

Annual Review of Strategic Risk Register

Report by Monitoring Officer and Solicitor to the Authority

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.

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, Section Heads and the Volunteer Coordinator) and this Committee on a regular basis. The purpose of this review is:

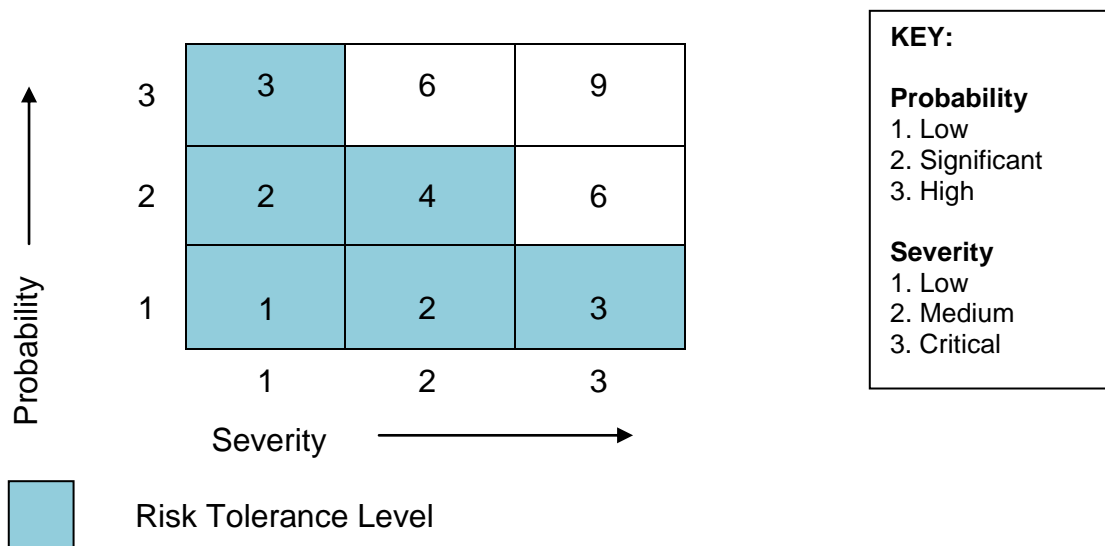
- to consider whether the risks set out in the Register are still appropriate, and whether the vulnerabilities and impact are up to date and representative of the risk involved;
- to consider whether the actions and controls in place are still adequate and appropriate;
- to consider whether any further 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.

1.2 The 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 Owner
- 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 Strategic Risk Register

- 2.1 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.
- 2.2 The Register currently incorporates 18 key risks. No new risks have been registered since the Committee's previous review in September 2014.
- 2.3 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:



- 2.4 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.
- 2.5 Members will recall from the Internal Audit Annual Report and Opinion, provided to the Financial Scrutiny and Audit Committee on 7 July 2015 that the Risk Management arrangements for the year ended 31 March 2015 received a good assurance. The adequacy of controls received a 'green' rating, whilst the effectiveness of controls received an 'amber' rating. Members will recall that in the previous year, the Authority had received a 'green' rating for both. The change in rating for adequacy of controls was further to Internal Audit having identified three areas where they were of the view that further enhancements could be made; in particular, linking the Strategic Risk Register clearly to the Strategic Objectives and Annual Strategic Priorities, mitigating actions and further necessary actions on the Strategic Risk Register be reviewed for all risks to ensure they are giving

adequate assurance to reduce the residual risk scoring, and the risk register is added as a standing agenda item for the Financial Scrutiny and Audit Committee. Member will recall that these recommendations were accepted and have been included within the Action Plan for 2015/16.

