

Appendix 1A - WDBC Corporate Risk Report - Last Update Feb 2019

#	Risk Title	Description	What is (or are the) Uncertainties	Likelihood	Financial	Service Quality	Reputation	Legal/Regulatory	Health & Safety	Morale/Staffing	Mar '18 Risk Score	Oct '18 Risk Score	Current Risk Score	Change (Oct to Now)	Mitigating Actions / Internal Controls	Latest Note (as at February 2019)
1	Political commitment for change	On-going political commitment to support changes needed for ongoing financial sustainability & community resilience	Considerable external change with devolution and Governmental funding cuts; leading to uncertainty within the South West and beyond.	4	4	3	4	4	1	4	16	16	16	—	Regular leader & deputy meetings. Regular surgery and informal sessions for wider membership. Jan '19: Preparation for post-May 2019 through induction and ongoing training for all Members. Introduction of some of the suggested actions from the LGA peer review.	LGA Peer Review took place in November - final report now published. Officers working with Members to prepare action plan to address recommendations regarding political direction and leadership. May '19 elections will bring significant changes.
2	WDBC Adherence to Medium Term Financial Strategy (MTFS), due to changes in Government Policy and/or Income Streams	Failure to sustain a robust on-going medium term financial strategy in WDBC with adequate reserves to meet unforeseen circumstances, due to cost pressures and reduced income, council decisions, changes in Government policy with regard to business rates and affordable housing; Potential impact on delivering the MTFS, particularly if national/regional businesses successfully appeal against business rate valuations or litigation proceedings / legal challenges / planning appeals, etc.	Reduction in Government grant, increasing demand for services and other cost pressures and increased risks associated with localised business rates and council tax support. Additionally, income from activities may not materialise or may be reduced, e.g. business rate appeals or a reduction in the commercial property market. The amount of income received can be adversely affected by a fall in collection rates due to economic downturn and other factors such as the bankruptcy/liquidation of large ratepayers or any sizeable rateable value reductions achieved by business rated properties in the area. Business rates pilot 2018/19 – 100% local business rate retention of growth above baseline is confirmed for one year only.	4	4	4	4	4	2	2	16	16	16	—	Robust horizon scanning to monitor changes in Government policy. SLT awareness of the risks, cautious approach to budgeting and robust systems of financial control. The Council is not intending to rely heavily on sources of income which may not be sustainable. SLT actively participate in Government consultations, MP discussions and keep aware of changes and the response by peer group, ensuring where appropriate the learning from this is incorporated into strategic plans. SLT engaged in the development of the MTFS. Latest MTFS approved by Council September 2018 with Member Workshops in both Councils conducted in October 2018.	Budget for 2019-20 was approved by Council in February 2019. Waste contract procurement has delivered significant financial savings. Grounds maintenance business review and ICT review to be carried out to deliver either growth opportunity or efficiencies in working methods. Commercial Property Acquisition Strategy has achieved its current objectives. 1 development project has been approved, which subject to planning approval, will contribute revenue in future years. Confirmed in finance settlement for 2019/20 that negative rural support grant (RSG) will be taken away for 19/20. No confirmation on what will happen to it post 2020. Possibility of removal of New Homes Bonus (NHB) in 2020 will have a significant negative impact. Larger unknowns on resetting of business rate baseline and fairer funding review which could have a negative impact on finances. The Council responded to consultations on the Fair Funding Review and Business Rates reform in February 2019 and copies were sent to all Members and SHWD MPs.
3	Service Performance	Any service failure or degradation of service impacts on the customer, which then impacts on all areas of the council and members	Process implementation is now complete. Uncertainties could be due to a lack of appropriate resources. In the past, a lack of appropriate resource and the T18 transformation and change in processes combined to affect our ability to deliver appropriately on occasion. This pressure was increased due to county and general elections in 2017.	3	3	4	4	3	2	4	12	16	12	✓	Jan '19: A Customer Survey was carried out in Autumn 2018 and staff Customer Away days were held in September 2018. Getting it right the first time, getting back to people appropriately and more timely. Better channel recognition to clear responses. Keep better records. Appropriate resources in the right places. Increased customer engagement; new complaints policy in place. Ongoing review of internal and external policies.	Customer Satisfaction survey results last year were poor and showed that the customer experience is not at the standard that we want or that customers expect. However, call volumes continue to reduce as are complaints in most service areas. It could be argued that the reduction in call volume could be due to improvement in service levels and getting things right first time. A new complaints response system has been introduced. Performance benchmarking shows most services to be performing as well as or better than others nationally/locally. Risk likelihood reduced to 3 from 4. Previously reported increase in waste complaints (in South Hams) and service issues have been addressed via training, performance management regime and working with Ubico.
