

Report of Finance Manager

Subject: Risk Register

Purpose of Report

To ask Members to consider the latest risk register.

The following risk register has been reviewed by the Audit and Corporate Services Review Committee and Leadership Team.

The main changes from the previous report are as follow:

| Risk No | Risk Name | Progress |
|---------|--|--|
| 6 | Risk of failing to maintain high levels of governance | New Members being inducted including signing Code of Conduct |
| 14 | Risk of not delivering on Corporate Objectives, due to lack of staff capacity/skills as a result of new working practices caused by Covid-19 | Interim arrangements put in place to cover absences while recruitment is undertaken. Discussions being undertaken to identify long term response to recruitment difficulties. Proposed new structure aims to create greater capacity |
| 45 | Difficulties in recruiting staff | New risk |

Based on a consideration of Inherent risk the top 6 risks for the Authority are:

| | RISK | Type | Likelihood | Impact | Risk Score |
|----|--|-----------|------------|--------|------------|
| 2 | Medium to Long Term Risk of reduction of funding from WG, other public sector funders, or grant schemes. Higher inflation and wage costs adding to costs | Strategic | 3 | 4 | 12 |
| 9 | Risk of long term impact from climate change | Strategic | 4 | 4 | 16 |
| 18 | Risk of major IT failure or virus attack etc | Operation | 4 | 4 | 16 |

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|----|---|---|---|---|----|
| 37 | Ash Die Back disease is now widespread within the National Park, including on our Estate. | Strategic/ Financial / Operational | 3 | 4 | 12 |
| 38 | Impact of Covid-19 | Strategic / Financial / Operational | 4 | 3 | 12 |
| 44 | Risk of escalating utility costs | Strategic / Financial / Operational | 4 | 3 | 12 |

Recommendation

Members are asked to consider and comment on the risk register.

Background Documents

None

(For further information, please contact Richard Griffiths)