2.7 Members' views are sought on the updated Strategic Risk Register.

Background papers: None

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – Updated Strategic Risk Register

APPENDIX 1

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	SE 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 Human Resources- Senior HR Advisor	Sep-15
	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 Offices including Field Bases	Loss of key personnel through oprganisational review, including loss of financial expertise	S	Failure to meet Government and other deadlines Loss of credibility/reputation with the public/stakeholders Cost of taking on additional staff, including recruitment, agency costs and training.		Job Evaluation Scheme to ensure fair and appropriate remuneration of staff Employee Assistance Programme Monthly meetings between Head of HR and Directors to anticipate staff changes/requirements Use of secondment arrangements where appropriate Staff Representatives Group established Training and development of staff, to enable them to cover for/contribute skills in the absence of more senior staff.					
	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)	Head of Governance and Executive Assistant- 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)					
	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					

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
			Damage to reputation/credibility		Home working and hot desking facility at alternative fieldbases available for some members of staff					
					Insurance Policies					
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	Copy virtual hard drives to DR environment and test virtual servers. Perform test of full data restore from tape.	31-Aug-14	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 enviroment is 4 years old and needs replacing. Project initiation commenced Sep 15 to confirm requirments 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)		Electronic Communications Policy					
			Reduced service delivery		Insurance Policies					
			Loss of credibility/reputation with the public/stakeholders		IT Disaster Recovery Plan					
			Inability to calculate/pay monthly salaries		Virtualisation of servers					
			Inability to pay suppliers		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			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	TW to continue to monitor costs of managing Breydon Water, including Turntide Jetty	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		Three year Financial Strategy published September 2014					
			Loss of reserves		Counter Fraud, Corruption and Bribery Strategy	Update required	2015/16			
					Budget Management Procedures, training and ongoing support provided to Budget Holders					
					Asset Management Strategy, planned contributions to reserves set out in Financial Strategy					

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
	Non receipt of other significant budgeted income, including external funding, cuts in funding of partners and loss of tourism/tolls income.	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 Loss of credibility/reputation with the public/stakeholders Potential redundancies Loss of reserves		Regular auditing of financial systems and controls 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 Loss of credibility/reputation with the public/stakeholders Potential redundancies Loss of reserves		Low risk appetite within Broadland District Council resulting in "safer" investment decisions					
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	23-Sep-16			
	Contract let incorrectly		Loss of credibility/reputation with the public/stakeholders		Financial Regulations	Implementation of recommendations following Internal Audit of procurement	23-Sep-15			
	Potential for activity to be challenged				Standard Terms for Contracts	Finance support for Payroll service	ongoing			
	Risks associated with transfer of payroll provider to NCC				Internal Audit of Key Controls	Provide input to South Norfolk District Council reprocurement of Internal Audit service provider	01-Apr-15			
					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			2 (P1xS2)	Head of Finance	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
	<p>Potential vulnerabilities in systems including those of external organisations (internet banking, payroll provider)</p> <p>Fraudulent changes to supplier bank details</p> <p>Loss or theft of significant items of equipment</p> <p>Damage and / or theft at TICs, Yacht Stations, Dockyard or other Authority sites</p> <p>Fraudulent creation of fictitious employees</p>		<p>Loss of credibility/reputation with the public/stakeholders</p> <p>Higher insurance premiums</p> <p>Impact on ability to deliver services</p>		<p>Standing Orders Relating to Contracts</p> <p>Standard Terms for Contracts</p> <p>Internal / External Audit</p> <p>Supplier bank detail checking procedures</p> <p>Internal payment processing and authorisation controls, budget monitoring and financial reconciliations</p> <p>Separation of duties</p> <p>IT security and passwords</p> <p>Counter Fraud, Corruption and Bribery Strategy</p> <p>Insurance</p> <p>Physical security arrangements</p>					
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					
	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					
	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					
					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	Intergrated method of assessing and managing hazards on both Land and water programmed for development during the winter of 2014	01/01/2015-01/03/2015	3 (P1xS3)	Head of Safety Management	Sep-15
	Injury through embarkation/disembarkation	S/M/L	Potential closure of a facility		Boat Safety Management Group	Tree policy to be implemented on all sites	Spring-2015			
	Death or accident through the Authority's negligence	S/M/L	HSE involvement		Safety leaflets and ongoing programme of education, including through Broad Sheet and the Broadcaster					
			Loss of credibility/reputation with the public/stakeholders		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					
					land-based hazard review completed in consultation with BLAF					