4	Delivery of local plan (Inc. 5 Year Land Supply)	Risk of speculative development without a 5 year land supply in SH & WD, following recent planning appeal losses. Risk of designation in relation to Development Management & local plan across both councils.	Lack of detail / contingency around 5 year land supply until the joint local plan is completed.	3	4	2	3	3	2	2	16	12	12	—	Jan '19: JLP monitoring team recruited and high level process agreed, work underway.	Have now consulted on main modifications and submitted responses to the inspector.

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5	Business Continuity	Officers fail to develop robust processes to ensure business continuity in the event of a significant event occurring, e.g. Failure to ensure the continuous availability of critical IT systems	Following the event, how quickly will certain systems and processes be able to be back on-line	3	3	4	4	2	3	3	12	12	12	—	Having two HQ locations is main mitigating factor - however an outage of power/ICT at either location would lead to a serious disruption of service. Agile working further reduces reliance on two office buildings. Locality workers can be despatched more easily to ensure customer engagement can be maintained during any incident. Business Continuity plans have been updated - priority areas - ICT Networking - Payroll & Creditors Payments; other plans need to be made more robust	Key officers have now attended a training exercise. Officers are updating plans as a result. Business Impact assessments have been completed for most areas and were tested in the above exercise. A recent internal audit has been completed and identified some weaknesses but acknowledged a positive direction of travel.
6	Emergency Response, e.g. Coastal Erosion / Storm Damage / Flooding	There is high public expectation in relation to supporting communities during coastal erosion/storm damage/flooding events, as well as engagement in longer term recovery, in particular assumptions about capital investment to restore assets. The risk relates to how best to support dispersed communities, e.g. with filling, transporting and laying sandbags as well as providing workforce on site, given limited resources and expectations during an event.	Following the event, the expectation that coastal defences and asset repairs will be urgently undertaken despite competing claims on capital resources	4	3	1	2	1	3	1	12	12	12	—	Continued management and officer focus on this area to ensure risk is minimised as much as possible; continued close engagement work with DCC and Environment Agency to ensure all parties are aware of each others responsibilities and capacity	Due to current climate events, likelihood remains very high. No new issues to raise.
7	Inadequate Staffing Resources	Failure to have sufficient staffing arrangements. Loss of staff morale, and inadequate resources for training and re-skilling in an ongoing period of change. Failure to engage staff resulting in uncertainty regarding changes in working practices and job security. Particular risk in relation to future terms and conditions. Cost and time of retraining/up-skilling staff. Unrealistic expectations in relation to staffing capacity.	Performance being reviewed to understand whether resourcing levels are correct; difficult to assess accurately as organisation continues to experience change effects and processes being embedded / roll-out of new technology and working practices	3	3	3	3	2	2	4	12	12	12	—	Customer Satisfaction Survey has been initiated and staff away days undertaken to update staff and embed solutions to tackle issues raised. Mechanism in place for ELT to appoint within budget where appropriate without recourse to SLT. Apprenticeship scheme developed by HR.	Difficulty in recruiting waste professionals now resolved through change to interim structure, reduction in failure demand & new contract from April 2019. Resilience going forward can be maintained and SLT will ensure specialist resources are allocated where needed during service transition stages.
8	Contractor Failure	Failure to manage a major failure of a significant council contractor including, any significant related industrial relations issues.	Contingency plans if contractor were to fail; affect on service delivery	2	5	4	4	2	2	3	8	10	10	—	Good contract and people management, effective Contract Team, use of shared procurement expertise, frequent credit checks (including parent companies), requirement for bonds when appropriate. Jan '19: NB: Bond will be required for Waste & Cleansing contract.	Should the Fusion leisure contract fail (likelihood is low) there is a significant financial impact based on the capital expenditure for the improvements to the leisure centres which the councils would become liable for. Checklist for contract monitoring in place for major contracts - part of the procedures are regular financial healthchecks. These will apply to the updated waste and cleansing contract.