Author: Richard Griffiths

Pembrokeshire Coast National Park Authority - AUTHORITY RISK REGISTER - May 2022

| | RISK | Type | Inherent risk | | | Mitigation | Residual risk | | | Control/ monitoring | Trend this qtr | Progress Update |
|----|--|------------------------|---------------|--------|------|---|---------------|--------|------|--|----------------|---|
| | | | Likelihood | Impact | Risk | | Likelihood | Impact | Risk | | | |
| 1 | Short Term Risk of significant reduction of funding from WG, other public sector funders, grant schemes or Authority Generated Income. Higher inflation adding to costs. | Strategic | 2 | 2 | 4 | Planned cost reduction, budget planning, increase local income and other external funding | 1 | 1 | 1 | Budget management & project financial planning | No Change | Current budget approved |
| 2 | Medium to Long Term Risk of reduction of funding from WG, other public sector funders, or grant schemes. Higher inflation and wage costs adding to costs | Strategic | 3 | 4 | 12 | Planned cost reduction, budget planning, increase local income and other external funding | 3 | 3 | 9 | Budget management & project financial planning | No Change | No indication of future grant levels |
| 3 | Risk of failing to comply with legislation | Strategic | 2 | 2 | 4 | Policies in place, assessment by Audit Wales, reporting to review committees | 1 | 2 | 2 | Performance reports to Members, monitoring legislation | No Change | Monitoring of the renewal corporate documents and policies undertaken by leadership team |
| 4 | Not being able to delivery on the targets laid down by the Welsh Government's Term of Government Remit letter | Strategic/ operational | 2 | 2 | 4 | Currently on track | 1 | 2 | 2 | Activities included in Corporate and Resources Plan and regular engagement with Welsh Government | No Change | |
| 5 | Failure to meet diversity requirements in Authority Membership | Strategic | 4 | 2 | 8 | No current vacancies, organise mentoring and promotional activities prior to next round of Welsh Government appointments | 1 | 1 | 1 | Engagement with Welsh Government to seek to attract diverse candidates for future vacancies | Down | Recruitment for Strategic Advisor undertaken |
| 6 | Risk of failing to maintain high levels of governance | Strategic | 2 | 4 | 8 | Member & officer training, Advanced Members' Charter achieved, register of interests, code of conduct. | 2 | 2 | 4 | No negative audit reports from Audit Wales & internal audit or ombudsman investigations | No Change | New Members being inducted |
| 7 | Risk of NPA activities having a negative impact on socio-economic well-being of the area | Strategic | 2 | 3 | 6 | LDP outlines policies for development | 2 | 2 | 4 | Membership of PSB, liaison with Visit Pembrokeshire and other groups | No Change | Membership of PSB and Pembrokeshire Economic Ambitions Board, financial and in-kind support provided for Visit Pembrokeshire and support for major events |
| 8 | Risk of poor partner relationships affecting joint working | Strategic | 2 | 2 | 4 | Many examples of joint/shared working in place. Discussions with PCC, NRW and other NPAs to review opportunities | 1 | 1 | 1 | Reporting to NPA | Down | Greater involvement with PSB on Future Generations and other matters. |
| 9 | Risk of long term impact from climate change | Strategic | 4 | 4 | 16 | Participation in the Public Service Board's climate risk assessment and Authority has agreed Climate Change Action Plan | 3 | 4 | 12 | Monitor impact | No Change | High level PSB Group set up to develop plan for Climate Change Adaptation and two projects funded by SLSF to guide work of the Authority |
| 10 | Risk of disease or invasive species damaging biodiversity | Strategic | 2 | 3 | 6 | NPA has some impact/control outside own property through its Invasive Species project | 2 | 2 | 4 | Invasive species project monitoring | No Change | Invasion species project monitoring issues |
| 11 | Risk of significant damage due to bad weather | Financial | 2 | 4 | 8 | Regular Building and Site Inspections, Tree Policy, Adaptations made to vulnerable structures, Monitoring | 2 | 3 | 6 | Monitor and review properties etc. | No Change | Use of Authority's reserves to repair storm damaged |
| 12 | Risk of flawed decision on planning matters | Reputation/ Financial | 2 | 4 | 8 | Codes of practice & protocols. Members Charter. Member & staff training, cooling-off period. Reserve in place to cover. | 2 | 3 | 6 | No. of approvals outside policy and decisions against recommendation | No Change | No recent changes |
| 13 | Risk of failure to allocate all SDF grants | Operational | 2 | 3 | 6 | Publicity, funding surgeries etc as required. New process for allocating funding agreed in July 2020, with clearer application deadlines | 2 | 1 | 2 | Monitor funding and claims | No Change | SDF Panel meeting on a regular basis |
| 14 | Risk of not delivering on Corporate Objectives, due to lack of staff capacity/skills as a result of new working practices caused by Covid-19 | Operational | 2 | 4 | 8 | Most staff working as normal with some of Llanion staff still working remotely | 1 | 2 | 2 | Changes to flexible working policy has been revised | No Change | Flexible working request being considered and staff restructuring is aimed at creating more resilience |
| 15 | Risk of major incident affecting or involving NPA staff and resources | Strategic | 2 | 2 | 4 | Monitor special events. Response plan in place. In contact with other agencies | 1 | 2 | 2 | Monitoring | No Change | Following a review by Audit Wales in spring 2020 the Business Continuity plans have been updated and will be implemented once 365 is fully installed. |
| 16 | Risk of loss of major NPA operational building due to fire or other damage | Operation | 1 | 4 | 4 | All buildings well maintained. Security & fire alarm systems in place. Annual Fire Safety Risk Assessment on all Buildings. Insurance to cover some costs | 1 | 2 | 2 | Annual inspections | No Change | No recent changes |