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
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 Short to medium term coastal and flood defence provisions in place	Publicise weather warnings on new website	Ongoing	3 (P1xS3)	Director of Operations	Sep-15
	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		Close working relationship with key EA and NE staff	Review the trialled text service for boaters for Breydon Water-	End-Sep-14			
	Closure of bridges (by Network Rail)	S/M	Potential reduction in income for the Authority		Involvement in County Council emergency response procedures					
	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		Emergency Communications Strategy Participation in major oil spill/pollution events Legal undertaking with Network Rail regarding maintenance of the bridge network					
			Loss of habitat Possible loss of life		Involvement in partnership invasive species response, including agreement on appropriate control and communication measures Urgent boating/ environment news published on website					
Ineffective Project Management	Lack of adequately trained project management staff	S/M/L	Project not managed to time or within budget	2 (P1xS2)	Standing Orders Relating to Contracts			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		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			
						Database to be developed to maintain related records for each site	Date to be finalised by IT once Ops have confirmed priority Ongoing following development of condition monitoring system			
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			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		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 Broads Authority in January 2014 Spreadsheet of assets has been enhanced to provide day to day management of assets					

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
			Potential negative impact on accounts and adverse audit opinion		Annual review of Asset Management Strategy and sites					
Ineffective Engagement with Key Partners/Stakeholders	Failure to identify key partners/stakeholders	S/M/L	Failure to deliver objectives	4 (P2xS2)	Spreadsheets of assets has been enhanced to provide day to day management of assets whilst IT develop a database Broads Forum, Broads Tourism Forum, BLAF and other working groups			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		Service Level and Partnership Agreements. Climate Change Stakeholder Engagement through close working with relevant partners to allow Climate Change Adaptation Plan to be completed	SKH to finalise Climate Change Stakeholder Engagement through close working with relevant partners to allow Climate Change Adaptation Plan to be completed				
	Breakdown of relations with a key partner/stakeholder	S/M/L	Loss of credibility/reputation with the public/stakeholders		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	Jan-16			
Failure to comply with Legal Requirements	Changes to legislation	S/M/L	Civil or criminal action against the Authority	3 (P1xS3)	Insurance Policies			3 (P1xS3)	Head of Governance and Executive Assistant – Solicitor and Monitoring Officer	Sep-15
	Failure to meet a key legislative requirement	S/M/L	HSE involvement		Solicitor and Monitoring Officer (Head of npLaw) until January 2015. Internal Solicitor and Monitoring Officer appointed for February 2015.					
	Lack of in-house expertise	S/M/L	Failure to deliver services		Additional specialist legal support available from npLaw					
	Failure of policies to comply with legislative requirements	S/M/L	Multiple complaints against the Authority Loss of credibility/reputation with the public/stakeholders		Annual review meeting held between Chief Executive/Solicitor and Monitoring Officer Additional circulars provided via subscriptions on topics such as Safety					

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 political support		Membership of National associations such as National Parks Engalns, and AINA highlight government policy initiatives and consultations					
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	Sep-15
	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	Volunteer training plan to be completed	01-Sep-14			
					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	Sep-15
	Loss of knowledge and expertise	S/M/L	Potential failure to achieve objectives/meet deadlines		Volunteer Strategy	Volunteer training plan to be completed	01-Sep-14			
			Reduced service delivery		Feedback opportunity on timesheets, and on leaving the BA					
			Loss of credibility/reputation with the public/stakeholders		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					
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 in progress to reflect latest guidance (last completed in February 2014).		2 (P1xS2)	Director of Planning and Resources	Sep-15
	Decisions made which are not in accordance with policy	S/M/L	Bad publicity/loss of reputation		Local Development Framework					
	Development pressures due to society aspirations/government legislation	L	Complaints against the Authority		LDF Development Management Policies					
					Appointment of appropriately qualified staff					

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					<p>Training provided for Planning Committee members</p> <p>Scheme of Delegated Powers in operation</p>	<p>Ecology and Navigation Sessions Completed February 2015; Policy session Planned for October 2015</p>	<p>Oct-15</p>			