

BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH



THE LONDON BOROUGH  
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DATE: 10 October 2022

## EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE INFORMATION BRIEFING

**Meeting to be held on Tuesday 18 October 2022**

This briefing will only be debated if a member of the Committee requests a discussion be held, in which case please inform the Clerk 24 hours in advance indicating the aspects of the information item you wish to discuss. In addition, questions on the briefing should also be sent to the Clerk at least 24 hours before the meeting.

### 1 RISK MANAGEMENT (Pages 3 - 16)

Members have been provided with advanced copies of the briefing. The briefing is also available on the Council website at the following link:

<http://cds.bromley.gov.uk/ieListMeetings.aspx?CId=559&Year=0>

*Copies of the documents referred to above can be obtained from*  
<http://cds.bromley.gov.uk/>

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Report No.  
FSD22072

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE, RESOURCES AND CONTRACTS POLICY  
DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Information Briefing – Tuesday 18<sup>th</sup> October 2022

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** RISK MANAGEMENT

**Contact Officer:** Tasnim Shawkat, Director of Corporate Services and Governance –  
Corporate Services Risk Register  
Tel: 020 8461 7899    E-mail: [tasnim.shawkat@bromley.gov.uk](mailto:tasnim.shawkat@bromley.gov.uk)

Peter Turner, Director of Finance – Finance Risk Register  
Tel: 020 8313 4338    E-mail: [peter.turner@bromley.gov.uk](mailto:peter.turner@bromley.gov.uk)

Charles Obazuaye, Director of Human Resources, Customer Services and  
Public Affairs – Human Resources and Customer Services Risk Register  
Tel: 020 8313 4335    E-mail: [charles.obazuaye@bromley.gov.uk](mailto:charles.obazuaye@bromley.gov.uk)

**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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1. Reason for decision/report and options

This report provides Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the Gross 'High' (Red) rated risks extract from the Corporate Services, Finance and, the Human Resources and Customer Services Risk Registers.

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2. **RECOMMENDATION**

**Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee are requested to note the attached Risk Register extracts and direct any queries they may have to the relevant Contact Officer.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: There are no direct implications for Vulnerable Adults and Children arising from the attached Risk Register extracts, although failure of the Council to meet its commitments in any risk area could directly impact on life chances.
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### Transformation Policy

1. Policy Status: Not Applicable:
  2. Making Bromley Even Better Priority  
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Not Applicable
  4. Total current budget for this head: £ Not Applicable
  5. Source of funding: Not Applicable
- 

### Personnel

1. Number of staff (current and additional): Not Applicable
  2. If from existing staff resources, number of staff hours: Not Applicable
- 

### Legal

1. Legal Requirement: None:
  2. Call-in: Not Applicable:
- 

### Procurement

1. Summary of Procurement Implications: Where applicable, the risk category is reflected as Contractual and Partnership.
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### Property

1. Summary of Property Implications: Where applicable, the risk category is reflected as 'Physical', which includes hazards/risks associated with buildings.
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### Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Where applicable, the risk category is reflected as Environmental.
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### Customer Impact

1. Estimated number of users or customers (current and projected): This report is intended primarily for the benefit of members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

### 3. COMMENTARY

- 3.1 This report provides members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the Gross 'High' (Red) rated risks for the areas falling within their remit.
- Corporate Services (Appendix A)
  - Finance (Appendix B)
  - Human Resources and Customer Services (Appendix C)
- 3.2 Each Director retains responsibility for the risks and controls within their division, with Internal Audit coordinating the Risk Management process via the Corporate Risk Management Group and the Audit and Risk Management Committee.
- 3.3 The Corporate Risk Register, together with the Departmental Risk Registers for the areas coming under the remit of the Executive, Resources and Contracts PDS Committee, were last presented, in full, to their meeting of 28<sup>th</sup> July 2022.
- 3.4 Since July, an 'Information Request Non-Compliance' risk, with Gross and Net 'High' (Red) Risk Ratings, has been added to the Corporate Services Risk Register.
- 3.5 Two salient amendments have been made to the existing Gross 'High' (Red) rated risks in the Corporate Services Risk Register (IT Security Failure and Data Protection Breach) and three in the Finance Risk Register (Financial Market Volatility, Capital Financing Shortfall and Sustainable Financial Strategy). The Health and Safety Risk within the Human Resources and Customer Services Risk Register has also been refreshed. These amendments are set out in Table 1.
- 3.6 In line with the risk reporting cycle, formal scrutiny of the Corporate and all Departmental Risk Registers was undertaken by the Corporate Risk Management Group on 23<sup>rd</sup> September 2022. The Corporate Risk Register will be presented to the Audit and Risk Management Committee on 2<sup>nd</sup> November. At the request of that Committee, the Departmental Net Risk position will be presented as Heat Maps. Salient amendments to the Corporate Risk Register and Departmental Risk Registers coming under the remit of the Executive, Resources and Contracts PDS, will be notified to their 23<sup>rd</sup> November 2022 meeting.