| | RISK | Type | Inherent risk | | | Mitigation | Residual risk | | | Control/ monitoring | Trend this qtr | Progress Update |
|----|--|------------------------------------|---------------|--------|------|--|---------------|--------|------|---|----------------|---|
| | | | Likelihood | Impact | Risk | | Likelihood | Impact | Risk | | | |
| 17 | Risk of causing significant environmental damage due to actions by NPA staff or on NPA property | Reputation | 1 | 3 | 3 | Risk assessments for operation and location in place, staff training. | 1 | 1 | 1 | Incident reporting & monitoring by H&S group and Leadership Team | No Change | IOSH training course completed. |
| 18 | Risk of major IT failure or virus attack etc | Operation | 4 | 4 | 16 | Daily backup of data. Backup email server in place. Disaster recovery facilities in place on second site. Security updates installed as soon as available. Critical dependence on small number of key staff. | 2 | 4 | 8 | Office 365 being introduced. | No Change | Leadership Team agreed the appointment of another member of the IT department in June 2021 and introduce Office 365 |
| 19 | Risk of failure of phone system | Operational | 2 | 3 | 6 | Maintenance contract in place and mobile phone network as backup | 2 | 2 | 4 | Cross Authority phone system now in place | Down | No recent changes |
| 20 | Risk of loss of key documents | Financial | 2 | 2 | 4 | Key documents in fire safe, copies made, many also electronic copies. | 2 | 1 | 2 | Staff training and awareness. | No Change | Full access to buildings currently available. |
| 21 | Risk of inaccurate GIS and other data for decision making | Operational | 2 | 3 | 6 | Software now in place to control data quality, including FME software | 1 | 2 | 2 | Review data standards | No Change | New GIS officer to be recruited |
| 22 | Risk of failure to maintain performance of DM service | Operational | 2 | 4 | 8 | New systems and procedures in place, staff training. Outsourcing used for peak workloads | 2 | 2 | 4 | Monitor & report performance | Down | Interim DM Team Leader in place and recruiting for Director of Planning |
| 23 | Failure to meet affordable housing targets | Strategic | 2 | 4 | 8 | Affordable housing policies have been amended in new LDP | 2 | 2 | 4 | Monitoring | No Change | Continue monitoring - number of applications approved and refused. |
| 24 | Risk of failure to manage conservation sites to achieve service standard | Operational | 2 | 2 | 4 | Sites monitored annually, management plans reviewed | 2 | 1 | 2 | Regular monitoring | No Change | Bids for additional funding regularly submitted. |
| 25 | Risk of failure to meet service standard for RoWs | Operational | 2 | 2 | 4 | Annual condition inspection of Coast Path, Inland ROW and Bridge inspection using digital inspection App. Standard Operating Procedure for Bridge Inspections | 2 | 1 | 2 | Resource constraints have meant we now able inspect the PROW network on a 4 year cycle as oppose to the 3 year cycle. | No Change | No recent changes |
| 26 | Risk of failing to meet Carew Castle long term lease obligations and maintenance especially on causeway and castle stonework | Operational | 2 | 2 | 4 | Regular inspections and maintenance actions. 60+ years remain on lease. | 2 | 1 | 2 | Annual work programme. Emergency works completed quickly | No Change | No recent changes |
| 27 | Incident due to failure to adequately maintain and repair paths, sites and properties | Financial | 2 | 2 | 4 | Adoption of Visitor Safety Strategy, Annual Building Inspection and Risk Assessments of all sites. Regular maintenance programme. Reports from public and Coast Guard | 2 | 1 | 2 | Annual Inspection, Implementation of annual work programme Emergency works completed quickly, Incidents reported to H&S group. Property Group | No Change | No recent changes |
| 28 | Incident due to falling trees or branches in our property | Financial | 2 | 2 | 4 | Updated Tree Policy, Annual Inspections, Tree Management, Independent Inspection every 3 years, Staff trained to Level 2 Tree Inspection, Weather event protocols | 2 | 1 | 2 | Implementation of annual work programme. Site assessment reports | No Change | No recent changes |
| 29 | Incident due to driver error/ vehicle faults. | Financial / Operational | 2 | 3 | 6 | All vehicles maintained to manufacturers recommendations. Vehicles checked for roadworthiness. Driver licence and vehicle documentation checked. Staff driving assessed. Staff training. Decision made to renew fleet and ensure no vehicle is more than 7 years old | 1 | 3 | 3 | Regular vehicle checks. Annual check of drivers' licences. Accidents involving Authority vehicles reported to H&S group. | No Change | New vehicles on order |
| 30 | Incident caused by or to staff, volunteers or services users | Financial | 2 | 2 | 4 | Risk assessment for operation and location. Staff training. £25m public liability insurance. Adequate briefing for each volunteer event | 2 | 1 | 2 | Review of risk assessments. Review of staff training requirements. Incidents reported. | No Change | No recent changes |
| 31 | Incident caused by faulty merchandise, food etc provided by NPA | Financial | 2 | 2 | 4 | Reliable supply sources. Merchandise group monitors products. £25m public liability insurance | 2 | 1 | 2 | Incidents reported | No Change | No recent changes |
| 32 | Incident caused by livestock managed by NPA | Financial | 2 | 2 | 4 | Risk assessment for operation and location, Staff training, £25m public liability insurance | 1 | 2 | 2 | Incidents reported to H&S officer | No Change | Audit undertaken undertaken by internal safeguarding leads |
| 33 | Breach of Data Protection Regulations | Strategic/ Financial / Operational | 2 | 4 | 8 | Training programme to ensure compliance amongst members and officers | 2 | 2 | 4 | Detailed work schedule prepared with target dates and assigned responsibilities. The Authority has appointed a Data Protection Officer and assess where this role will sit within the Authority's structure and governance arrangements | Down | Carrying out data audit across Authority. |
| 34 | Conservation burning could result in property being destroyed | Strategic/ Financial / Operational | 2 | 4 | 8 | Risk assessment undertaken for operation and location. Best practice adopted and staff sufficiently trained | 1 | 4 | 4 | Review of risk assessments. Incidents reported. | No Change | Authority is a member of Pembrokeshire Wildfire group |

