

REPORT OF BUSINESS & PERFORMANCE MANAGER

SUBJECT: RISK REGISTER

Purpose of Report

To ask Members to consider the latest risk register

Introduction/Background

In their first piece of work for the Authority, the new Internal Auditors have considered the Risk Register and how it is managed. They reported that the risk register '*as currently laid down and operated, provides substantial assurance that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.*' The auditors made a number of recommendations:-

	Recommendation	Action
1	Regular standing agenda item for review of the Risk Register at management team meetings	Now a standing item on monthly Leadership Team agenda
2	Regular reporting to Audit & Corporate Service Review Committee and Operational Review Committee in respect of the most significant risks on the Register (or the 'Top 10') at each meeting; fulfilling their governance role to ensure that management are taking suitable steps to manage risks within appetite	Already in place
3	Devolving risk management down within its operational structure; this can improve understanding of risk and appreciation for controls and assisting to reduce reliance on the Business & Performance Manager.	See 1 above
4	Introduce enhancements to its Risk Register format and presentation	Being introduced
5	Update Strategy document to reflect current practice and responsibilities.	To be completed later this year
6	Develop criteria to inform the scoring of both Probability and Impact within the Risk Register; for example what constitutes Impact – Minor, Moderate or Severe.	See below

The risk register has now been revised taking the above comments into consideration and some additional columns introduced.

Entries in the Likelihood column are now scored where

- 1 is unlikely – there are few historic instances of this event or it is only likely for this to occur very occasionally
- 2 is possible – there may be historic instances or this event may occur from time to time
- 3 is probable – frequent historic instances or indications are that this event may occur in the near future




Similarly entries in the impact column are also scored

- 1 is minor – the event will only have minor financial or operational impact and should be easily and quickly remedied.
- 2 is moderate – the event will have some financial implications (over about £20,000) and/or may require staff resources and cause operational difficulties and delay other work.
- 3 is severe – the event may have substantial financial implications (over £50,000) and impact significantly on other work.

The risk level is obtained by multiplying the likelihood and impact together to give the following risk matrix:-

		Risk score			Risk Level
Impact	3	3	6	9	High
	2	2	4	6	Medium
	1	1	2	3	Low
		1	2	3	
		Likelihood			

The new trend column indicates how the risk has changed since last reported. This may not necessarily be a change in the risk level, but indicates that either controls and actions now in place have reduced the risk or that other circumstances have increased the risk.

	Indicates the risk level may have increased
	Indicates the risk is unchanged
	Indicates the risk level has reduced

A target risk column has also been included. This indicates the acceptable level of risk, sometimes referred to as 'risk appetite'. Twenty six out of the thirty seven risks listed in the register are already at this acceptable level. One risk could be reduced from high to medium risk level, seven reduced from medium to low and one to ideally reduce from high to low. The other risks may reduce their risk score slightly but not to move to a lower risk level.

The final three columns have now been amended with Mitigation indicating what actions and processes are in place to manage the risk. The control/monitoring shows what processes are in place to check that the risk is under control and the progress update column details events which have taken place since the last report and may affect the risk management.

The revised risk register is attached for Members' attention. Three risks are classed as high (red), 16 as medium (amber) and 18 as low (green). Four have increased slightly and two have reduced with the other risks remaining stable. The previous risk on producing the LDP has been changed as a full review is now required by Welsh Government.

Recommendation

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






Background Documents

None

(For further information, please contact Alan Hare)

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PCNPA - AUTHORITY RISK REGISTER - November 2015

	RISK	Likelihood	Impact	Risk Level	Trend	Target Risk	Type	Mitigation	Control/ monitoring	Progress Update
1	Risk of significant reduction of funding from WG, other public sector funders, or grant schemes	Probable (3)	Severe (3)	High (9)		Med (4)	Strategic	Planned cost reduction, budget planning, increase local income and other external funding	Budget management & project financial planning	WG draft budget announcement delayed until mid Dec.
2	Risk of failing to comply with new legislation - Future Generations Measure, Planning Bill, Environment Bill etc	Unlikely (1)	Moderate (2)	Low (2)		Low (2)	Strategic	Monitor legislation Liaise with WLGA, WAO, other NPAs, etc	Involved as Early Adopter, monitor progress of other authorities	Recent Early Adopter training with Members & officers. Attended recent PSB meeting.
3	Risk of failing to comply with current legislation	Unlikely (1)	Moderate (2)	Low (2)		Low (2)	Strategic	Policies in place, assessment by WAO, reporting to review committees	Performance reports to Members, monitoring legislation	Annual Improvement Report from WAO indicates only one proposal for further improvement
4	Failure to comply with new Welsh Language Standards	Possible (2)	Moderate (2)	Med (4)		Low (2)	Strategic	Compliance notice sets out standards	Language working group progress reports to CMT	Language working group set up to progress changes to meet compliance notice.
5	Risk of Review of Designated Landscape recommendations impacting on service delivery	Possible (2)	Moderate (2)	Med (4)		Low (2)	Strategic/operational	To be determined	To be determined	Report due to be launched 22nd October

