

Annual Review of Strategic Risk Register
Report by Head of Governance and Executive Assistant

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:

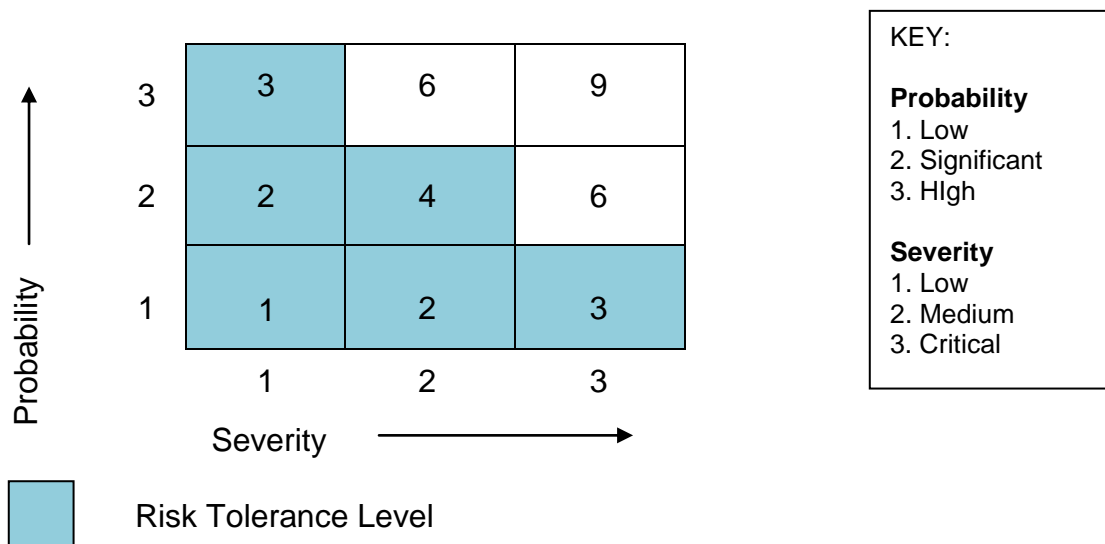
- to consider whether the risks set out in the Register are still appropriate, and whether the vulnerabilities and impact are up to date and representative of the risk involved;
- to consider whether the actions and controls in place are still adequate and appropriate;
- to consider whether any further 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 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 in June and the formal review by the Management Forum in July.
- 2.2 The Register now incorporates 18 key risks, which includes three new risks identified since the previous review by the Financial Scrutiny and Audit Committee in 2012. These risks are:
- Loss of invested reserve funds. This has been included due to the wider economic uncertainty of investments.
 - Failure of major procurement activity. This has been included to address the vulnerabilities of an inadequate or incorrect process being applied and the potential for the activity to be challenged.
 - Loss resulting from fraud, corruption or misappropriation of resources. This has been included following advice from External Audit that the economic climate is likely to increase the incidence of fraudulent and criminal activity.
- 2.3 Members will note that, following the full and final settlement with Defra over Dragonfly House costs, this previous significant vulnerability within the Financial Overspend risk has now been removed from the Risk Register. Amendments have also been made to the Risk Register to reflect the migration to two Directorates on 1 April 2013.
- 2.4 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:



- 2.5 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. The Policy has been updated to reflect the migration to two Directorates and the new responsibilities for Risk Management.
- 2.6 Members will recall from the Internal Audit Annual Report and Opinion, provided to the Financial Scrutiny and Audit Committee on 9 July 2013, that the Risk Management arrangements for the year ended 31 March 2013 received a good assurance. The adequacy and effectiveness of controls both received a 'green' rating and no recommendations were raised in relation to Risk Management as a result of the audit.
- 2.7 Members views are sought on the updated Strategic Risk Register.