9	Achievement of Income	There are risks relating to the Council's income streams which could result in the budget cost pressures and a failure to meet the annual budget / medium term financial plan.	The Council's income is based around business rates, council tax, car parking and other fees and charges, investment returns, commercial property lettings and bad debt collections processes / credit management. Each of these have inherent risks, some of which are outside of the Council's control.	3	3	3	2	2	1	2	9	9	9	—	Regular monitoring of investment income and management / analysis of monthly budget reports. Regular performance management analysis at SLT / ELT level. Reporting of budget adherence through committee process. Robust business plan / business case appraisal.	Q3 budget monitoring reports were reported during February committee cycle.

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10	Data Protection	Failure to control the appropriate use of data and unauthorised access.	To manage the risk of non compliance with Cabinet Office PSN CoCo, PCI DSS, GDPR, Data Protection Act, RIPA, Human Rights Act.	2	3	3	3	4	1	2	16	8	8	—	DPO is member of SLT. Information Security Policy; All employees responsible for adequacy of data security arrangements within their control. Access to electronic data is only available via council managed devices. Look out for advice from the Information Commissioners office. Compliance with relevant PSN CoCo through implementation of security changes required. All staff have been and new starters will be completing a data protection awareness course in via the Council's new eLearning tool.	2018 GDPR implementation date passed with minimal increases in contact from data subjects (SAR's remain low). The Council has made good steps in reviewing its processes and procedures and continues to refine in light of developing guidance from the Information Commissioners Office. Revised policy approved by council in December. Comms to staff / members to be updated during Q4 2018/19. Regular monitoring by Information Governance group. Data Breaches are investigated in a timely manner and generally there is an increased awareness of Data Protection matters among staff. As guidance becomes clearer, the assessment of Impact has been revised and lowered however there is always a risk that data breach could occur.
11	Governance: Adherence to Council policies & processes and Government guidelines	Failure to maintain effective Corporate Governance arrangements. Failure to manage/enforce s106 conditions. Ombudsman complaints could lead to finding of maladministration due to management of issues, e.g. poor record keeping; time to resolve issues or meet imposed timelines; reputational damage. Failure to meet current and changing needs of customers and to manage customer feedback. There is a risk of failure to respond to changes and to recognise external influences such as changes in government policy; Risks of losing JRs, appeals and Ombudsman rulings	To maintain effective Member standards and develop new Council Constitution. To continue to raise awareness of the risk of fraud and the implications of the Bribery Act 2010. To ensure that there is on-going review and self assessment of the effectiveness of governance arrangements within the Council. T18 programme rollout saw service levels reduce but these have now recovered	2	3	3	4	4	3	3	16	8	8	—	Promotion of necessary policies via staff intranet. Reviewed and implemented new Council constitution. To provide necessary Annual governance self assessment review by both ELT and SLT. Audit Committee established with wider terms of reference. External reviews including the Council's external auditors. Appropriate committee monitoring. Service based risk assessments and action plans, with a particular focus on high risk service activity. Training & Development plans being developed. Policies for H&S and wellbeing and lone working all being updated. Work underway in respect of data protection / GDPR readiness and audit completed. Stat officers panel set up and meeting qtrly. Internal audit programme of work confirmed for 18/19.	Resource in place to monitor and manage s106s. Organisation wide project board in place to manage implementation of projects, to approved PM principles. Regular Statutory Officers Group & Information Governance meetings. RIPA training undertaken for key staff in February. Policy updated and approved by Council in December 2018.
12	Inadequate asset maintenance	Failure to maintain all Council owned assets and buildings (including fleet).	To manage the health and safety risks of customers and staff and to ensure budgets are managed effectively to maintain assets to a satisfactory standard, To consider and manage the risk of redundant properties / assets.	2	3	1	4	4	4	2	10	8	8	—	Effective budget monitoring, sound management of assets/ buildings including a planned maintenance approach along with planned capital expenditure programme. Risk assessments and regular health and safety inspections.	Estate team have been collating assets within Concerto and need to develop a proactive asset maintenance plan. 6 month review by SLT took place Feb 19.
