessment of all BA buildings to be carried out in 2016/17 to further inform Asset Management Strategy financial requirements Complete roll out of electronic Asset monitoring system to whole Broads area for BA properties	31/03/2016 Nov-16 31/03/2016			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
Ineffective Engagement with Key Partners/Stakeholders	Failure to identify key partners/stakeholders	S/M/L	Failure to deliver objectives	4 (P2xS2)	Spreadsheet of assets has been enhanced to provide day to day management of assets whilst IT develop a database			4 (P2xS2)	Head of Communications	Sep-15
	Failure to consult and engage with partners/stakeholders on key issues	S/M/L	Lack of trust/support from partners/stakeholders		Broads Forum, Broads Tourism Forum, BLAF and other working groups					
	Breakdown of relations with a key partner/stakeholder	S/M/L	Loss of credibility/reputation with the public/stakeholders		Service Level and Partnership Agreements. Climate Change Stakeholder Engagement through close working with relevant partners to allow Climate Change Adaptation Plan to be completed Parish Forums. HBO engagement meeting	Bulletin should be sent to parish councils. Residents' newsletter to be created	Oct-15 Mar-16			
	Changes to partner organisations	S/M/L	Loss of income							
	Changes in policies of partner organisations	S/M/L	Loss of opportunities		Register of partnerships including operational risks for each partnership and Partnerships Governance Arrangements Action Plan Partnerships Protocol Annual review of partnerships by Management Forum/BA Major Review of Stakeholder and Community Engagement undertaken by Authority Development of Biodiversity and Water Strategy enabled close engagement with all key partners in the area of biodiversity. Annual Forum being held with 100+ stakeholders Series of meetings held with RYA and BMF who are content for direct engagement with local groups. Series of regular meetings set up between Chief Exec/Chairman to engage with the NSBA/BHBF.	Review of Effectiveness of the regional review to be undertaken by Jan 16 Parish Forum and Broads Forum Review completed	Jan-16			
Failure to comply with Legal Requirements	Changes to legislation	S/M/L	Civil or criminal action against the Authority	3 (P1xS3)				3 (P1xS3)	Solicitor and Monitoring Officer	Sep-15
	Failure to meet a key legislative requirement	S/M/L	HSE involvement		Insurance Policies					
	Lack of in-house expertise	S/M/L	Failure to deliver services		Solicitor and Monitoring Officer (Head of NpLaw) until March 2016 . Internal Solicitor and Monitoring Officer appointed for April 2016					
	Failure of policies to comply with legislative requirements	S/M/L	Multiple complaints against the Authority Loss of credibility/reputation with the public/stakeholders Loss of political support		Additional specialist legal support available from npLaw Annual review meeting held between Chief Executive/Solicitor and Monitoring Officer Additional circulars provided via subscriptions on topics such as Safety Membership of National associations such as National Parks England and AINA highlight government policy initiatives and consultations					

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk (Probability x Severity)	Actions Already in Place	Additional Actions Required	Due Date	Risk (Probability x Severity) Following Completion of Additional Actions	Risk Owner	Date last Reviewed
Death or Serious Injury to Volunteer	Lone working	S/M/L	Civil or criminal action against the Authority/costs	3 (P1xS3)	Health and Safety at Work Policy	BW to create a suitable, fit for purpose personal Risk Assessment form	Mar-16	3 (P1xS3)	Volunteer Coordinator	Jan-16
	Danger of drowning through water based activity	S/M/L	HSE involvement		Generic, Site Specific and Public Risk Assessments, and method statements					
	Road traffic accident	S/M/L	Lowering of staff and volunteer morale		Codes of Practice eg for use of Lifejackets					
	Death or accident through the Authority's negligence	S/M/L	Loss of credibility/reputation with the public/stakeholders		Safety Recording System for Lone Workers First Aid, manual handling and induction training for volunteers Insurance Policies Volunteer Strategy Policy and Strategy updated Volunteers are contacted every 6 months to reinforce/remind them of correct process and procedures when lone working Volunteer training plan completed					
Significant Loss of Volunteers	Loss of labour	S/M/L	Postponement of work	2 (P1xS2)	Absence reporting and monitoring procedures in place	BW to introduce satisfaction monitoring	01-Mar-16	2 (P1xS2)	Volunteer Coordinator	Jan-16
	Loss of knowledge and expertise	S/M/L	Potential failure to achieve objectives/meet deadlines Reduced service delivery Loss of credibility/reputation with the public/stakeholders		Volunteer Strategy Feedback opportunity on timesheets, and on leaving the BA Volunteer Code of Conduct Communication Policy updated to more actively include volunteers Policy and Strategy updated Expansion to enable contact with staff through volunteer online database. Volunteer training plan completed	Volunteer Strategy to be updated by April 2017				
Planning Decisions not made in accordance with Development Plan or Regulations and Procedures	Unattractive development	S/M/L	Legal challenges to decisions/potential costs	2 (P1xS2)	National Guidance	Procedure Manual review on going to reflect latest guidance (-	Continuous process to reflect latest guidance	2 (P1xS2)	Director of Planning and Resources	Sep-15
	Decisions made which are not in accordance with policy Development pressures due to society aspirations/government legislation	S/M/L L	Bad publicity/loss of reputation Complaints against the Authority		Local Development Framework LDF Development Management Policies Appointment of appropriately qualified staff Ecology and Navigation Sessions Completed February 2015; Policy session completed in October 2015 Training provided for Planning Committee members Scheme of Delegated Powers in operation Recourse to specialist legal advice Continuing Professional Development (CPD) for Planning		Oct-15			

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				Guidance for Committee Site Visits reviewed Training programme for members approved by Planning Committee on 21 June 2013; Design Tour held in June 2015 PAS Peer Review of Planning Committee BA has signed up to the Anglia Ruskin Programme for all Norfolk Authorities for 2014-15					