

## 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:

<b>Risk No</b>	<b>Risk Name</b>	<b>Progress</b>
1	Risk of failing to maintain high levels of governance	Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority. reserves level sufficient to manage short term changes
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. Planned reduction in reserves	Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority
5	Failure to meet diversity requirements in Authority Membership	Strategic Advisor for Diversity and Governance appointed
9	Risk of long term impact from climate change	New Climate Adaptation Plan for Pembrokeshire agreed and new Head of Decarbonisation appointed
37	Impact of COVID 19	Recovery plan has been updated with plans to formalise flexible working arrangements
39	Difficulty in delivering key capital projects	Operational and financial risk of the delay of Capital projects due to staffing shortages and significant increase in costs.

Based on a consideration of Inherent risk the top 7 risks for the Authority are:

	<b>RISK</b>	<b>Type</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Score</b>
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	4	3	12
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
37	Ash Die Back disease is now widespread within the National Park, including on our Estate.	Strategic/ Financial / Operational	3	4	12
39	Difficulty in delivering key capital projects	Strategic / Financial / Operational	4	3	12
44	Risk of escalating utility costs	Strategic / Financial / Operational	4	3	12

### **Layout of the Risk Register**

Following the review of the Risk Management approach by Internal Auditors, work has been undertaken to redesign the Risk Register. While this work is ongoing Members are asked to comment on the revised approach.

### **Recommendation**

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

#### Background Documents

None

*(For further information, please contact Richard Griffiths)*

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

RISK	Type	Owner	Inherent risk			Mitigation	Residual risk			Target Score (Risk Appetite)	Control/ monitoring	Trend this qtr	Progress Update	Last Reviewed	
			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		4	3	12	Planned cost reduction, budget planning, increase local income and other external funding	2	2	4		Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority. reserves level sufficient to manage short term changes	Increase	Budget workshop with Member on 26/10 and meeting with Minister 27/10	
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. Planned reduction in reserves	Strategic		3	4	12	Planned cost reduction, budget planning, increase local income and other external funding	3	3	9		Discussions with Welsh Government, updating fundraising plans, bring new skills into the Authority	No Change	Budget workshop with Member on 26/10 and meeting with Minister 27/10	
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		3	2	6	Currently on track, however, financial challenges are making this more difficult	1	2	2		Activities included in Corporate and Resources Plan and regular engagement with Welsh Government	Increase		
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. Strategic Advisor for Diversity and Governance appointed	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. New Climate Adaptation Plan for Pembrokeshire agreed and new Head of Decarbonisation appointed	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 SLSP 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	
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	

RISK	Type	Owner	Inherent risk			Mitigation	Residual risk			Target Score (Risk Appetite)	Control/ monitoring	Trend this qtr	Progress Update	Last Reviewed	
			Likelihood	Impact	Risk		Likelihood	Impact	Risk						
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	
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. Recovery plan has been updated with plans to formalise flexible working arrangements	3	2	6		Follow guidance from Public Health Wales. Clear communication with staff, members and public. Develop approach to deliver our services	No change	No recent changes	

RISK	Type	Owner	Inherent risk			Mitigation	Residual risk			Target Score (Risk Appetite)	Control/ monitoring	Trend this qtr	Progress Update	Last Reviewed	
			Likelihood	Impact	Risk		Likelihood	Impact	Risk						
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	Difficulty in delivering key capital projects	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	UP	Under review.	
40	Risk of delays in the delivery critical projects	Strategic / Financial / Operational		4	3	12	Operational and financial risk of the delay of Capital projects due to Staffing shortages and significant increase in costs. 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	4	8		Electricity supply is subject to a long term agreement which lasts until August 2023	UP	No change	
45	Failure in recruiting staff resulting in inability to deliver corporate objectives	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:

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

Change from previous report