

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact | Inherent Risk Score   | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|-----------------|---|---|----------------------|-----------------|---------------------|-----------|
| <b>Finance &amp; Governance &gt;&gt; Finance &amp; Resources - Shane Flynn</b>  |                      |                 |   |   |                      |                 |                     |           |
| <b>FR_F01 - Lack of capacity to provide effective financial support</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |   |                      |                 |                     |           |
| <p>Corporate failure to develop effective FM across all departments. MTFS not secured.</p> <p>Variations against budgets increase leading to greater need for intervention</p> <p>Members and managers not able to obtain financial advice when exploring options.</p>  | 4 - Very Likely      | 2 - Medium      | 8 - Amber   | <p>- Development of in-house staff, including at least one trainee each year.</p> <p>- Group Manager responsibility for development and implementation of appropriate structures</p>                                    | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Dacorum Delivers                        |   |                      |                 |                     |           |
| <p>Risk Owner Comments:</p> <p>Appointment of one new member of accountancy team failed, leaving a potential gap in resources. A new appointment is required and the recruitment process is underway. A high quality interim arrangement has been put in place.</p>   |                      |                 |   |   |                      |                 |                     |           |
| <b>FR_F02 - Capital Programme not delivered</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |   |                      |                 |                     |           |
| <p>Significant underspends on capital programme means that priorities are not addressed, leading to reduced service capacity and damaged reputation.</p> <p>Loss of investment income because of capital resources tied up in programmes that are not delivered which could have been put into longer term investments.</p> | 4 - Very Likely      | 3 - High        | 12 - Red  | <p>- Programme is controlled through single point</p> <p>- CSSG monitor delivery and act as gateway for capital spending</p> <p>- Capital strategy sets the terms and conditions for managing the capital programme</p> | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Dacorum Delivers                        |   |                      |                 |                     |           |

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| <p><b>Risk Owner Comments:</b><br/>The Capital Strategy was revised and approved during 2011 and the full programme was reviewed during November 2011. A report on progress is to be provided to F&amp;R OSC on 31/01/12.</p> |                      |                 |   |   |                      |                 |                     |           |
| <b>FR_F03 - Overspends against budgets</b>  |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |   |                      |                 |                     |           |
| Indicates lack of internal control and leads to poor internal and external audit judgements.<br><br>Damage to council's reputation.<br><br>Reduced resources available in subsequent periods                                  | 2 - Unlikely         | 4 - Severe      | 8 - Amber   | - Monthly reconciliation and reporting procedures<br>- Virement policy  | 1 - Very Unlikely    | 2 - Medium      | 2 - Green           |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Dacorum Delivers                        |   |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b><br/>Monthly procedures have been introduced and are operating as required. The likelihood of aggregate overspends against existing budgets is very low at this stage.</p>                      |                      |                 |   |   |                      |                 |                     |           |
| <b>FR_F04 - Underspends against budgets</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |   |                      |                 |                     |           |
| Indicates lack of internal control and leads to poor internal and external audit judgements.<br><br>Damage to council's reputation.<br><br>Increased cash held in reserves, which is not best use of revenue funds            | 3 - Likely           | 4 - Severe      | 12 - Red  | - Monthly reconciliation and reporting procedures.<br>- Virement policy | 3 - Likely           | 4 - Severe      | 12 - Red            |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Dacorum Delivers                        |   |                      |                 |                     |           |

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| <p><b>Risk Owner Comments:</b><br/>                     Underspending against approved budgets remains an issue. A stronger challenge process was introduced for 2012/13 budgets and this will be followed up with the results of Zero Based Budget activities that have been implemented in specific areas.</p>  |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_F05 - Opportunity to generate additional income from commercial assets under localism agenda</b></p>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Localism offers a major opportunity to review the council's assets and develop a better balance between commercial rents and community benefit.<br><br>If commercial property income is not maximised and non commercial property assets not minimised there will be less resources available for council business  | 4 - Very Likely      | 3 - High        | 12 - Red  | - All Commercial Property rents subject to ad hoc review and on renewal of lease.<br>- Assets maintained through asset register. | 2 - Unlikely         | 2 - Medium      | 4 - Green           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Dacorum Delivers                        |  |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b><br/>                     The CIPFA.Net asset management system is now fully operational and holds information on all of the council's assets. A new Housing Facilities Management system was purchased in December 2011. The Asset management strategy is due for review and approval by Cabinet on 27/03/12. This will incorporate a range of options for maximising the use of Council assets.</p> |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_I01 - Failure to align Council aspirations for service delivery with application of revenues</b></p>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Council priorities not met and desired outcomes not achieved. Resources allocated or diverted to low priority areas, leading to under spends and overspends on priority budgets.  | 3 - Likely           | 4 - Severe      | 12 - Red  | - Council vision and priorities identified.<br>- Priorities included in service planning process                                 | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Dacorum Delivers                        |  |                      |                 |                     |           |

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| <p><b>Risk Owner Comments:</b><br/>The 2012/13 budget setting exercise simplified the chart of accounts, coding and reporting procedures. The capital programme has been recast to show spend against activity categories. These actions will help to ensure that there is clarity over the direction of resources to priority areas.</p> |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_I02 - Failure to respond to opportunities presented by Localism Bill and subsequent legislation</b></p>  |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Missed efficiencies through transfer of resources and assets to local users. Damage to reputation.  | 2 - Unlikely         | 4 - Severe      | 8 - Amber   | Analysis of localism bill proposals by ADs for Governance and Finance and PIT  | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Dacorum Delivers                        |  |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b><br/>A new Localism Corporate Group has been established. This will have the specific brief to ensure that opportunities under localism are captured.</p>   |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_I03 - Failure to adopt a service specific best practice approach to managing Health and Safety (Finance and Resources)</b></p>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Death or injury to staff; residents or contractors staff; reputation; litigation and charges of corporate manslaughter.   | 2 - Unlikely         | 4 - Severe      | 8 - Amber   | Service specific health and safety policies in respect of Council buildings and commercial properties.<br>- Corporate H&S policy under review.<br>- Ongoing training for staff in key areas. | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Safe and Clean Environment              |  |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b><br/>The adoption of specific risk-management policies for F&amp;R is ongoing and is subject to a separate corporate initiative. This includes the development of a H&amp;S risk register and training for designated key contacts.</p>   |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_I04 - Failure to maintain an effective business continuity plan for all relevant service areas</b></p>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Disruption caused by service failure leading to hardship for individuals, potential loss of business and  | 3 - Likely           | 4 - Severe      | 12 - Red  | - Business continuity plans in place, revised at March 2011.<br>- Annual review process.   | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |

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| significant reputational damage   |                      |   | 12 - Red  | - Corporate business continuity process and procedures set out in emergency response toolkit.                              |                      |                 | 9 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Safe and Clean Environment  |   |  |                      |                 |                     |           |
| Risk Owner Comments:<br>Business continuity training for new GM (Revenues, Benefits & Fraud) undertaken.  |                      |   |   |  |                      |                 |                     |           |
| <b>FR_R01 - Lack of understanding of financial management across the Council</b>  |                      |   |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |   | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Increased variances against budgets with subsequent impact on available resources in later periods. Poor financial management and poor decision making, leading to failure to deliver MTFS and longer term financial difficulties. Damage to reputation of the Council.   | 3 - Likely           | 3 - High  | 9 - Amber   | - Incremental budgets; signed off by all GMs.<br>- Monthly monitoring.<br>- Financial assessment in procurement exercises. | 3 - Likely           | 3 - High        | 9 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers            |   |  |                      |                 |                     |           |
| Risk Owner Comments:<br>Financial Regulations revised to emphasise responsibilities of all Officers and Members and to simplify and clarify accountability levels. Aggregate budget variances are still high, however, and further work needs to be done to address this risk. Finance training, guidance and support during 2010/11 included:<br>- three training sessions for members<br>- officer workshops on ZBB and Capital strategy<br>- increased guidance on budgeting, accounting responsibilities and procurement processes. |                      |   |   |  |                      |                 |                     |           |
| <b>FR_R02 - Personal hardship caused by poor processing of benefits</b>   |                      |   |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |   | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Impact on individuals receiving benefits. Overpayment and need for recovery procedures. Mis-payment due to fraud. Significant potential for reputational damage.  | 4 - Very Likely      | 3 - High  | 12 - Red  | - Quality Control procedures operating in benefits processing<br>- Monthly reporting of time taken to process changes      | 4 - Very likely      | 2 - Medium      | 8 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Building Community Capacity |   |  |                      |                 |                     |           |

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| <p><b>Risk Owner Comments:</b></p> <p>The risk level has increased due to:</p> <ul style="list-style-type: none"> <li>- increased demand resulting for economic downturn</li> <li>- loss of permanent staff during quarter 3</li> <li>- ICT issues which have reduced the capacity to use temporary staff and created backlogs.</li> </ul> <p>Resources have been allocated to secure additional capacity through RB Solutions or other provider to resolve short-term issues.</p> |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_R03 - Failure to take advantage of new opportunities to improve income and VFM</b></p>  |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Loss of potential income. Efficiency opportunities missed because of limited finance input or lack of proactivity by finance officers  | 2 - Unlikely         | 4 - Severe      | 8 - Amber   | -Finance engagement in some cross cutting and corporate initiatives<br>- Budget Review Group | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Transferring  |                      |                 | Corporate Priority: Dacorum Delivers                        |  |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b></p> <p>A range of corporate and departmental initiatives have been identified and Finance involvement is being secured for each of these and monitored quarterly.</p>   |                      |                 |   |  |                      |                 |                     |           |
| <p><b>FR_R04 - Opportunity to use alternative service delivery models to identify efficiencies and improvements</b></p>  |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Nicholas Tiley - Finance & Resources |  |                      |                 |                     |           |
| Shared Servicing, outsourcing and realignments present an opportunity to identify and drive out inefficiencies.<br><br>MTFS not met. Potential efficiencies transferred to other providers who benefit from them   | 3 - Likely           | 4 - Severe      | 12 - Red  | AD (F&R) engaged on shared services project  | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 | Corporate Priority: Dacorum Delivers                        |  |                      |                 |                     |           |
| <p><b>Risk Owner Comments:</b></p> <p>Opportunities for efficiencies through outsourcing Payroll realised. Opportunities to achieve efficiencies through outsourcing of Facilities Management currently being explored.</p>  |                      |                 |   |  |                      |                 |                     |           |
| <p><b>Finance &amp; Governance &gt;&gt; Legal Democratic &amp; Regulatory - Steve Baker</b></p>  |                      |                 |   |  |                      |                 |                     |           |
| <p><b>LDR_F01 - Lack of resources to be able to spend the appropriate time analysing the Council's 3rd party expenditure</b></p>   |                      |                 |   |  |                      |                 |                     |           |

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| Category of risk: Financial Risks  |                      |                 |                     | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services   |                      |                 |                     |           |
| Continued delivery of a reactive service<br>Potential breach of the Public Contract Regs via non-aggregation<br>Off-contract spend<br>Reduced savings  | 3 - Likely           | 4 - Severe      | 12 - Red            | - Spikes Cavell spend analysis undertaken<br>- Realignment of the Service will increase resource capacity  | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Treating  |                      |                 |                     | Corporate Priority: Dacorum Delivers   |                      |                 |                     |           |
| Risk Owner Comments:<br>An additional procurement officer has been appointed which will increase the capacity of the CPU.  |                      |                 |                     |  |                      |                 |                     |           |
| <b>LDR_F02 - Lack of resources to be able to design and implement a Category Management approach to the Council's 3rd party expenditure</b>  |                      |                 |                     |  |                      |                 |                     |           |
| Category of risk: Financial Risks  |                      |                 |                     | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services   |                      |                 |                     |           |
| Lack of strategic direction<br>Reduced savings<br>Procurement silos<br>Increased workload  | 4 - Very Likely      | 3 - High        | 12 - Red            | - Realignment of Service will increase the resource capacity.  | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating  |                      |                 |                     | Corporate Priority: Dacorum Delivers   |                      |                 |                     |           |
| Risk Owner Comments:<br>An additional procurement officer has been appointed which will increase the capacity of the CPU.  |                      |                 |                     |  |                      |                 |                     |           |
| <b>LDR_M01 - Failure to reach our most vulnerable citizens, in particular the elderly and disabled, in the provision of housing assistance, (i.e. grant aid and loan schemes)</b>                    |                      |                 |                     |  |                      |                 |                     |           |
| Category of risk: Marketplace Risks  |                      |                 |                     | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services   |                      |                 |                     |           |
| Leads to essential repairs and disabled adaptations not being undertaken, resulting in (non Council owned) dwellings remaining unfit for purpose and a reduction in the quality of the housing stock | 3 - Likely           | 4 - Severe      | 12 - Red            | - The housing assistance scheme being completely reviewed to offer a comprehensive package<br><br>- The Private Sector Housing Renewal Strategy being reviewed to reflect this<br><br>- IT system being re-programmed to capture more sophisticated performance data | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 |                     | Corporate Priority: Safe and Clean Environment   |                      |                 |                     |           |

