

**CORPORATE RISK REGISTER**

**APRIL 2009**

The Corporate Risk Register identifies those Organisational/ Service Activities that are identified as critical in ensuring the achievement of the Council's key priorities and, in particular:

- to deliver a Watford Health Campus in collaboration with partners
- to create a family friendly town centre
- to deliver a rejuvenated cultural area at the top of the town
- to promote a sustainable local environment
- to ensure cleaner and smarter streets and public spaces
- to support a cohesive and inclusive community
- to increase accessibility to Council services
- to deliver value for money
- to build and develop organisational capacity

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Risk Ref	Risk Title/Description	Consequence	Likelihood 4=Cat 1=H. Unlikely	Impact 4=Catastro phe 1=H. Unlikely	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 Corporate 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, loss of electrical supply. ICT Disaster recovery plan put into effect for real Initial Business Continuity Plan in place. Support from shared HCC resource Business Continuity lead separated from Emergency Planning lead Service-based workshops held + lessons learned from water ingress	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
	Business Continuity Plan being further developed, covering service issues and with corporate priority overlay.- report to Leadership Team Spring 2009 Periodic testing regimes to be established for key elements					Mainly officer time		3	2	6

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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 (Shared service)	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
	Job evaluation scheme being overhauled. Pay modelling exercise to follow. Implementation of new structure to match staffing to service needs. Further development of workforce planning, including consideration of Talent Management approach – local event Autumn 2009						Project plan in place and underway for completion during 2009	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 Loss of income	3	4	12	Head of ICT (Shared Service)	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 ICT staff capable of working from home in case of Town Hall being inaccessible, pandemic.	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	
	Servers to be moved to remote location – unlikely that incidents at Town Hall or depot will also affect servers at Apsley  Mutual arrangements with other districts or HCC					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	Serious failure to deliver the Corporate Plan	WBC fails to improve, impact on reputation and credibility, risk of govt supervision, loss of flexibility and some opportunities  Lack of capacity to support key projects due to conflicting priorities and lack of project management expertise	3	3	9	Managing Director	Corporate Plan subject to wide consultation and input to ensure is realistic but challenging Performance Management culture in place Review by Cabinet and Scrutiny Quarterly Review by Portfolio Holders Resources targeted to priorities Improved service planning process linked to budgets and risks Leadership Team monitoring as appropriate Partnership template summarises key factors Establishment of Corporate Project function and project management guidance & training	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
	Ensure all targets are specific and measurable Reinforce use of project management techniques Partnership toolkit being developed Spring 2009						Officer time	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 rather than improvement	4	3	12	Head of Strategic Finance	Internal controls e.g. Financial procedures, rules and regulations Effective internal audit Budget setting and monitoring VFM awareness and culture Anti-fraud and whistleblowing policies and practices Treasury Management policy Participation in county-wide groups HoSF (S.151 officer) AND Head of Shared Services Finance team on Leadership Team 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
	<p>Training of non-financial staff</p> <p>Shared service to improve quality and resilience while reducing costs</p> <p>Financial guidance put on Intranet Implement improvements identified by Use of Resources audit</p>						<p>Corporate training budget – in progress Shared services budget</p> <p>Finance support Finance to lead</p>	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 & Property Services	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 Leadership Team 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						Corporate training budget and CPD	1	3	3

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7	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	Executive Director (Services)	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. HRA surplus on closure approved to fund costs – c.£1m	2	3	6
		Council could be exposed to claims from the WCHT funder in certain circumstances	1	4	4	Executive Director (Services)	Negotiated exposure less than maximum exposure of funder but still substantial. Liaison with Trust provides opportunity to agree recovery plan if necessary. Tenant Services Authority supervision and intervention available.	1	4	4



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		Problems with SLA result in costs or service disruption	2	2	4	Executive Director Services	Informal liaison in absence f some formal processes. Contract terms should protect against excess costs in some cases.	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
	Ensure the actions advised by consultants IMA are carried out							2	2	4
	Use intelligence on local developments to inform renewal of insurance before initial term ends.						Staff time			
	Funding exposure will decline over time as WCHT repays its loans but this will be over many years							1	4	4
	Pursue formal monitoring arrangements with WCHT where currently absent						Staff time	1	2	2

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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 Failure of staff Recruitment	3	3	9	Executive Director (Resources)	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 e-mail. External validation of business cases and Gateway Review. Involvement of CFOs of both councils. Legal advice taken from in-house team and externally. Dedicated project support team. Implementation funding includes all identified likely costs. Oversight by Joint Committee. Scrutiny by Three Rivers DC.	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
	Deliver on detailed plan for implementation						Funding available and support being engaged. Programme in progress.	1	3	3

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9	Internally driven change leads to disruption e.g. Impact of restructuring, 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 joint working with other councils Good track record of managing redundancies and TUPE transfers. liP achieved for whole council	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 Rati
	Develop multi-skilling approach – learn from Talent Management 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=Cat 1=H. U	Risk Rating
	Develop internal capacity to respond and manage the unexpected, including project and risk management skills 2008/9 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 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 Rati
	Ensure operational procedure notes for all key activities are regularly reviewed and updated as needed - systematic approach required							2	2	4

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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
Risk Ref	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						Staff time	3	2	6

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13	Impact of recession	<p>Reduced income, increased demand for services, unplanned use of balances and reserves, failure to keep tax rises below inflation</p> <p>Business failure of suppliers/partners (including the supply &amp; maintenance of key business systems)</p>	4	4	16	Leadership Team	<p>2009/10 budget reflects best estimates of effects, with planned use of reserves to minimise off-setting savings</p> <p>Budget monitoring to assist review of out-turn</p> <p>Vigorous procedures to establish financial &amp; operational viability as part of procurement processes</p>	3	3	9
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>Implement Value for Money programme</p> <p>Stricter adherence to approved revenue budgets</p> <p>Prepare contingency savings plan</p> <p>Maintain awareness of positive opportunities and be able to take advantage of them</p>						Staff time – need for funding to be identified	3	2	6

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14	Score of 1 in Comprehensive Area Assessment	Reputational risk, at extreme coupled with intervention.	2	4	8	Leadership Team	Attendance at workshops to understand new process. External auditors already indicating should get 2 for Use of Resources and will produce gap analysis. Corporate approach adopted to ensure engagement and co-ordinated input	2	4	8
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Likelihood 4=Cat 1=H. U	Impact 4=Cat 1=H. U	Risk Rating
	Put programme for improvement in place once outcome received.						Staff time	1	4	4



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15	Poor quality of data	Poor decisions made, based on inaccurate or insufficient information. Funding bids and grant claims jeopardised Disproportionate impact on Use of Resources and CAA scores.	3	4	12	All Heads of Service	Processes in place re National Indicators, and financial reconciliations. NIs reviewed by Internal Audit Information Security Policies in place Data sharing protocol Secure transmission procedures available to officers Review of reports by Leadership Team members Information officer role in data security etc in new structure	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
	Reinstatement of quality checks in Benefits Implementation of Government Connect protocol for DWP data sharing Training programme for Information Security Risk Management Group to identify operational Information Security issues to be rolled out						Staff time In progress for 31/3/09 deadline To be developed – staff time Sub-group considering	2	3	6