

Item 9 - Appendix 1

CORPORATE RISK REGISTER AS AT APRIL 2008

Risk Ref	Risk Title/Description	Consequence	Likelihood 4=Certain 1=H. Unlikely	Impact 4=Catastrophe 1=Low	Risk Rating	Responsibility	Existing Control Procedures	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
1	Failure of Business Continuity	Cessation/failure of service Adverse impact on service users Possible loss of income Possible failure to comply with statutory duties Criticism by external bodies Impact on council's reputation	3	4	12	Head of Strategic Services	Some service-based procedures e.g. regular back-up for ICT systems, procedure notes for key systems, experience of dealing with past incidents, including significant water damage at Town Hall ICT Disaster recovery plan put into effect for real Initial Business Continuity Plan in place Business Continuity lead separated from Emergency Planning lead Service-based workshops held + lessons learned from water ingress HCC resource	3	2	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating

	<p>Business Continuity Plan being further developed, covering service issues and with corporate priority overlay. Periodic testing regimes to be established for key elements</p>	<p>Mainly officer time</p>	<p>3</p>	<p>2</p>	<p>6</p>
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2	HR – poor Recruitment and Retention	Failure to deliver services due to vacancies or poor quality of staff Excess costs due to use of agency staff, repeated advertising	3	3	9	Head of Human Resources	Job Descriptions and Job Evaluation, performance appraisal, some market factor additions, some flexibility in service conditions and use of market supplements. Recruitment interviews supplemented with assessments where appropriate.	2	3	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Workforce Development Plan implemented Proposed Remuneration strategy						In HR Service Plan In HR Service Plan	1	3	3

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3	ICT – Lack of availability and/or failure of continuity	Loss of systems Lack of service Loss of productivity – duplication of effort, inability to work Failure to meet deadlines, PIs Cost of recovery	3	4	12	Head of ICT	ICT Disaster Recovery plan Data Back-up arrangements Physical security arrangements for servers Training of ICT staff Replacement of servers and pcs Thin Client and wireless options introduced. Disaster Recovery contractor changed Website hosted remotely	2	3	6
	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Potential move of server room to Three Rivers rather than rebuild in Watford Town Hall Mutual arrangements with other districts or HCC All ICT staff capable of working from home in case of Town Hall being inaccessible, pandemic etc.						Shared services budget to cover Technology in place already – other cost implications to be established as part of business continuity planning.	2	2	4

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4	Failure to deliver the Medium Term Plan	WBC fails to improve, impact on reputation and credibility, risk of govt supervision, loss of flexibility and some opportunities	3	3	9	Managing Director	Medium Term Plan subject to wide consultation and input to ensure is realistic but challenging Performance Management culture Review by Cabinet and Scrutiny Quarterly Review by Portfolio Holders Resources targeted to priorities Improved service planning process linked to budgets and risks	2	2	4
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Make targets more specific Reinforce use of project management techniques						Officer tune	1	2	2

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5	Finance – significant failure of financial administration	Impact on range of services and/or level of Council Tax, loss of reputation, increased external audit costs, resources targeted to recovery	4	3	12	Director of Finance	Internal controls e.g. Financial procedures, rules and regulations Effective internal audit Budget setting and monitoring VFM awareness and culture Anti-fraud policies and practices Treasury Management policy Participation in county-wide groups S.151 officer on CMB Qualifications and training for finance staff	2	3	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Training of non-financial staff Shared service to improve quality and resilience while reducing costs Financial guidance put on Intranet Implement improvements identified by Use of Resources audit						Corporate training budget Shared services budget Finance support Finance to lead	1	3	3

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6	Legal – failure of compliance, implementation	Legal costs, damages Impact on reputation Decisions void	3	3	9	Head of Legal & Dem. Servs	Constitution Codes of Conduct Qualified team of legal staff Legal comments on reports Legal involvement in contract Monitoring Officer is Head of Service and is on CMB Lexcel accreditation Legal have internal risk procedures for obtaining outside assistance where no in-house capacity or capability exists	2	3	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Broaden range of skills and back-up e.g. procurement, planning						Corporate training budget and CPD	1	3	3