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| Risk Owner Comments:  |                      |                 |  |   |                      |                 |                     |           |
| <b>LDR_R01 - Failure to deliver successful elections</b>  |                      |                 |  |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                 | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |   |                      |                 |                     |           |
| Legal sanction and re-run of election at DBC expense<br>Loss of faith in elections process<br>Intense scrutiny on future referenda<br>Potential 'Failed service' designation from Electoral Commission<br>Personal Financial liability for Returning Officer.<br>Invalid or unsubstantiated election Results<br>Dissatisfaction of key stakeholders with the borough council elections and the process for future referenda | 4 - Very Likely      | 4 - Severe      | 16 - Red   | - Election Preparation Plan and Risk Assessment - Establish Election Team, allocate resources, audit and prepare equipment<br>- Oversee actual Election<br>- Check Results<br>- Conclude election paperwork<br>- Clear and Store election equipment<br>- Prepare Elect  | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk:  |                      |                 | Corporate Priority: Dacorum Delivers                                 |   |                      |                 |                     |           |
| Risk Owner Comments:<br>The Borough and Parish/Town Council elections and the referendum on alternative voting were successfully conducted last May. The risk register will need to be updated with regards the election in November 2012 for the Police Commissioners.   |                      |                 |  |   |                      |                 |                     |           |
| <b>LDR_R02 - Failure to successfully complete Parliamentary Boundary Review</b>   |                      |                 |  |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                 | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |   |                      |                 |                     |           |
| Inability to run National Parliamentary election or By-elections<br>Legal sanction and re-run of Review at DBC expense<br>Delay in future County, Borough, and Parish Reviews<br>Parliamentary Boundaries not Reviewed  | 4 - Very Likely      | 4 - Severe      | 16 - Red   | - Prepare Plan and Risk Assessment<br>- Establish Review Team, allocate resources, audit and prepare mapping equipment<br>- Consult with all interested groups and statutory consultees<br>- After 2011 election begin to implement action plan<br>- Winter 2011/12; Co | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk:  |                      |                 | Corporate Priority: Dacorum Delivers                                 |   |                      |                 |                     |           |



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| Risk Owner Comments:   |                      |                 |  |  |                      |                 |                     |           |
| <b>LDR_R03 - Failure to achieve Lexcel accreditation</b>   |                      |                 |  |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |  |                      |                 |                     |           |
| Loss of confidence in the service, adverse effect on staff morale, processes not improved, waste of officer time and waste of consultant's costs and assessment fee  | 4 - Very Likely      | 3 - High        | 12 - Red   | <ul style="list-style-type: none"> <li>- IDP framework</li> <li>- Engaged specialist consultant</li> <li>- Support from Policy and Improvement Officer</li> <li>- Support and active participation of Legal Team members</li> </ul>  | 1 - Very Unlikely    | 3 - High        | 3 - Green           |           |
| Status of this risk:   |                      |                 | Corporate Priority: Dacorum Delivers                                 |  |                      |                 |                     |           |
| Risk Owner Comments:<br>The Legal Team achieved Lexcel accreditation in October 2011. It will be replaced with a new risk for 2012/13 - failure to maintain accreditation.   |                      |                 |  |  |                      |                 |                     |           |
| <b>LDR_R04 - Failure to have a robust system in place to deal with contingencies</b>   |                      |                 |  |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |  |                      |                 |                     |           |
| Leads to the inability to respond to a civil contingency or an incident that affects the continuity of the Council's operations, resulting in non-compliance with the Council's statutory and other obligations, service disruptions and system failures | 4 - Very Likely      | 2 - Medium      | 8 - Amber  | <ul style="list-style-type: none"> <li>- Complete review of the Emergency planning and Business Continuity arrangements</li> <li>- Phase II realignment to increase resilience</li> <li>- Reviewing partnership arrangements</li> <li>- Training programme for the new management team being devised</li> <li>- Existing arrangements with Herts CC</li> <li>- Up to date plans in place</li> <li>- Trained operational staff</li> </ul> | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 | Corporate Priority: Dacorum Delivers                                 |  |                      |                 |                     |           |