**Table 1**

<b>Corporate Services Risk Register</b>	
<b>Risk 1</b>	<b>IT Security Failure</b>  Increase of the Net Likelihood and consequent increase of the Net Risk Rating from 'Significant' to 'High'
<b>Risk 12</b>	<b>Data Protection Breach</b>  Increase of Net Likelihood, Net Impact and consequent increase of the Net Risk Rating from 'Medium' to 'Significant'

	Refresh of the Controls to reflect that LBB is currently compliant with the Public Services Network Code of Connection (PSN CoCo) but has not achieved standards on the DSP (Data Security and Protection) Toolkit due to lack of training uptake.
<b>Risk 17</b>	<p>Addition of <b>'Information Request Non-Compliance'</b> Risk</p> <p>Gross and Net Risk Ratings 'High'</p> <p>For full risk narrative, please see Appendix A.</p>

<b>Finance Risk Register</b>	
<b>Risk 2</b>	<p><b>Financial Market Volatility.</b> Financial loss arising from the volatility of financial markets</p> <p>Reduction of Gross Impact and consequent reduction of the Gross Risk Rating from 'High' to 'Significant'.</p> <p>Refresh of Control 7 to reflect the Treasury Management Strategy developed in consultation with Link Asset Services.</p> <p>Please note that as the Gross Risk Rating has been reduced to 'Significant', this no longer appears on the extract attached as Appendix B.</p>
<b>Risk 3</b>	<p><b>Capital Financing Shortfall.</b> Inability to finance the Capital programme</p> <p>Increase of Gross Likelihood, Gross Impact and consequent increase of the Gross Risk Rating (remains 'High').</p> <p>Increase of Net Likelihood, Net Impact and consequent increase of the Net Risk Rating from 'Medium' to 'High'.</p> <p>Addition of Causes:-</p> <ul style="list-style-type: none"> <li>- Significant additional costs arising from expected outcome of condition survey</li> <li>- Requirement to obtain funding for significant new Housing Schemes</li> <li>- Overall capital funding shortfall calculated at £45m as at September 2022</li> </ul> <p>Addition of the Control 'Comprehensive Review of Capital Programme being undertaken in 2022'.</p> <p>Please note that these amendments have also been reflected in the Corporate Risk Register as this risk was elevated from Departmental to Corporate status by COE on 20<sup>th</sup> September 2022. (Corporate Risk 16).</p>
<b>Risk 5</b>	<p><b>Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget</b></p>

	<p>Refresh of Cause 2 to reflect that the fundamental review of local government funding through the Fair Funding Review and Business Rate review is expected to be delayed beyond 2023/24, which adds to financial uncertainty in considering the impact on the financial forecast for 2023/24 to 2026/27. Although the ongoing impact of Covid 19 remains, there are new significant changes to the future year's financial position relating to Adult Social Care reforms (potential increase in net costs of between £10m and £15m) and the significant cost increases arising from inflation (highest level for 40 years) which are not reflected in the 'budget gap' identified.</p> <p>Refresh of Cause 8 to reflect the impact of future welfare reforms and the phased roll out of Universal Credit.</p> <p>Please note that these amendments have also been reflected in the Corporate Risk Register (Corporate Risk 1).</p>
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<b>Human Resources and Customer Services Risk Register</b>	
<b>Risk 9</b>	<p><b>Health and Safety (Council) (Risk 9)</b> Ineffective management, processes and systems across all Council departments, including in relation to the following areas:- Fire Safety, Lone Working, Violence and Aggression at Work</p> <p>Refresh of the Causes to include 'processes' with 'Outdated policies' and, addition of 'Lack of clarity over the breakdown of responsibilities across the organisation'.</p> <p>Addition of Controls:-</p> <ul style="list-style-type: none"> <li>- Corporate Health and Safety Committee and Departmental Safety Committees meet regularly</li> <li>- Quarterly Health and Safety updates provided to the Corporate Leadership Team</li> </ul> <p>Deletion of Further Action Required:-</p> <ul style="list-style-type: none"> <li>- Full time Health and Safety Manager</li> <li>- Departmental Safety Committees meet regularly. Health and Safety Committee meetings Terms of Reference being reviewed to ensure Senior Management ownership</li> </ul> <p>Addition of Further Action Required 'Health and Safety policy to be revised to set out the Organisation's general approach to health and safety'.</p> <p>Refresh of Further Action Required to reflect 'Informal' Health and Safety Audits to be undertaken by Corporate Health and Safety.</p>