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7	Financial Risks related to the transfer of the housing stock	Actions taken by Watford Community Housing Trust could result in claims against the Council re asbestos or environmental pollution	2	3	6	Corporate Director Better Watford	Environmental surveys carried out and potential risk areas identified but no evidence of serious risk. Asbestos survey work done and recorded. Environmental Health officer to keep tracks of adjacent developments as part of intelligence gathering. Insurance cover in place for most properties for 10 years of 22 years liability period Liaison with Trust to provide early warning and scope to mitigate. Asbestos costs only claimable if in excess of agreed figure.	2	3	6
		Council could be exposed to claims from the WCHT funder in certain circumstances	1	4	4		Negotiated exposure less than maximum exposure of funder but still substantial. Liaison with Trust provides opportunity to agree recovery plan if necessary. Housing Corporation et seq supervision and intervention available.	1	4	4

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8	Shared Services project fails to deliver expected benefits to quality, resilience and cost	Service quality declines, with impact on public and other services Lack of resilience leads to lack of service. Failure to achieve savings puts value for money at risk Damage to reputation locally and nationally Possible pressure to outsource Capacity diverted to corrective action	3	3	9	Corporate Director Better Council	Strategic and Detailed Business cases produced, with involvement of staff and internal customers. Union reps attend Programme Board and other meetings. Staff meetings held, articles in Wat's Up and on website and by email. 4Ps rep on Programme Board, external validation of business cases. Consultation with CFOs of both councils. Legal advice taken from in-house team and externally. Dedicated project support team. Implementation funding includes all identified likely costs. CFOs of both councils involved.	2	3	6
	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Develop detailed plan for implementation						Funding available but engagement of necessary support is required	1	3	3

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9	Internally driven change leads to disruption e.g. Impact of restructuring, down-sizing, outsourcing,	Impact on staff morale, recruitment and retention Problems supporting full range of necessary skills cost-effectively Forced to provide resources in non-optimal ways Cost of redundancies and consultants	4	3	12	Managing Director	Communication and consultation with staff and unions on broad strategy and detailed arrangements Support from consultants Use of TUPE where possible Some use of multi-skilling Some use of joint working with other councils Good track record of managing redundancies and TUPE transfers.	3	2	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Develop multi-skilling approach Use of expert systems to minimise need for scarce skills						Training budget To be identified	2	2	4

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10	Inability to respond to pressures imposed by external agencies	Impact on staff morale, recruitment and retention Inability to implement local service and policy priorities	3	3	9	Managing Director	Information on direction of government policies Attendance at relevant seminars, professional gatherings Liaison arrangements with key partners e.g. Highways Agency meetings, LSP, Health Campus Service planning identifies issues	2	3	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=C 1=H. U	Risk Rating
	Develop internal capacity to respond and manage the unexpected, including project and risk management skills 2008 restructure intended to address resources needed to deal with regional issues						Corporate training	2	2	4

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11	Major service failure impacts on corporate body	Serious harm or loss for individuals or organisations, including the council itself Bad publicity and impact on reputation Impact on recruitment Insurance claims or legal action against the council	3	3	9	All Heads of Service	Policies and procedures Staff experience and training and specialist advice from internal or external sources Risk management Health and Safety processes Physical protection measures Financial controls Experience of Communications team and links with local press Communications Strategy Code of conduct on publicity Insurance cover	2	3	6
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Produce operational procedure notes for all key activities - systematic approach required							2	2	4

12	Risk of fraud	Financial loss to council or central government Criticism by external auditors if due to inadequate processes Staff time spent on investigations, police liaison, disciplinarians etc.	4	4	16	All Heads of Service	Internal controls, procedure manuals and system controls, including computer security features. Verification procedures in Benefits. Dedicated benefits fraud team using DWP, NFI, telephone hotline and internal data. LAIOG website used. Audit team to investigate other fraud issues Publicity in local press for benefit prosecutions	3	2	6
	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Programme to raise fraud awareness in mainstream services						Internal audit developing questionnaire	3	2	6