	RISK	Likelihood	Impact	Risk Level	Trend	Target Risk	Type	Mitigation	Control/ monitoring	Progress Update
6	Failure to meet diversity requirements in Authority Membership	Possible (2)	Moderate (2)	Med (4)	↑	Low (2)	Strategic	Introduce mentoring for potential members	Report to WG	No applicants so far
7	Risk of failing to meet WG policy requirements	Unlikely (1)	Moderate (2)	Low (2)	↔	Low (2)	Strategic	Regular liaison with WG, WLGA and NPW	Monitor policy changes	No recent changes
8	Risk of failing to maintain high levels of governance	Unlikely (1)	Moderate (2)	Low (2)	↔	Low (2)	Strategic	Member & officer training, Members' Charter, register of interests	No negative audit reports from WAO & internal audit or ombudsman investigations	Members' development strategy approved by NPA. Members' self assessment to be completed.
9	Risk of NPA activities having a negative impact on socio-economic well-being of the area	Unlikely (1)	Moderate (2)	Low (2)	↔	Low (2)	Strategic	Consultation & liaison on LDP review and other new policies	Membership of PSB, liaison with Pembs Tourism and other groups	Scrutiny Report due to be published and recommendations Implement.
10	Risk of poor partner relationships affecting joint working	Unlikely (1)	Moderate (2)	Low (2)	↔	Low (2)	Strategic	Many examples of joint/shared working in place. Discussions with PCC, NRW and other NPAs to review opportunities	Reporting to NPA and Minister	Greater involvement with PSB on Future Generations and other matters.
11	Risk of long term impact from climate change	Possible (2)	Moderate (2)	Med (4)	↔	Med (4)	Strategic	Build mitigation into NPMP and other policies	Monitor impact	No recent changes

	RISK	Likelihood	Impact	Risk Level	Trend	Target Risk	Type	Mitigation	Control/ monitoring	Progress Update
12	Risk of disease or invasive species damaging biodiversity	Possible (2)	Moderate (2)	Med (4)	↕	Med (4)	Strategic	NPA has limited impact/control outside own property	Monitor	INNS project underway in Gwaun Valley involving local community volunteers.
13	Risk of significant damage due to bad weather	Possible (2)	Moderate (2)	Med (4)	↕	Med (4)	Financial	Maintain properties and sites in good condition to minimise potential damage. Business continuity plans to consider implications. Budget reserves and insurance in place.	Monitor and review properties etc.	No recent changes
14	Risk of flawed decision on planning matters	Possible (2)	Moderate (2)	Med (4)	↑	Low (2)	Reputation	Codes of practice & protocols. Members Charter. Member & staff training, cooling-off period.	No. of approvals outside policy and decisions against recommendation	Recent threat of judicial reviews on two decisions.
15	Risk of failure to allocate all SDF grants	Unlikely (1)	Minor (1)	Low (1)	↕	Low (1)	Operational	Publicity, funding surgeries etc as required	Monitor funding and claims	Approx. £20,000 available in current year. Funding surgery in November.
16	Risk of lack of staff capacity/skills for key work	Possible (2)	Moderate (2)	Med (4)	↕	Med (4)	Operation	Training programme planned around skills needed. Buy in expertise as required.	Project planning and reviews to identify potential/actual problems	Training programme covering range of skills in place for team leaders

	RISK	Likelihood	Impact	Risk Level	Trend	Target Risk	Type	Mitigation	Control/ monitoring	Progress Update
17	Risk of major incident affecting or involving NPA staff and resources	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Strategic	Monitor special events. Response plan in place. In contact with other agencies	Monitoring	Contingency plans being prepared for key activities
18	Risk of causing significant environmental damage due to actions by NPA staff or on NPA property	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Reputation	Risk assessments for operation and location in place, staff training.	Incident reporting & monitoring by H&S group and CMT.	H&S presentation at recent staff meeting to raise awareness & encourage incident reporting.
19	Risk of loss of major NPA operational building due to fire or other damage	Unlikely (1)	Severe (3)	Med (3)	↕	Med (3)	Operation	All buildings well maintained. Security & fire alarm systems in place. Insurance to cover some costs	Annual inspections	Business continuity plans to be completed
20	Risk of major IT failure or virus attack etc	Possible (2)	Severe (3)	High (6)	↕	High (6)	Operation	Daily backup of data. Backup email server in place. Disaster recovery facilities in place on second site. Security updates installed as soon as available.	Monitor back up procedures and security logs.	No security incidents detected. Continuing to test disaster recovery plans
21	Risk of failure of phone system	Unlikely (1)	Severe (3)	Med (3)	↕	Med (3)	Operational	Maintenance contract in place	Monitor performance	Continue with maintenance contract. Reviewing replacement systems and costs.