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| Risk Owner Comments:   |                      |                                      |  |  |                      |                 |                     |           |
| <b>LDR_R05 - Failure to adopt a service specific best practice approach to managing Health and Safety</b>                                |                      |                                      |  |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                                      | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |  |                      |                 |                     |           |
| Death or injury to staff; residents or contractors staff; reputation; litigation and charges of corporate manslaughter                   | 3 - Likely           | 4 - Severe                           | 12 - Red   | - Service specific health and safety policies in respect of Council buildings and commercial properties.<br>- Corporate H&S policy under review.<br>- Ongoing training for staff in key areas.       | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk:   |                      | Corporate Priority: Dacorum Delivers |  |  |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                                      |  |  |                      |                 |                     |           |
| <b>LDR_R06 - Failure to maintain an effective business continuity plan for all relevant service areas</b>                                |                      |                                      |  |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                                      | Portfolio Holder: Cllr Neil Harden - Residents & Regulatory Services |  |                      |                 |                     |           |
| Disruption caused by service failure leading to hardship for individuals, potential loss of business and significant reputational damage | 3 - Likely           | 4 - Severe                           | 12 - Red   | - Business continuity plans in place, revised at March 2011.<br>- Annual review and update process.<br>- Corporate business continuity process and procedures set out in emergency response toolkit. | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk:   |                      | Corporate Priority: Dacorum Delivers |  |  |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                                      |  |  |                      |                 |                     |           |
| <b>Housing &amp; Regeneration &gt;&gt; Housing Landlord - Elliott Brooks</b>   |                      |                                      |  |  |                      |                 |                     |           |
| <b>HL_I01 - Failure to Achieve Headline Service Objectives</b>   |                      |                                      |  |  |                      |                 |                     |           |