#### **4. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

4.1 There are no direct implications for Vulnerable Adults and Children arising from the attached Risk Register extracts although failure of the Council to meet its commitments in any risk area could indirectly impact on life chances.

#### **5. TRANSFORMATION/POLICY IMPLICATIONS**

5.1 Where applicable, the risk category in all registers is reflected as 'Financial, Operational'.

#### **6. FINANCIAL IMPLICATIONS**

6.1 The Finance department's Gross Red Risks are attached as Appendix B. Where applicable, the risk category in all registers is reflected as 'Financial, Operational'.

#### **7. PERSONNEL IMPLICATIONS**

7.1 The Human Resources' department's Gross Red Risk is attached as Appendix C. Where applicable, the risk category in all risk registers is reflected as 'Personnel, Operational'.

#### **8. LEGAL IMPLICATIONS**

8.1 Where applicable, the risk category in all registers is reflected as 'Legal, Operational'.

#### **9. PROCUREMENT IMPLICATIONS**

9.1 Where applicable, the risk category in all registers is reflected as 'Contractual and Partnership'.

#### **10. PROPERTY IMPLICATIONS**

10.1 Where applicable, the risk category is reflected as 'Physical, Operational', which includes hazards/risks associated with buildings.

#### **11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS**

11.1 Where applicable, the risk category is reflected as Environmental.

<b>Non-Applicable Headings:</b>	Customer Impact Ward Councillor Views
Background Documents: (Access via Contact Officer)	None

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## Corporate Services Risk Register. Gross 'High (Red) Risks Extract - Appendix A.

										DATE LAST REVIEWED:	28/09/2022		
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Corporate Services	<b>IT Security failure</b>	<b>Cause(s):</b> Failure of IT Security (responsibility across Bromley & BT) to manage risk of attack or intrusion leading to potential corruption / loss of data / loss of systems  <b>Effect(s):</b> Loss of service, potential fines, resident dissatisfaction	Data and Information	4	5	20	-Application of effective security management including effective application of anti-virus protection and security measures through the IT Contract with BT - Regular Penetration Testing undertaken - Information Security Team in place - Patch updates undertaken regularly - IG training programme - PSN Compliant	3	5	15		Vinit Shukle
2	Corporate Services	<b>Telecommunications failure</b> Prolonged telecoms / switchboard failure	<b>Cause(s):</b> Power surge, contractor failure, malicious attack, IT failure  <b>Effect(s):</b> Widespread disruption across the Council	Data and Information	3	5	15	- Stand-by arrangements available so that in the event of failure highest priority services can be recovered - Technical design takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - All Critical Services now have additional independent lines as contingency (if not their first line) - Additional resilience in use of LBB mobile phones - The ICT Disaster Recovery Plan is in progress - Working with BT to implement disaster recovery arrangements as part of new backup contract - Effective application of anti-virus protection and security measures through the IT contract with BT	2	3	6	- Virtualisation project will help facilitate disaster recovery provision - Secondary Session Initiation Protocol (SIP) connection being added to provide resilience.	Vinit Shukle
3	Corporate Services	<b>IT System Failure (partial loss)</b> Partial loss of IT systems	<b>Cause(s):</b> Failure of Outlook or similar applications Failure of Novell Filing Registry system which carries details of all departmental files  <b>Effect(s):</b> Widespread disruption across the Council	Data and Information - Operational	4	4	16	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - System now migrated to the server - No longer dependent on Win7 - all services successfully transferred. However, the Novell filing registry/Regnet system has no further upgrade options and is not compatible with Win10 which will be deployed before December 2019 (Win7 support expiry date)	4	3	12	The Norwell System is currently used by legal team for historical file information only on a 'stand alone' PC. As part of any future platform upgrades, investigation will need to be carried out as to whether this option is still viable (by way of impact assessment) or look at migrating the historical data into Norwell (the current system).	Vinit Shukle
4	Corporate Services	<b>IT System Failure (total loss)</b> Complete failure of IT systems resulting in widespread disruption across the Council	<b>Cause(s):</b> Complete loss of data centre and related hardware  <b>Effect(s):</b> Widespread disruption across the Council Financial loss Reputational impact	Data and Information - Operational	3	5	15	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - Backup power arrangements in the event of power issues (most likely) - Server room has fire suppression, water detection and significant physical security measures have been undertaken.	2	4	8	- Property are planning additional works to resolve the issues that caused the outages, but until then we remain at an elevated risk.	Vinit Shukle
8	Corporate Services	<b>Effective governance and management of information</b>	<b>Cause(s):</b> - Lack of organisational buy-in from information asset owners - Lack of governance - Poor awareness / education in understanding purpose  <b>Effect(s):</b> - Breach of statutory obligations through failure of compliance with relevant legislation e.g. GDPR, UK DPA, FOIA, EIR - potential fines - increased information security attack surface - increased storage costs for on-prem data	Data and Information - Operational	4	4	16	- information governance training provided to all officers - system security reviews - SIEM system monitoring - Data Protection Impact Assessments	3	4	12	review and implementation of retention schedule in all systems hosting data	Vinit Shukle
9	Corporate Services	<b>Compliance with Information Request laws</b>	<b>Cause(s):</b> - Lack of organisational awareness - responsibility for responding are add on tasks to existing roles - data sprawl and lack of retention - large data scopes - lack of indexing and search capabilities  <b>Effect(s):</b> - Breach of statutory obligations through failure of compliance with relevant legislation e.g. GDPR, UK DPA, FOIA, EIR - potential fines - reputational damage	Data and Information - Operational	4	5	20	- information governance training provided to all officers - system security reviews - SIEM system monitoring - Data Protection Impact Assessments	3	5	15	- increased training and awareness - experienced resources to triage and redact where necessary - improved technical measures to assist data searches	Vinit Shukle

