CORPORATE RISK REGISTER – JUNE 2017

1   Purpose

1.1   To brief the committee on the updated Corporate Risk Register.

2   Recommendations/for decision

2.1   To review the Corporate Risk Register Appendix 2 and identify any issues for further consideration

3   Corporate Risk Register - Supporting information

3.1   The Audit Committee has a role to monitor the effectiveness of risk management and internal control across the Council. As part of discharging this role the committee is asked to review the Corporate Risk Register.

3.2   The Corporate Risk Register provides evidence of a risk aware and risk managed organisation. It reflects the risks that are on the current radar for Transition Board. Some of them are not dissimilar to those faced across other local authorities.

3.3   The risk register is reviewed regularly by Commercial Board and reported to the Audit Committee.

4   Reasons for Recommendation

4.1   To allow members of the Audit Committee to review the Corporate Risk Register.

5   Resource implications

5.1   None

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Background Documents   None

Corporate Risk Register Update

The Corporate Risk Register (CRR) shows the key risks to the Council and the actions that are being taken to respond to these risks. The CRR is reviewed on a regular basis by Commercial Board following detailed review and updating by the risk owners.

The CRR was last reviewed and updated by Commercial Board as a whole at their meeting on 15 March 2017 and subsequently updated for changes in May. Since the previous Audit Committee meeting in March 2017 no changes have been made to residual risk ratings and one new risk has been added:

Risk Ref	Change	Comment
21) Failure to deliver the Connected Knowledge Strategy and achieve the Council's Digital objectives. Speed of implementation does not allow for adequate due diligence e.g. supplier/contract procedures, information risk assessments	New - High	The Connected Knowledge Programme has been added to the risk register due to its strategic importance and potential financial, operational and reputational impact. Programme governance arrangements are in place, including Steering Group and regular reporting to CAVDC Board, to oversee risk management.

Note on impact of Brexit - We have considered the risks arising following the Brexit decision. At this stage there is too much uncertainty about the specific implications on the strategic objectives and day to day operations of the Council to put anything meaningful on the CRR. Management will review as information becomes available and update the CRR accordingly.

There are **21 risks** on the corporate risk register. The residual risk rating is summarised as follows:

Residual Risk Rating			
Low risk **3**	**Moderate risk** **4**	**High Risk** **12**	**Extreme risk** **2**
11) Safeguarding arrangements, internal policies and processes are not adequate to address concerns about /protect vulnerable adults & children. 14) Fraud, corruption, malpractice by internal or external threats. 15) Equalities is not considered in decisions resulting in Judicial Review and other litigation	6) Fail to manage and deliver major capital projects - Waterside North 9) Business Continuity - Major or large scale incident causes business interruption affecting the Council's resources and its ability to deliver critical services. 13) Failure to manage a major partnership or a significant council contractor. 16) Failure to manage and deliver the requirements of the SLA for HS2.	1) Commercial AVDC programme does not deliver the required savings and efficiency gains 2) The Council's approach to commercialisation does not produce the income needed. 3) Organisational culture fails to support the strategy. 4) Partnership with AVE fails to deliver or hinders the achievement of the Council's objectives 5) Depot & workshop development project fails to address H&S and Environmental concerns and achieve commercial objectives. 7) Fail to Deliver the new Vale of Aylesbury Local Plan 8) Health & Safety - Non-compliance with Fire and Health and Safety legislation (excl. depot /waste services). 10) Information Governance - A significant data breach, Inappropriate access, corruption or loss of data 12) Business Intelligence (Customer insight & performance data) is not sufficiently robust to support effective decisions. 19) Failure to effectively engage with members and the community around the Council's vision and strategy. 20) Failure to identify and respond to current and potential changes in legislative/regulatory environment. 21) Failure to deliver the Connected Knowledge Strategy and achieve the Council's Digital objectives.	17) Loss of key staff / failure to recruit has negative impact on service delivery during time of change 18) Modernising Local Government agenda: i) fails to achieve an outcome that addresses community needs ii) disruption to service delivery due to resource detraction from day-job and ongoing uncertainty

Risk Matrix

			Rare	Unlikely	Possible	Likely	Very Likely
Impact	5	Catastrophic	5	10	15	20	25
	4	Major	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Negligible	1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Very Likely
Score			1	2	3	4	5
					Likelihood		

	1-3	Low Risk	Acceptable risk; No further action or additional controls are required; Risk at this level should be monitored and reassessed at appropriate intervals
	4 - 6	Moderate Risk	A risk at this level may be acceptable; If not acceptable, existing controls should be monitored or adjusted; No further action or additional controls are required.
	8 – 12	High Risk	Not normally acceptable; Efforts should be made to reduce the risk, provided this is not disproportionate; Determine the need for improved control measures.
	15 - 25	Extreme Risk	Unacceptable; Immediate action must be taken to manage the risk; A number of control measures may be required.