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22	Risk of loss of key legal documents	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Key documents in fire safe, copies made, many also electronic copies.	Staff trainin and awareness.	No recent changes
23	Risk of inaccurate GIS and other data for decision making	Possible (2)	Moderate (2)	Med (4)	⇩	Low (2)	Operational	Upgrading to QGIS system to give improved controls and easier to use.	Review data standards	QGIS system being used to support LDP review. Sharing experiences with BBNPA.
24	Risk of failing to deliver approved LDP	Possible (2)	Moderate (2)	Med (4)		Low (2)	Financial	Guidance from WG sets out process.	LDP working party	Delivery agreement being prepared including risks specific to delivery including resources, changes in legislation etc
25	Risk of failure to maintain performance of DM service	Possible (2)	Moderate (2)	Med (4)	⇩	Low (2)	Operational	New systems and procedures in place, staff training. Outsourcing used for peak workloads	Monitor & report performance	Performance 2014/15 in top 3 or 4 of WG league, but have slipped recently to mid table. Continue monitoring
26	Failure to meet affordable housing targets	Probable (3)	Moderate (2)	High (6)	↕	Low (2)	Strategic	Affordable housing policies to be amended in LDP review	Monitoring	Continue monitoring - number of applications approved and refused.

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27	Risk of failure to improve web access and document management for DM service	Possible (2)	Moderate (2)	Med (4)	↕	Low (0)	Operational	Difficult to implement with present planning system configuration.	Report to CMT	Investigating solution with PCC and alternative systems.
28	Risk of failure to manage conservation sites to achieve service standard	Unlikely (1)	Minor (1)	Low (1)	↕	Low (1)	Operational	Sites monitored annually, management plans reviewed	Regular monitoring	Conservation report presented to OR Committee.
29	Risk of failure to meet service standard for RoWs	Unlikely (1)	Minor (1)	Low (1)	↕	Low (1)	Operational	Annual condition inspection of length Coast Path & routine inspections of inland paths. Insurance.	Monitor condition	Grant confirmed for 2015/16, work programme underway
30	Risk of failing to meet Carew Castle long term lease obligations and maintenance especially on causeway and castle stonework	Possible (2)	Moderate (2)	Med (4)	↕	Low (1)	Financial	Regular inspections and maintenance actions. 60+ years remain on lease.	Annual work programme. Emergency works completed quickly	Budget allocation and flexibility for emergency works.
31	Incident due to failure to adequately maintain and repair paths, sites and properties	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Annual inspections of buildings & sites. Routine maintenance. Reports from staff, coast guard and public. Insurance	Implementation of annual work programme Emergency works completed quickly, Incidents reported to H&S group. Property Group	Annual inspection completed

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32	Incident due to falling trees or branches in our property	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Woodland Strategy. Annual inspection of all woodland sites. Additional inspection following dangerous weather conditions. £25m public liability insurance	Implementation of annual work programme. Site assessment reports	Site inspections carried out following high winds.
33	Incident due to driver error/vehicle fault	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	All vehicles maintained to manufacturers recommendations. Vehicles checked for roadworthiness. Driver licence and vehicle documentation checked. Staff driving assessed. Staff training	Regular vehicle checks. Annual check of drivers' licences. Accidents involving Authority vehicles reported to H&S group.	Monitoring vehicle damage following a slight increase. Reviewing how to check driving licences now that paper no longer available.
34	Incident caused by or to staff or volunteers	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Risk assessment for operation and location. Staff training. £25m public liability insurance. Adequate briefing for each volunteer event	Review of risk assessments. Review of staff training requirements. Incidents reported.	No recent changes

	RISK	Likelihood	Impact	Risk Level	Trend	Target Risk	Type	Mitigation	Control/ monitoring	Progress Update
35	Incident to school children/vulnerable persons while involved in NPA provided activity, work experience etc.	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Risk assessment for operation and location. DBS Checks. Child protection policy. Staff training. £25m public liability insurance	Review of risk assessments. Incidents reported.	No recent changes
36	Incident caused by faulty merchandise, food etc provided by NPA	Unlikely (1)	Moderate (2)	Low (2)	↕	Low (2)	Financial	Reliable supply sources. Merchandise group monitors products. £25m public liability insurance	Incidents reported	No recent changes
37	Incident caused by livestock managed by NPA	Possible (2)	Moderate (2)	Med (4)	↕	Med (4)	Financial	Risk assessment for operation and location, Staff training, £25m public liability insurance	Incidents reported to H&S officer	No recent changes