## Corporate Services Risk Register. Gross 'High (Red) Risks Extract - Appendix A.

											DATE LAST REVIEWED:	28/09/2022	
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt &amp; return - must be entered after the risk title)</small>	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING <small>(See next tab for guidance)</small>			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING <small>(See next tab for guidance)</small>			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
12	Corporate Services	<b>Data Protection Breach</b>	<p><b>Cause(s):</b> Failure to adapt to the upcoming change in legislation (GDPR) Failure to ensure the confidentiality, integrity, and availability of information assets.</p> <p><b>Effect(s):</b> 1. Distress and/or physical impact on wellbeing of customers 2. Impact on operational integrity 3. Reputational damage to services and the authority as a whole 4. Liability in law 5. Economic damage to authority and/or customers 6. Impact on service take up due to reduced confidence from the public</p>	Data and Information - Operational	4	5	20	<p>- LBB is currently compliant with the Public Services Network Code of Connection (PSN CoCo) But has not achieved standards on the DSP Toolkit due to lack of training uptake</p> <p>The LBB Information Governance Board formally accepted the CFH IGT as the basis of LBB's internal information governance program at their meeting in August 2012. Both standards are based on the ISO27001 international best practice standard for managing information security and are therefore fit for purpose for assessing and managing the Council's information risk</p> <p><b>- GDPR Training programme in place</b> <b>- Induction programme in place</b> <b>- Additional resources to manage risk</b></p>	3	4	12		Director of Corporate Services
17	Corporate Services	<b>Information Request non-Compliance</b>	<p><b>Cause(s):</b> Failure to meet timescales under FOIA, EIR and GDPR Failure to provide suitable answers in respect of these requests or correctly apply exemptions</p> <p><b>Effect(s):</b> 1. Distress on wellbeing of customers 2. Impact on operational integrity 3. Reputational damage to services and the authority as a whole 4. Liability in law 5. Economic damage to authority due to fines</p>	Data and Information - Operational	4	5	20	<p>SAR Team formed in the Information Management Team to ensure timely triage, collation, redaction and response.</p> <p>Appeal to COE, CLT, Manager's Briefing and all officers to support the information coordinators</p>	4	4	16		Director of Corporate Services