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| Category of risk: Infrastructure Risks   |                      |                 |                     | Portfolio Holder: Cllr Margaret Griffiths - Housing   |                      |                 |                     |           |
| Poor Quality Service, poor resident satisfaction, poor external audits   | 4 - Very Likely      | 4 - Severe      | 16 - Red            | - Service Plan ownership at AD level and reviewed quarterly with GM's.<br>- Staff involved in setting milestones, objectives linked to Council's priorities, fully supported by Portfolio Holder and Corporate Director.  | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk: Tolerating  |                      |                 |                     | Corporate Priority: Affordable Housing  |                      |                 |                     |           |
| Risk Owner Comments:<br>Service Plan has recently been updated as of end of quarter 3 and no actions have slipped - all on target or completed   |                      |                 |                     |   |                      |                 |                     |           |
| <b>HL_I02 - Failure to adapt to, understand and influence the Council's response to the localism bill – that relates to Housing Landlord (Self Financing, Tenancy reform)</b>  |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks   |                      |                 |                     | Portfolio Holder: Cllr Margaret Griffiths - Housing   |                      |                 |                     |           |
| Missed Opportunities, non compliance with statute  | 4 - Very Likely      | 4 - Severe      | 16 - Red            | - Advice/Guidance from Corporate Director<br>- Membership of CIH and similar bodies<br>- Attend briefings and seminars<br>- CMT workplan item   | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 |                     | Corporate Priority: Affordable Housing  |                      |                 |                     |           |
| Risk Owner Comments:<br>Self Finance Project continues as a joint project with Finance.<br><br>Housing will be represented on the Localism Corporate Working Group<br><br>Working with Strategic Housing to Develop Dacorum Strategic Housing Policy |                      |                 |                     |   |                      |                 |                     |           |
| <b>HL_I03 - Failure to adopt a service specific best practice approach to Health and Safety (Housing Landlord)</b>   |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks   |                      |                 |                     | Portfolio Holder: Cllr Margaret Griffiths - Housing   |                      |                 |                     |           |
| Death or injury to staff; residents or contractors staff; reputation; litigation and charges of corporate manslaughter.  | 3 - Likely           | 4 - Severe      | 12 - Red            | Service specific H & S procedures applied to sheltered housing service covering service users and staff eg. fire safety and lone working; clear landings policy and procedures; estate inspections schedule.. Corporate H&S policy under review. Ongoing training for staff in key areas. | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 |                     | Corporate Priority: Safe and Clean Environment  |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact | Inherent Risk Score                                 | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|-----------------|---|---|----------------------|-----------------|---------------------|-----------|
| <p>Risk Owner Comments:</p> <p>Health &amp; Safety Officer recruited to Property &amp; Place. Directorate Health &amp; safety meetings started</p> <p>All Teams to have Health &amp; safety as a standard item on agendas</p> <p>GM'S working through Risk Registers with Corporate Health &amp; Safety Officer</p> |                      |                 |   |   |                      |                 |                     |           |
| <b>HL_I04 - Failure to upgrade the housing IT management system</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Margaret Griffiths - Housing |   |                      |                 |                     |           |
| An unsupported system would result in significant management risks; unable to develop the service and become more customer focussed.  | 4 - Very Likely      | 4 - Severe      | 16 - Red  | Project Group progressing - budget allocated  | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Dacorum Delivers                |   |                      |                 |                     |           |
| <p>Risk Owner Comments:</p>   |                      |                 |   |   |                      |                 |                     |           |
| <b>HL_M01 - Failure to have systems in place which exert effective financial control over contractors</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Marketplace Risks   |                      |                 | Portfolio Holder: Cllr Margaret Griffiths - Housing |   |                      |                 |                     |           |
| Poor audit external and internal reports; reputation; unable to demonstrate value for money; lack of credibility, less improvements to stock / homes  | 3 - Likely           | 4 - Severe      | 12 - Red  | <ul style="list-style-type: none"> <li>- Regular meetings with contractors and housing accountant.</li> <li>- Budget transparency and monthly monitoring in place.</li> <li>- Post inspection checks of charges undertaken.</li> <li>- Support from AD and Corporate Director.</li> </ul> | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |
| Status of this risk: Tolerating   |                      |                 | Corporate Priority: Dacorum Delivers                |   |                      |                 |                     |           |
| <p>Risk Owner Comments:</p> <p>MITIE contract Monitoring arrangements reviewed and enhanced at all levels</p> <p>All other contract monitoring remains</p>  |                      |                 |   |   |                      |                 |                     |           |
| <b>HL_R01 - Failure to manage relationships with Service areas across the Council</b>   |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                 | Portfolio Holder: Cllr Margaret Griffiths - Housing |   |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact   | Inherent Risk Score | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|---|---------------------|---|----------------------|-----------------|---------------------|-----------|
| Disjointed service to residents, silo working, duplication and lack of value for money  | 3 - Likely           | 3 - High  | 9 - Amber           | - Group Managers and AD building relationships where appropriate<br>- Cross cutting service plan objectives<br>- Housing and Regen DMT<br>- SLA's   | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers                            |                     |   |                      |                 |                     |           |
| Risk Owner Comments:<br>Housing Landlord GM's playing an active role in the GM group to develop working and SLA's with other areas.<br>AD Group taking on more responsibilities for 'managing the business' |                      |   |                     |   |                      |                 |                     |           |
| <b>Housing &amp; Regeneration &gt;&gt; Planning, Development &amp; Regeneration - James Doe</b>   |                      |   |                     |   |                      |                 |                     |           |
| <b>PDR_F01 - Market fails to bring forward because of continuing economic uncertainty</b>   |                      |   |                     |   |                      |                 |                     |           |
| Category of risk: Financial Risks   |                      | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration |                     |   |                      |                 |                     |           |
| - Unable to meet local targets.<br>- Adverse effect on local economy<br>- Rise in unemployment<br>- Other centres emerge stronger   | 3 - Likely           | 4 - Severe  | 12 - Red            | - Economic Development Strategy in place with review process planned in<br>- Regeneration plan in place with dedicated team and budget<br>- Participation in county-wide initiatives and Partnership<br>- Development Delivery Plan with interventions planned<br>- Corporate actions; developments monitored and managed through Corporate Regeneration Group;<br>- Council approved new action plan for the economy late 2011 with £150,000 operational fund<br>- Bid submitted to Herts LEP for infrastructure delivery to unlock key developments at Maylands in Dec 2011 | 3 - Likely           | 3 - High        | 12 - Red            |           |
| Status of this risk:  |                      | Corporate Priority: Regeneration                                |                     |   |                      |                 |                     |           |
| Risk Owner Comments:<br>Further controls added late 2011 as detailed.   |                      |   |                     |   |                      |                 |                     |           |
| <b>PDR_F02 - External funding sources are reduced or disappear</b>  |                      |   |                     |   |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact | Inherent Risk Score | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|-----------------|---------------------|---|----------------------|-----------------|---------------------|-----------|
| <b>Category of risk: Financial Risks</b> <span style="float: right;">Portfolio Holder: Cllr Stephen Holmes - Planning &amp; Regeneration</span>   |                      |                 |                     |   |                      |                 |                     |           |
| - Unable to meet government and local targets.<br>- Key projects are not delivered and local economy suffers<br>- Local Development Framework is set back<br>- Low housing delivery in recession limits New Homes Bonus receipt | 4 - Very Likely      | 4 - Severe      | 16 - Red            | - Expenditure and actions are being monitored through the Corporate Regeneration Group increasing chances of success in the future<br>- Development Delivery Plan to ensure maximum output of housing<br>- LDF expenditure kept under review<br>- LDF reserve set up<br>- SPAR team to keep external sources under review<br>- Local Investment Plan aims to get most from Council and HCA assets<br>- Growing Places Fund bid to Herts LEP submitted Dec 2011<br>- Cabinet approved further operational resources in December 2011 of £150,000 for improved economic action plan | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: <span style="float: right;">Corporate Priority: Regeneration</span>  |                      |                 |                     |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                 |                     |   |                      |                 |                     |           |
| <b>PDR_F03 - Key income streams do not meet planning fees, building regulations and local land charges income budgets</b>   |                      |                 |                     |   |                      |                 |                     |           |
| <b>Category of risk: Financial Risks</b> <span style="float: right;">Portfolio Holder: Cllr Stephen Holmes - Planning &amp; Regeneration</span>   |                      |                 |                     |   |                      |                 |                     |           |
| - Unable to meet government and local targets.<br>- Bad press<br>- Shortfall on budget and potential staff cuts/service reduction   | 4 - Very Likely      | 4 - Severe      | 16 - Red            | - Local fee setting will enable planning fees to rise<br>- Review of processes in development management to bring service costs down<br>- Representations made to Govt to avoid cap on raising of planning fees<br>- Regular budget monitoring<br>- Trading accounts for Building Control and Land Charges  | 3 - Likely           | 4 - Severe      | 12 - Red            |           |
| Status of this risk: <span style="float: right;">Corporate Priority: Regeneration</span>  |                      |                 |                     |   |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact | Inherent Risk Score   | Controls   | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|-----------------|---|--|----------------------|-----------------|---------------------|-----------|
| <p>Risk Owner Comments:<br/>As at December 2011 the Government's plans for Localised Planning Fees look uncertain, and the 2012/13 budget has been prepared on the basis that that may not be introduced.<br/>Local Land Charges income has out performed the budget assumptions so far in 2011/12.</p> |                      |                 |   |  |                      |                 |                     |           |
| <b>PDR_I01 - Failure to deliver on the Regeneration and Sustainability Agenda by Insufficient Capacity</b>  |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration |  |                      |                 |                     |           |
| - Unable to meet government and local targets.<br>- Bad press<br>- Lack of funding  | 3 - Likely           | 4 - Severe      | 12 - Red  | - SPAR team now fully funded by General Fund following phase 2 realignment and budget process<br>- Formation of corporate regeneration group has brought in further support and capacity<br>- Work with Destination Dacorum Group (our partners) underway to engage in a programme of work<br>Cabinet approved a further £150,000 of resource to support economic growth and development.<br>-SPAR team organised to focus on delivery of top corporate priorities.<br>- Service plan objectives to consider partnering and local delivery options | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Regeneration                                |  |                      |                 |                     |           |
| <p>Risk Owner Comments:<br/>Capacity in the main delivery team , SPAR , has firmed up as a result of the budget and realignment processes.</p>  |                      |                 |   |  |                      |                 |                     |           |
| <b>PDR_I02 - Failure to deliver on the Regeneration and Sustainability Agenda by lack of internal expertise</b>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration |  |                      |                 |                     |           |
| - Unable to meet government and local targets<br>- Bad press<br>- Lack of funding   | 3 - Likely           | 4 - Severe      | 12 - Red  | - Allocated budget to provide extra resources<br>- Formation of corporate regeneration group<br>- Work with Destination Dacorum Group (our partners) to engage in a programme of work<br>- Service plan objectives to consider partnering and local delivery options   | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Regeneration                                |  |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact | Inherent Risk Score   | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|-----------------|---|---|----------------------|-----------------|---------------------|-----------|
| <p>Risk Owner Comments:<br/>Lack of capacity in in-house procurement and property services to support the regeneration in key sites remains a potential weakness in the system. Both services are proactively engaged through Corporate Regeneration Group.</p> |                      |                 |   |   |                      |                 |                     |           |
| <b>PDR_I03 - Failure to deliver on the Regeneration and Sustainability Agenda by Failure of partners to engage</b>  |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration |   |                      |                 |                     |           |
| - Unable to meet government and local targets<br>- Bad press<br>- Lack of funding   | 3 - Likely           | 4 - Severe      | 12 - Red  | - Allocated budget to provide extra resources<br>- Formation of corporate regeneration group<br>- Work with Desitnation Dacorum Group (our partners) to engage in a programme of work<br>- Service plan objectives to consider partnering and local delivery options<br>- meetings with developers and agents to identify and resolve blockages to delivery | 3 - Likely           | 3 - High        | 9 - Amber           |           |
| Status of this risk: Treating   |                      |                 | Corporate Priority: Regeneration                                |   |                      |                 |                     |           |
| <p>Risk Owner Comments:</p>   |                      |                 |   |   |                      |                 |                     |           |
| <b>PDR_I04 - Failure of Business Continuity Plan to keep critical and key services running</b>  |                      |                 |   |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks  |                      |                 | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration |   |                      |                 |                     |           |
|   | 2 - Unlikely         | 3 - High        | 6 - Amber   | - Business Continuity Plan in place at start of business year<br>- Quarterly review through PDRMT<br>- Review through Emergency Planning Officer  | 1 - Very Unlikely    | 3 - High        | 3 - Green           |           |
| Status of this risk:  |                      |                 | Corporate Priority: Dacorum Delivers                            |   |                      |                 |                     |           |
| <p>Risk Owner Comments:<br/>New Business Continuity Plan prepared in 2011.</p>  |                      |                 |   |   |                      |                 |                     |           |
| <b>PDR_I05 - Workforce Planning fails to prevent service failure</b>  |                      |                 |   |   |                      |                 |                     |           |