| | RISK | Type | Inherent risk | | | Mitigation | Residual risk | | | Control/ monitoring | Trend this qtr | Progress Update |
|----|--|-------------------------------------|---------------|--------|------|--|---------------|--------|------|---|----------------|--|
| | | | Likelihood | Impact | Risk | | Likelihood | Impact | Risk | | | |
| 35 | Failure to Recover Outstanding Debts | Financial | 2 | 2 | 4 | All Authority debts recorded and monitored in finance system until repayment is made | 1 | 2 | 2 | Weekly monitoring of debts at risk, issue of series of bad recovery letters to debtors | No Change | Risk of debts being monitored |
| 36 | Ash Die Back disease is now widespread within the National Park, including on our Estate. | Strategic/ Financial / Operational | 3 | 4 | 12 | Review of the overall impact of ash dieback undertaken in 2020. Limited exposure as paths maintained and land not owned by Authority | 3 | 2 | 6 | Remedial work being undertaken in house as and when required. | UP | Ash Dieback Decision Guide and Arc online being used to manage the spread of the decision. |
| 37 | Impact of Covid-19 | Strategic / Financial / Operational | 4 | 3 | 12 | A short to medium significant impact across all of the services provided by the Authority. Difficult to mitigate against impacts. | 3 | 2 | 6 | Follow guidance from Public Health Wales. Clear communication with staff, members and public. Develop approach to deliver our services | Down | No recent changes |
| 38 | Risk of disease or pandemic | Strategic / Financial / Operational | 2 | 4 | 8 | There is a need to review approach of the Authority to ensure that it is able to respond to public health or animal / plant health crisis and also to deliver necessary services. | 2 | 3 | 6 | Develop a plan or an approach to deal with issue. | No Change | The Authority learning from experiences of the last 2 years |
| 39 | Risk of 'key' staff in 'critical posts leaving. | Strategic / Financial / Operational | 3 | 3 | 9 | Carry out risk assessment of key posts/individuals. Develop plan of action for all critical posts/staff. Identify skills shortages to deliver strategic plan | 2 | 3 | 6 | Key Person Dependency Risk Matrix and Succession Plan in place, linked to Performance Appraisal. SOPS for critical business processes | No Change | Under review. |
| 40 | Risk of delays in the delivery critical projects | Strategic / Financial / Operational | 3 | 3 | 9 | Operational and financial risk of the delay of Capital projects due to Covid-19, Staffing shortages and factors outside our control. Since the start of the pandemic and consequential commodity shortages the Authority has experienced difficulties in obtaining quotes for the certain contracts | 2 | 3 | 6 | Monthly property group meetings held to monitor progress | No Change | On going monitoring |
| 42 | A failure to move our IT system to Microsoft 365 | Strategic / Financial / Operational | 2 | 3 | 6 | Training and development of staff and additional staff resource to support implementation. Provision made for consultancy support if required | 1 | 3 | 3 | Regular reports from IT Manager to review and regular monitoring | No Change | Good progress being made |
| 43 | Risk of Authority no longer considering the specific Well-being Objective of Equality in its equality plan and equality mainstreaming activities | Strategic / Financial / Operational | 2 | 3 | 6 | Activities that support delivery of equality duties have been identified in Corporate and Resources Plan. Activity Status update document for the Equality Plan and Objectives 2020-24 has been created which will be updated periodically. Delivery Plans when created to be subject to integrated assessments to ensure that adequate consideration of equality considerations and links to the Authority's Equality Plan have been carried out prior to approval. | 1 | 3 | 3 | Performance reports for activities in Corporate and Resources Plan. Activity status update document for Equality Plan and Objectives 2020-24. | No Change | Situation being monitored |
| 44 | Risk of escalating utility and fuel costs | Strategic / Financial / Operational | 3 | 4 | 12 | The UK is not immune to the escalating world wide increases in utility costs. Fortunately the proportionate of the Authority's utility costs aren't significant in relation to it's overall costs base | 2 | 3 | 6 | Electricity supply is subject to a long term agreement which lasts until August 2023 | No Change | No change |
| 45 | Difficulties in recruiting staff | Strategic / Financial / Operational | 3 | 3 | 9 | Looking at different approaches to recruitment. The use of Recruitment consultants when appropriate. Developing new approaches to training staff. | 2 | 2 | 4 | Regular review of recruitment and restructuring seeks to provide greater resilience. | New | |

KEY:

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|-------------------------|----------|--------------|----------|--------|--|---|
| LIKELIHOOD OF OCCURRING | Critical | 4 | 8 | 12 | 16 | 12+: Unacceptable level of risk exposure, which requires extensive management |
| | Major | 3 | 6 | 9 | 12 | |
| | Moderate | 2 | 4 | 6 | 8 | 6 – 9: Risk management measures need to be put in place and monitored |
| | Minor | 1 | 2 | 3 | 4 | 3 - 4: Acceptable level of risk subject to regular monitoring |
| | | Almost Never | Unlikely | Likely | Almost Certain | |
| | 1 | 2 | 3 | 4 | 1 – 2 Acceptable level of risk subject to regular monitoring | |

Change from previous report