Risk Ratings - Impact

Score	Descriptor	Compliance	Finance	Health and safety	Internal Control	Political	Reputational	Staffing & Culture
1	Negligible	No or minimal impact or breach of guidance/ statutory duty	Small loss risk of claim remote	Minor injury; Cuts, bruises, etc.; Unlikely to result in sick leave	Control is in place with strong evidence to support	Parties work positively together with occasional differences; Members & executive work co-operatively	Rumours; Potential for public concern	Short-term low staffing level that temporarily reduces service quality (<1 day)
2	Minor	Breach of statutory legislation; Reduced performance rating from external/internal inspector	Loss of 0.1-0.25 per cent of budget; Claim less than £20k	Moderate injuries; Likely to result in 1-7 days sick leave	Control in place with tentative evidence	Parties have minor differences of opinion on key policies; Members and executive have minor issues	Local media coverage short term reduction in public confidence; Elements of public expectation not met	Low staffing level that reduces the service quality
3	Moderate	Single breach in statutory duty; Challenging external or internal recommendations or improvement notice	Loss of 0.25-0.5 per cent of budget; Claims between £20k - £150k.	Major injuries; More than 7 days sick leave – notifiable to HSE	Control in place with no evidence to support	Members begin to be ineffective in role; Members and Executive at times do not work positively together	Local media coverage – long term reduction in public confidence	Late delivery of key objective/service due to the lack of staff; Low staff morale; Poor staff attendance for mandatory/key training
4	Major	Enforcement action; Multiple breaches of statutory duty; Improvement notices; Low performance ratings	Uncertain delivery of key objectives/loss of 0.5 – 1.0 percent of budget; Claims between £150k to £1m	Death; Single fatality	Partial control in place with no evidence	Members raise questions to officers over and above that amount tolerable; Strained relationships between Executive and Members	National media coverage with key directorates performing well below reasonable public expectation	Uncertain delivery of key objective/service due to lack of staff; Unsafe staffing level or competence; Loss of key staff; Very low staff morale; No staff attending training
5	Catastrophic	Multiple breaches in statutory duty; Prosecution; Complete system changes required; Zero performance against key priorities and targets	Non delivery of key objective/loss of >1 percent of budget; Failure to meet specification/slippage; Loss of major income contract	Multiple deaths; More than one Fatality	No control in place	Internal issues within parties which prevent collaborative working; Que from members shift resources away from corporate priorities	National media coverage, public confidence eroded; Member intervention/action	Non-delivery of key objective/service due to lack of staff; Ongoing unsafe staffing levels or competence; Loss of several key staff; Staff not attending training on ongoing basis

Risk Rating – Likelihood

	Likelihood	Likelihood Descriptors	Numerical likelihood
1	Rare	May occur only in exceptional circumstances	Less than 10%
2	Unlikely	Do not expect it to happen/recur but it is possible it may do so	Less than 25%
3	Possible	Might happen or recur occasionally	Less than 50%
4	Likely	Will probably happen/recur but it is not a persisting issue	50% or more
5	Very Likely	Will undoubtedly happen/recur, possibly frequently	75% or more

Capacity to Manage

Capacity to Manage	Alert	Description
Full		Full – all reasonable steps have been taken to mitigate the risk and are operating effectively. The cost / benefit considerations on implementing additional controls have been considered and no additional actions are proposed.
Substantial		Substantial – there are sound arrangements to manage the risk with some scope for improvement. Arrangements have had a demonstrable impact in reducing either the likelihood or consequence of the risk.
Moderate		Moderate – there are a number of areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
Limited		Limited – there are significant areas for improvement in arrangements that would help to demonstrate effective and consistent management of the risk.
None		None – there are a lack of clear arrangements in mitigation of the risk.