# Operational Risk Report

Quarter 3, 2011

| Consequences   | Inherent Probability | Inherent Impact | Inherent Risk Score | Controls   | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|--|----------------------|-----------------|---------------------|--|----------------------|-----------------|---------------------|-----------|
| Category of risk: Infrastructure Risks   |                      |                 |                     | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration  |                      |                 |                     |           |
| - Unable to fulfil service commitments<br>- Public service adversely affected<br>- Projects not fulfilled and economy suffers  | 2 - Unlikely         | 3 - High        | 6 - Amber           | - Workforce development plan<br>- Establishment Management control procedures encourage critical evaluation over need for posts              | 1 - Very Unlikely    | 3 - High        | 3 - Green           |           |
| Status of this risk:   |                      |                 |                     | Corporate Priority: Dacorum Delivers   |                      |                 |                     |           |
| Risk Owner Comments:<br>2011 has seen major change in Building Control as a result of many experienced staff leaving through the phase 2 realignment, and proposals to consider shared services or outsourcing. Service has continued to run through use of temporary staff pending work on shared services options extending into 2012. |                      |                 |                     |  |                      |                 |                     |           |
| <b>PDR_R01 - Local Development Framework (LDF) fails to meet milestones in Local Development Scheme</b>  |                      |                 |                     |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 |                     | Portfolio Holder: Cllr Stephen Holmes - Planning & Regeneration  |                      |                 |                     |           |
| - Bad press<br>- Policy vacuum develops and control over new development diminishes  | 3 - Likely           | 4 - Severe      | 12 - Red            | - Project management and monitoring of progress against the Local Development Scheme<br>- Use of project support resource over 2011 and 2012 | 3 - Likely           | 3 - High        | 9 - Amber           |           |
| Status of this risk:   |                      |                 |                     | Corporate Priority: Dacorum Delivers   |                      |                 |                     |           |
| Risk Owner Comments:<br>Good progress in 2011 and process on track for examination of the Local Planning Framework Core Strategy in autumn 2012, leading to adoption in early 2013.  |                      |                 |                     |  |                      |                 |                     |           |
| <b>Performance, Improvement &amp; Transformation &gt;&gt; Neighbourhood Delivery - David Austin</b>  |                      |                 |                     |  |                      |                 |                     |           |
| <b>ND_F01 - Failure to monitor the variation in projected levels of income for recyclables.</b>  |                      |                 |                     |  |                      |                 |                     |           |
| Category of risk: Financial Risks  |                      |                 |                     | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability   |                      |                 |                     |           |
| Budget overspends<br>Difficulty in predicting budgets  | 4 - Very Likely      | 3 - High        | 12 - Red            | - Regular meetings with Accountant<br>- Organising longer term contracts/consortia   | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating  |                      |                 |                     | Corporate Priority: Dacorum Delivers   |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences   | Inherent Probability | Inherent Impact | Inherent Risk Score  | Controls   | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|--|----------------------|-----------------|--|--|----------------------|-----------------|---------------------|-----------|
| Risk Owner Comments:<br>Good progress on consortia via Hertfordshire Waste Partnership.                |                      |                 |  |  |                      |                 |                     |           |
| <b>ND_F02 - Lack of budget to develop services</b>   |                      |                 |  |  |                      |                 |                     |           |
| Category of risk: Financial Risks  |                      |                 | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability |  |                      |                 |                     |           |
| Services performance ratings could suffer<br>More complaints<br>Demotivated staff                      | 4 - Very Likely      | 3 - High        | 12 - Red   | - Medium Term Financial Plan<br>- Robust business cases put in place to justify expenditure<br>- Linking spend to council priorities | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 | Corporate Priority: Dacorum Delivers                             |  |                      |                 |                     |           |
| Risk Owner Comments:<br>Additional revenue budget provision planned for 2012 / 2013.                   |                      |                 |  |  |                      |                 |                     |           |
| <b>ND_F03 - Lack of Capital Funding</b>  |                      |                 |  |  |                      |                 |                     |           |
| Category of risk: Financial Risks  |                      |                 | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability |  |                      |                 |                     |           |
| Unable to deliver improved service<br>Failure to take advantage of opportunities for income generation | 4 - Very Likely      | 3 - High        | 12 - Red   | - Full research and business case<br>- Opportunities with Partners   | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating  |                      |                 | Corporate Priority: Dacorum Delivers                             |  |                      |                 |                     |           |
| Risk Owner Comments:<br>Capital requirements approved into Capital Programme.                          |                      |                 |  |  |                      |                 |                     |           |
| <b>ND_I01 - Failure to achieve Headline Service Objectives</b>   |                      |                 |  |  |                      |                 |                     |           |
| Category of risk: Infrastructure Risks   |                      |                 | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability |  |                      |                 |                     |           |
| Poor service quality, lessened resident satisfaction.  | 3 - Likely           | 4 - Severe      | 12 - Red   | - Service Plan ownership at AD level and regular reviews with GMs.<br>- Staff involved in setting milestones                         | 1 - Very Unlikely    | 4 - Severe      | 4 - Green           |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences   | Inherent Probability | Inherent Impact | Inherent Risk Score | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|--|----------------------|-----------------|---------------------|---|----------------------|-----------------|---------------------|-----------|
| Status of this risk: Tolerating <span style="float: right;">Corporate Priority: Dacorum Delivers</span>  |                      |                 |                     |   |                      |                 |                     |           |
| Risk Owner Comments:<br>Continued monitoring of milestones against Service Plan.   |                      |                 |                     |   |                      |                 |                     |           |
| <b>ND_I02 - Failure to manage relationships with Service areas across the Council</b>  |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks <span style="float: right;">Portfolio Holder: Cllr Julie Laws - Environment &amp; Sustainability</span> |                      |                 |                     |   |                      |                 |                     |           |
| Duplication of activities, resident dissatisfaction.   | 3 - Likely           | 3 - High        | 9 - Amber           | - New Corporate working groups<br>- Talking point meetings<br>- Cross cutting service plan objectives   | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating <span style="float: right;">Corporate Priority: Dacorum Delivers</span>  |                      |                 |                     |   |                      |                 |                     |           |
| Risk Owner Comments:<br>New Corporate Working Group starts in Jan 2012, also more regular Assistant Director and Group Manager meetings.       |                      |                 |                     |   |                      |                 |                     |           |
| <b>ND_I03 - Failure to manage sickness levels and staff retention</b>  |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks <span style="float: right;">Portfolio Holder: Cllr Julie Laws - Environment &amp; Sustainability</span> |                      |                 |                     |   |                      |                 |                     |           |
| Increase use of agency staff<br>Higher Complaints<br>Cost implications   | 3 - Likely           | 3 - High        | 9 - Amber           | - A robust system to manage sickness and absence<br>- Sickness management<br>- Programme of inoculation against diseases<br>- Robust provider of temporary labour | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Treating <span style="float: right;">Corporate Priority: Dacorum Delivers</span>  |                      |                 |                     |   |                      |                 |                     |           |
| Risk Owner Comments:<br>Good progress on sickness management and levels remain below budgeted provision.                                       |                      |                 |                     |   |                      |                 |                     |           |
| <b>ND_I04 - Lack of fuel due to shortages, unavailability or price</b>   |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Infrastructure Risks <span style="float: right;">Portfolio Holder: Cllr Julie Laws - Environment &amp; Sustainability</span> |                      |                 |                     |   |                      |                 |                     |           |