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

## Finance Risk Register. Gross 'High' (Red) Risks Extract - Appendix B.

REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK			CURRENT RISK RATING (See next tab for guidance)			DATE LAST REVIEWED:	15/09/2022
					LIKELIHOOD	IMPACT	RISK RATING	LIKELIHOOD	IMPACT	RISK RATING	FURTHER ACTION REQUIRED	RISK OWNER			
3	Finance	<b>Capital Financing Shortfall</b> Inability to finance the Capital programme	<p><b>Cause(s):</b> Property price reductions as a result of the economic environment. Falling number of assets available for disposal Significant increase in cost of capital schemes due to inflation and supply issues requiring an increase in funding Significant additional costs arising from expected outcome of condition survey Requirement to obtain funding for significant new Housing Schemes Overall capital funding shortfall calculated at £45m as at September 2022</p> <p><b>Effect(s):</b> Financial</p>	Economic - Strategy	5	5	25	<ol style="list-style-type: none"> <li>1. Close monitoring of spend and income</li> <li>2. Reporting to Members</li> <li>3. Tight control of spending commitments</li> <li>4. Quarterly reports on capital receipts (actual and forecast) to Executive.</li> <li>5. Comprehensive Review of Capital programme being undertaken in 2022</li> </ol>	5	4	20		David Dobbs		
4	Finance	<b>Pension Fund</b> The pension fund not having sufficient resources to meet all liabilities as they fall due	<p><b>Cause(s):</b> 1. Investment markets fail to perform in line with expectations 2. Market yields move at a variance with assumptions 3. Investment managers fail to achieve their targets over the longer term 4. Longevity horizon continues to expand. Although the triennial valuation reported that the Council's pension fund is fully funded, there is a need to address a future risk of the pension fund not having sufficient resources 5. Deterioration in pattern of early retirements 6. Administering authority unaware of structural changes in an employer's membership e.g. large fall in employee members, large number of retirements 7. Pooling of investments (London CIV) may result in appointment of poorer performing investment managers. 8. Uncertainty in financial markets due to Ukraine situation and possible future de-globalisation which can impact on performance</p> <p><b>Effect(s):</b> Financial</p>	Financial - Operational	3	5	15	<ol style="list-style-type: none"> <li>1. Use of external advice.</li> <li>2. Financial: Monitoring of investment returns - analysis of valuation reports</li> <li>3. Demographic: Longevity horizon monitored at triennial reviews - quarterly review of retirement levels</li> <li>4. Regulatory: Monitor draft regulations and respond to consultations - actuarial advice on potential where appropriate</li> <li>5. Internal audit review of activities, performance, controls etc.</li> <li>6. Quarterly reports to Pensions Investment Sub-Committee</li> <li>7. Funding Strategy Statement</li> <li>8. Statement of Investment Principles</li> <li>9. Communications Policy</li> <li>10. Governance Policy</li> <li>11. Triennial valuation by actuary</li> <li>12. Strategic asset allocation review.</li> </ol>	2	4	8		Director of Finance		
5	Finance	<b>Failure to deliver a sustainable Financial Strategy which meets with Making Bromley Even Better priorities and failure of individual departments to meet budget</b>	<p><b>Cause(s):</b> 1. The 2022/23 Draft Budget report to Executive identified the need to reduce the Council's 'budget gap' of £19.5m per annum by 2025/26. The Council received a one-year financial settlement for 2022/23, which creates uncertainty on funding levels for future years. 2. The fundamental review of local government funding through the Fair Funding Review and Business Rate review is expected to be delayed beyond 2023/24 which adds to financial uncertainty in considering the impact on the financial forecast for 2023/24 to 2026/27. Although the ongoing impact of Covid 19 remains, there are new significant changes to the future year's financial position relating to Adult Social Care reforms (potential increase in net costs of between £10m and £15m) and the significant cost increases arising from inflation (highest level for 40 years) which are not reflected in the 'budget gap' identified above. More background is included in the Draft 2022/23 Budget and Update on the Council's Financial Strategy 2023/24 to 2025/26 report to Executive on 12th January 2022 and 2022/23 Council Tax report of 9th February 2022. 3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: Housing (homelessness and cost of bed and breakfast); Adult Social Care (welfare reform and ageing population); Children's Social Care, Education (central costs and high needs transport), Waste (growing number of households) and limited delivery of planned mitigation savings. 4. The risk of the Council not being able to carry out its statutory duties (e.g. pupil admissions, school improvement, child protection) as a consequence of funding pressures not being met. 5. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. 6. Increases in national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers) as well as the increase on national insurance (employers costs). 7. Local government may be required to take on new funding responsibilities in the future without adequate funding. 8. Impact of future welfare reforms and the phased roll out of Universal Credit. 9. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount). 10. Significant increases to inflation which exceeds the 2022/23 budget provision</p> <p><b>Effect(s):</b> - Increased overspends in particular services - Council unable to carry out its statutory duties due to services cuts - Reputational damage</p>	Financial - Operational	5	5	25	<p>Strategic Controls:</p> <ol style="list-style-type: none"> <li>1. Regular update to forward forecast</li> <li>2. Ongoing monitoring of impact of COVID situation and trends re 'new normal'</li> <li>3. Regular analysis of funding changes and new burdens particularly on Covid situation and full year impact</li> <li>4. Early identification of future savings required</li> <li>5. Transformation options considered early in the four year forward planning period</li> <li>6. Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost</li> <li>7. Mitigation of future cost pressures including demographic changes</li> <li>8. Quarterly review of growth pressures and mitigation</li> <li>9. Continue to progress with opportunities for the Transformation Reviews towards meeting future years' budget gap.</li> </ol> <p>Operational Controls:</p> <ol style="list-style-type: none"> <li>1. Management of Risks document covering inflation, capping, financial projections etc. attached to budget reports</li> <li>2. Departmental risk analysis</li> <li>3. Reporting of financial forecast updates in year to provide an update of financial impact and action required</li> <li>4. Obtain monthly trend / current data to assist in any early action required</li> <li>5. Obtain regular updates / market intelligence</li> <li>6. Reporting full year effect of budget variations</li> <li>7. Analysis of government plans and changes</li> </ol>	4	5	20	The Council continues to explore transformation opportunities to help meet the ongoing budget gap	Director of Finance		
11	Finance	<b>Failure to comply with the grant conditions and ensure effective utilisation of the significant Government funding received, relating to the Covid pandemic to support businesses</b>	<p><b>Cause(s):</b> 1. Appropriate processes and controls not put in place for administering the various business grant schemes 2. The criteria of the various schemes is not applied correctly 3. Full training and guidance is not provided to those administering the scheme and making payments 4. Lack of governance and oversight of the various schemes</p> <p><b>Effect(s):</b> - Payments are not made timely leading to severe financial difficulty for a business and possible insolvency - Fraudulent payments are made - Payments are made to businesses who do not meet the qualifying criteria - Payments are made in error e.g. to the wrong bank account or individual - Unused funding has to be returned to Government - Complaints / adverse publicity / reputational damage</p>	Financial - Operational	4	5	20	<ul style="list-style-type: none"> <li>- Training, guidance and advice provided to all those involved in administering the schemes (with Internal Audit involvement)</li> <li>- Regular and ad-hoc meetings between key personnel to ensure governance and oversight and agree any actions required</li> <li>- Fraud risk assessments and pre-payment and post-payment controls to identify and address any instances of fraud, error or non-compliance</li> <li>- Faster payments solution utilised for Covid related grant payments, ensuring same day receipt of funds by recipient.</li> </ul>	3	3	9		Director of Finance		