Background papers:	None
Author:	John Organ
Date of report:	6 September 2013
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Updated Strategic Risk Register

APPENDIX 1

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	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 to develop three year People Strategy by end 2013 to aid succession planning, to be incorporated into Business Plan NB to update Emergency Management and Reporting System by end 2013	Head of Human Resources	Jul-13
	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			
	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. Engagement of Occupational Health Adviser			
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	SWPH to update Disaster Recovery Plan following closure of Ludham and improvements to Dockyard ICT infrastructure.	Head of Governance and Executive Assistant	Jul-13
	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 Potential failure to achieve objectives/meet deadlines Damage to reputation/credibility		Business Continuity Plan Emergency Management and Reporting System Home working facility 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	SWPH to update Disaster Recovery Plan following closure of Ludham and improvements to Dockyard ICT infrastructure.	Head of ICT and Collector of Tolls	Jul-13
	Significant virus	S/M/L	Potential loss of data		Short-term power back-up facility available			
	Loss of power	S/M/L	Postponement of work		Home working facility available for some members of staff			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
	Risk of failure to corporate website, as hardware is end of life the CMS version is no longer fully supported		Potential failure to achieve objectives/meet deadlines Potential loss of income (eg tolls) Reduced service delivery Loss of credibility/reputation with the public/stakeholders Inability to calculate/pay monthly salaries		Use of Firewall, anti-virus systems, password security policies and daily back-ups with data taken offsite Electronic Communications Policy Insurance Policies IT Disaster Recovery Plan Virtualisation of servers Payroll Contingency Plan in place Emergency website set up, to be utilised in the event of failure of the corporate site			
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	Business Plan final version has been significantly edited and is available in text only form - final printable version draft has been approved by Graphics team and should be available beginning of July	Head of Finance	Jul-13
	Project overspend	S/M/L	Inability to meet expenses including payment of salaries without external support		Financial Regulations and Standing Orders Relating to Contracts	Amendments to Member financial reporting to be implemented 2013/14 subject to Member approval to support improved strategic decision making		
	Underestimation of costs of managing Breydon Water Poor financial management and inadequate forecasting leading to flawed decision-making	M/L S/M/L	Loss of credibility/reputation with the public/stakeholders Inability to meet commitments Potential redundancies Loss of reserves		Internal control systems eg separation of duties Regular auditing of financial systems and controls Three year Financial Strategy published September 2012 Counter Fraud, Corruption and Bribery Strategy Budget Management Procedures, training and ongoing support provided to Budget Holders	TW to continue to monitor costs of managing Breydon Water, including Turntide Jetty		
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	Business Plan final version has been significantly edited and is available in text only form - final printable version draft has been approved by Graphics team and should be available beginning of July	Head of Finance	Jul-13
	Non receipt of other significant budgeted income, including EC 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	Budget planning activity in response to possible CSR implications to be undertaken Summer 2013		
	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			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
			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 SLA with Broadland does not define risk sharing however subsequent agreement (see investment strategy) defines any losses to be split 50/50 with Broadland.	S/M/L	Reduction in service	3 (P1xS3)	Investments managed in line with CIPFA Code of Practice on Treasury Management		Head of Finance	Jul-13
			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					
Failure of major procurement activity	Inadequate or incorrect procurement process applied Inappropriate supplier identified Contract let incorrectly Potential for activity to be challenged	S/M	Reduction in service or failure to deliver service	2 (P1xS2)	Standing Orders Relating to Contracts (updated)	Internal Audit of procurement to be undertaken September / October 2013/14 Supplementary guidance for officers undertaking procurement to be developed 2013/14	Head of Finance	Jul-13
			Financial loss		Procurement Strategy			
			Loss of credibility/reputation with the public/stakeholders		Financial Regulations			
					Standard Terms for Contracts Internal Audit of Key Controls Finance / Director oversight of procurement activity			
Loss resulting from fraud, corruption or misappropriation of resources	Economic climate resulting in higher incidence of fraudulent and criminal activity Potential vulnerabilities in systems including those of external organisations (internet banking, payroll provider) Fraudulent changes to supplier bank details Loss or theft of significant items of equipment Damage and / or theft at TICs, Yacht Stations, Dockyard or other Authority sites	S/M/L	Financial loss and / or loss of other resources	2 (P1xS2)	Financial Regulations		Head of Finance	Jul-13