| Service disruption   | 4 - Very             | 2 - Medium      | 8 - Amber           | - National agreements in place  | 4 - Very likely      | 1 - Low         | 4 - Green           |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact                      | Inherent Risk Score  | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|--------------------------------------|--|---|----------------------|-----------------|---------------------|-----------|
| Health hazards<br>Staffing issues   | Likely               |                                      |  |   |                      |                 |                     |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |  |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |  |   |                      |                 |                     |           |
| <b>ND_M01 - Failure to respond to opportunities presented by Localism Bill</b>  |                      |                                      |  |   |                      |                 |                     |           |
| Category of risk: Marketplace Risks   |                      |                                      | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability |   |                      |                 |                     |           |
| Missed efficiencies from inappropriate allocation of resources  | 3 - Likely           | 3 - High                             | 9 - Amber  | - Analysis of localism bill proposals   | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |  |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |  |   |                      |                 |                     |           |
| <b>ND_R01 - Lack of capacity to deliver Neighbourhood Action</b>  |                      |                                      |  |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Julie Laws - Environment & Sustainability |   |                      |                 |                     |           |
| Failure to on priorities identified at a local level by residents   | 3 - Likely           | 3 - High                             | 9 - Amber  | - Create new apprentice position<br>- Create generic JDs for ASB and Neighbourhood Action<br>- Regular appraisals to assess individual needs/requirements | 2 - Unlikely         | 2 - Medium      | 4 - Green           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |  |   |                      |                 |                     |           |
| Risk Owner Comments:<br>New position appointed to and restructure of team to increase capacity.   |                      |                                      |  |   |                      |                 |                     |           |
| <b>Performance, Improvement &amp; Transformation &gt;&gt; Strategy &amp; Transformation, Community &amp; Organisation - Janice Milsom</b> |                      |                                      |  |   |                      |                 |                     |           |
| <b>STCO_M01 - Failure of Council staff and Members to understand and embrace localism</b>   |                      |                                      |  |   |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences   | Inherent Probability | Inherent Impact | Inherent Risk Score | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|--|----------------------|-----------------|---------------------|---|----------------------|-----------------|---------------------|-----------|
| Category of risk: Marketplace Risks  |                      |                 |                     | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement   |                      |                 |                     |           |
| Poor service to communities, intervention from Government, Poor reputation   | 3 - Likely           | 3 - High        | 9 - Amber           | - Officer training Localism policy and strategy being developed.  | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Treating  |                      |                 |                     | Corporate Priority: Building Community Capacity   |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                 |                     |   |                      |                 |                     |           |
| <b>STCO_M02 - Failure to prepare policy and strategy around Localism</b>   |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Marketplace Risks  |                      |                 |                     | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement   |                      |                 |                     |           |
| Poor service to communities, intervention from Government, Poor reputation   | 3 - Likely           | 3 - High        | 9 - Amber           | - Officer training Localism policy and strategy being developed.  | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk:   |                      |                 |                     | Corporate Priority: Building Community Capacity   |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                 |                     |   |                      |                 |                     |           |
| <b>STCO_R01 - Lack of capacity to bring together all of the strands of the information required</b>  |                      |                 |                     |   |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 |                     | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement   |                      |                 |                     |           |
| Library not established and Council services do not have access to information to plan and monitor services.<br><br>Members do not have sound information about citizens and the community to base decisions upon. | 4 - Very Likely      | 3 - High        | 12 - Red            | - Customer Insight post established to lead process. Key information systems already in place.<br>- Monthly strategy meetings to monitor achievements and progress. | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating  |                      |                 |                     | Corporate Priority: Dacorum Delivers  |                      |                 |                     |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences   | Inherent Probability | Inherent Impact | Inherent Risk Score   | Controls   | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|--|----------------------|-----------------|---|--|----------------------|-----------------|---------------------|-----------|
| Risk Owner Comments:   |                      |                 |   |  |                      |                 |                     |           |
| <b>STCO_R02 - Failure to develop a range of initiatives to contribute to the Council's improvement and efficiencies agenda</b>         |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |  |                      |                 |                     |           |
| Books do not balance and services are at risk. Negative impact on Council Reputation.  | 3 - Likely           | 4 - Severe      | 12 - Red  | - Service Plan objectives. Improvement Programme project reporting   | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Treating  |                      |                 | Corporate Priority: Dacorum Delivers                                    |  |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                 |   |  |                      |                 |                     |           |
| <b>STCO_R03 - Services do not understand or support the need to innovate and improve.</b>  |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |  |                      |                 |                     |           |
| Initiatives are designed, but full implementation is not achieved.   | 3 - Likely           | 4 - Severe      | 12 - Red  | CMT - support Dacorum Delivers improvement Programme - including corporate governance and 2 way communications mechanisms. | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk:   |                      |                 | Corporate Priority: Dacorum Delivers                                    |  |                      |                 |                     |           |
| Risk Owner Comments:   |                      |                 |   |  |                      |                 |                     |           |
| <b>STCO_R04 - Lack of capacity and financial resources to transform services through ICT</b>   |                      |                 |   |  |                      |                 |                     |           |
| Category of risk: Reputational Risks   |                      |                 | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |  |                      |                 |                     |           |
| Low levels of customer channel access shift.<br>Lack of realisation of savings from channel shift.<br>Customers are not able to access | 3 - Likely           | 4 - Severe      | 12 - Red  | Interim ICT Strategy and Improvement Plan  | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact                      | Inherent Risk Score   | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|--------------------------------------|---|---|----------------------|-----------------|---------------------|-----------|
| services in the way they wish.  |                      |                                      |   |   |                      |                 |                     |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |
| <b>STCO_R05 - Lack of 'buy-in' from services in terms of the culture changes needed to deliver innovative ways of working</b>   |                      |                                      |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |   |                      |                 |                     |           |
| Progress halted and opportunities for savings and modernisation lost. Council reputation lowers and is seen as 'old-fashioned'. | 2 - Unlikely         | 4 - Severe                           | 8 - Amber   | - Dacorum Delivers - internal improvements programme<br>-Service liaison meetins held with service managers and ICT staff | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk:  |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |
| <b>STCO_R06 - Lack of Resources</b>   |                      |                                      |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |   |                      |                 |                     |           |
| The project will miss timescales and will slip  | 4 - Very Likely      | 2 - Medium                           | 8 - Amber   | Project Plan with resources linked  | 3 - Likely           | 2 - Medium      | 6 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |
| <b>STCO_R07 - Other projects need heavy ICT resource</b>  |                      |                                      |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |   |                      |                 |                     |           |
| The project will be forced to slip or be put on hold  | 4 - Very Likely      | 3 - High                             | 12 - Red  | - Project Plan with resources linked<br>- High level plan of the Councils critical projects                               | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |

# Operational Risk Report

Quarter 3, 2011

| Consequences  | Inherent Probability | Inherent Impact                      | Inherent Risk Score   | Controls  | Residual Probability | Residual Impact | Residual Risk Score | Assurance |
|---|----------------------|--------------------------------------|---|---|----------------------|-----------------|---------------------|-----------|
|   |                      |                                      | with resources  |   |                      |                 |                     |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |
| <b>STCO_R08 - Lack of Capital or Revenue funding</b>  |                      |                                      |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |   |                      |                 |                     |           |
| Unable to deliver virtual server part of the project  | 4 - Very Likely      | 4 - Severe                           | 16 - Red  | Funding has been made available   | 2 - Unlikely         | 3 - High        | 6 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |
| <b>STCO_R09 - Failure to adopt a service specific best practice approach to managing Health and Safety</b>              |                      |                                      |   |   |                      |                 |                     |           |
| Category of risk: Reputational Risks  |                      |                                      | Portfolio Holder: Cllr Brian Ayling - Service & Performance Improvement |   |                      |                 |                     |           |
| Death or injury to staff; residents or contractors staff; reputation; litigation and charges of corporate manslaughter. | 3 - Likely           | 4 - Severe                           | 12 - Red  | - Service specific H&S Risk Registers produced and monitored quarterly at DMT<br>- Corporate H&S policy under review<br>- Ongoing training for staff in key areas | 2 - Unlikely         | 4 - Severe      | 8 - Amber           |           |
| Status of this risk: Tolerating   |                      | Corporate Priority: Dacorum Delivers |   |   |                      |                 |                     |           |
| Risk Owner Comments:  |                      |                                      |   |   |                      |                 |                     |           |