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

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## Human Resources and Customer Services Risk Register. Gross 'High' (Red) Risks Extract - Appendix C.

										DATE LAST REVIEWED:	22/09/2022		
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
9	Human Resources / Health & Safety	<b>Health &amp; Safety (Council)</b> <b>Ineffective management, processes and systems across all Council departments</b> <b>Including in relation to the following areas:</b> <b>Fire Safety</b> <b>Lone Working</b> <b>Violence &amp; Aggression at work</b>	<b>Cause(s):</b> - Inadequate risk assessments - Outdated policies and processes - Poor use of data around accidents/near miss incidents - Lack of capacity to discharge the Council's H&S responsibilities - Lack of clarity over the breakdown of responsibilities across the organisation - Ineffective monitoring of risks  <b>Effect (s):</b> - Potential prosecution of Council and / or civil claims for compensation - Increased sickness/absence - Poor staff morale - Impact on staff retention - Insurance claims - Potential accidents/fatalities - Corporate manslaughter	Health & Safety	3	5	15	1. HSW Policies reviewed and updated regularly - ongoing 2. Commitment to HSW from Chief Executive and Directors 3. Supported by HSW training and network of policies and procedures. 4. Property-related HSW matters now provided in-house 5. Corporate Health and Safety Committee and Departmental Safety Committees meet regularly 6. Quarterly health and safety updates provided to Corporate Leadership Team (CLT)	3	4	12	- Risk assessment & proactive monitoring being developed for Council.  - Health and Safety policy to be revised to set out the organisation's general approach to health and safety.  - Informal H&S audits to be undertaken by Corporate Health and Safety.	Director of HR, Customer Services and Public Affairs

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

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