13	Health & Safety	Failure to manage the health, safety and welfare of the public, visitors and staff. Key consideration in relation to number of external frontline staff, including lone workers.	High impact on service delivery resulting in resources / services being unavailable for long periods	2	4	3	4	4	4	3	8	8	8	—	Safe working environment, policies and procedures, e.g. fire safety policy, travel at work policy. IIP, PDRs. Revised sickness absence policy, health and other wellbeing initiatives. Awareness of appropriate legislation e.g. Corporate Manslaughter Act, Equalities Act. Up-to-date corporate Health & Safety Policy/procedures. Jan '19: Regular virtual CoP meetings to discuss issues / plans / risks / strategies.	H&S CoP driving improvement programme that requires commitment from all areas and appropriate monitoring by SLT. Good progress being made.

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14	Safeguarding	Council and/ or contractors fail to adhere to meet safeguarding obligations as set out in legislation such as Children Act 2004 section 11.	Do staff, members and contractors know what is required and how to react?	2	3	1	4	3	3	2	8	8	8	—	Policies in place and key staff & management have received appropriate training and contact details to spot and report safeguarding issues. Training is ongoing and reviewed as legislation changes and also is reactive to local emerging issues. There is a robust reporting process in place to key designated safeguarding leads (KDSL) how to guides on intranet, sessions are delivered particularly to relevant front line staff such as localities, housing and customer service staff through small group and one to one sessions and to larger groups of "general" staff in staff briefings.	W2 process test stage has been finalised is ready to use. Link to all safeguarding is accessed through Safeguarding on the intranet which is under final amendments. An article will go in the Friday Flash to all staff. Document is intelligence led and is straightforward. Training requirements and relevant courses for KDSL identified, online training through learning pool finalised and available now the adult package has been finalised.
15	External Fraud	Fraud, financial impropriety or improper business practises anywhere against the organisation	Fraud could occur anywhere against the organisation; but the likely impact is limited due to existing management controls	3	2						6	6	6	—	Audit has highlighted generally ok. Management to remain vigilant; random spot checks where appropriate (e.g. expense claim forms)	SLT happy that controls are in place and any fraudulent activity is identified quickly and investigated thoroughly
16	Financial Systems & Budget Monitoring	Financial Systems & Budget Monitoring	Can the current system, use of the system and our financial processes support transforming the way we manage our budgets and financial reporting. There is a risk that any changes could jeopardise year end processes.	2	3	1	2	2	1	2	6	6	6	—	Temporary resource was brought in to drive process changes and recommend & implement changes to our set up of the financial system. S151 & CoP lead role now dis-aggregated, to provide more focus and resilience on each aspect. We engaged with the system provider to review our system set-up through a process known as Assessment of Current Use (AoCU).	17/18 accounts closed on time with an unqualified Audit opinion. Whilst progress has been made on enabling budget holders to self serve, it is recognised that further changes need to be made to financial systems to provide the full self serve experience, such as training for budget holders in accessing the web financials system. The Web Financials update will be made available by Civica next financial year.
17	Internal Fraud	Fraud, financial impropriety or improper business practises anywhere in organisation	Fraud could occur anywhere throughout the organisation; but the likely impact is limited due to existing management controls	2	2						6	4	4	—	Audit has highlighted generally ok. Management to remain vigilant; random spot checks where appropriate (e.g. expense claim forms)	SLT happy that controls are in place and any fraudulent activity is identified quickly and investigated thoroughly
18	Procurement	The risk is that we don't follow procurement procedures. A number of contracts to be let by the Council over the next 2 year period which will be in excess of the EU procurement thresholds.	There are a number of contracts to be let by the Council over the next 2 year period which will be in excess of the EU procurement thresholds. These will require specialist input and project teams to ensure best value for money is achieved. Current level of procurement competence is unknown	1	4	3	3	3	2	2	4	4	4	—	The procurement elements required should be captured and prioritised within the service planning exercise being carried out currently. It is important therefore that the project mgmt of major procurements is robust. Dedicated resources have been recruited to ensure this is done.	The Council continues to access procurement services through a shared arrangement with Teignbridge which provides expert knowledge to ensure compliance with regulations. Opportunities to widen the shared procurement arrangement have been explored and discounted. An internal procurement guidance manual is currently being prepared and consulted upon - before being shared amongst the organisation.