			Loss of credibility/reputation with the public/stakeholders		Standing Orders Relating to Contracts			
			Higher insurance premiums		Standard Terms for Contracts			
			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			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
					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	Head of Safety Management	Jul-13
	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			
	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			
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	SB to develop Tree Management Policy by 30/09/13	Head of Safety Management	Jul-13
	Injury through embarkation/disembarkation	S/M/L	Potential closure of a facility		Boat Safety Management Group			
	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			
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)	Short to medium term coastal and flood defence provisions in place		Director of Operations	Jul-13
	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			
	Closure of bridges (by Network Rail)	S/M	Potential reduction in income for the Authority		Involvement in County Council emergency response procedures Emergency Communications Strategy			
	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		Participation in major oil spill/pollution events 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			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
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		Director of Planning & Resources for Development and Director of Operations for Implementation	Jul-13
	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			
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	Spreadsheet of assets has been enhanced to provide day to day management of assets whilst IT develop a database	Asset Officer	Sep-13
	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 Asset Management Strategy Asset Management Steering Group formed Spreadsheet of assets has been enhanced to provide day to day management of assets	Detailed Captital plan under development, costings for general maintenance and relacement costs are currently being worked up		
Ineffective Engagement with Key Partners/Stakeholders	Failure to identify key partners/stakeholders	S/M/L	Failure to deliver objectives	4 (P2xS2)	Broads Forum, Broads Tourism Forum, BLAF and other working groups		Head of Communications	Jul-13
	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	SKH to finalise Climate Change Stakeholder Engagement through close working with relevant partners to allow Climate Change Adaptation Plan to be completed by Summer 2014		
	Breakdown of relations with a key partner/stakeholder	S/M/L	Loss of credibility/reputation with the public/stakeholders		Parish Forums	JP/Chairman to continue series of regular meetings with the NSBA/BHBF. Last meeting held on 16 July 2013.		
	Changes to partner organisations	S/M/L	Loss of income		Communications Strategy			
	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			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
					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.			
Failure to comply with Legal Requirements	Changes to legislation	S/M/L	Civil or criminal action against the Authority	3 (P1xS3)	Insurance Policies		Head of Governance and Executive Assistant	Jul-13
	Failure to meet a key legislative requirement	S/M/L	HSE involvement		Solicitor and Monitoring Officer (Head of npLaw)			
	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 Loss of political support		Annual review meeting held between Chief Executive/Solicitor and Monitoring Officer			
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		Volunteer Coordinator	Jul-13
	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 training for volunteers Insurance Policies Volunteer Strategy Policy and Strategy updated	Volunteer training plan to be completed by 30/9/13		
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 by 30/9/13	Volunteer Coordinator	Jul-13
	Loss of knowledge and expertise	S/M/L	Potential failure to achieve objectives/meet deadlines Reduced service delivery		Volunteer Strategy Feedback opportunity on timesheets, and on leaving the BA	Volunteer training plan to be completed by 30/9/13		
			Loss of credibility/reputation with the public/stakeholders		Volunteer Code of Conduct Communication Policy updated to more actively include volunteers Policy and Strategy updated			

Description of Risk	Vulnerabilities	Timescale (S/M/L)	Impact	Risk Probability/Severity	Actions Already in Place	Additional Actions Required	Risk Owner	Date last Reviewed
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	AL/CS to arrange for Planning Team to be given resources/training to keep up with professional competency, such as EIA Regulations. BA has signed up to the Anglia Ruskin Programme for all Norfolk Authorities for 2013/14	Director of Planning and Resources	Jul-13
	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 Training provided for Planning Committee members Scheme of Delegated Powers in operation Recourse to specialist legal advice Continuing Professional Development (CPD) for Planning staff	Training programme for members approved by Planning Committee on 21st June 2013 BA has signed up to the Anglia Ruskin Programme for all Norfolk Authorities for 2013-14		