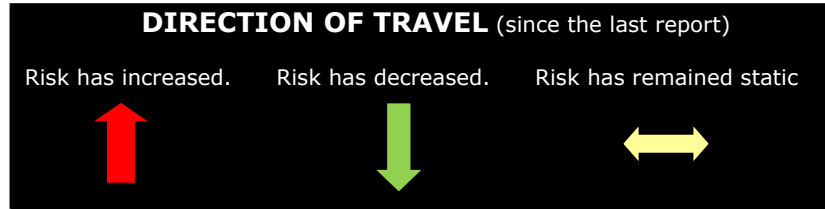


# Finance and Corporate Resources Risks April 2017

**Report Type:** Risks Report  
**Generated on:** 26 February 2017



Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0007 Brexit Implications. <b>EXTERNAL RISK</b> <b>CURRENT RISK</b>	<p>Stock markets could fall significantly resulting in a serious impact to the Council's pension funds. The likelihood of an increased triennial valuation is much higher, and the risk of the need for increased general contributions emerges. Also with reduced interest rates, Brexit could continue to impact on treasury investments.</p> <p>The impact of Brexit on exchange rates for Sterling means that there is a risk of material cost increases due to the direct and indirect impact on pricing for software and hardware (the Council may see price rises as suppliers pass on increased costs affecting their own ICT services).</p>	Finance & Corporate Resources		<p><b>NEW VERSION OF RISK</b> - 16 Feb 2017: Regarding pensions and investments, post Brexit, the initial impact on the Markets was negative but has steadied somewhat in the following months. The economic climate remains very volatile</p> <p>Commodity ICT software and hardware is typically priced in US\$. There are cost pressures due to Sterling exchange rate adjustment following Brexit Commodity ICT software and hardware is typically priced in US\$. Several suppliers have implemented increases to their prices of between 10% - 20%. This trend is likely to continue and the impact on costs is not currently possible to quantify.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR DR 0007 Consider potential pricing fluctuations when planning purchases.	The uncertainty of global currency markets and supplier responses to fluctuations means that it is extremely difficult to mitigate this risk. Where possible	Rob Miller	Glen Poulley	Ongoing	Updated February 2017

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	consideration will be given to the potential of pricing fluctuation when planning purchases and commissioning.  This will be an ongoing activity (no fixed end date).				
FR DR 0007b Brexit impact on Treasury and Pensions	Ongoing monitoring of financial markets and close communication with Pension Fund Investment managers/investment consultants. Additionally, there has been ongoing monitoring of financial markets and regular communication with treasury advisers. Monitoring of both interest rates/yields as well as the impact on the credit risk of potential investment counterparties, especially UK based institutions.	Ian Williams; Michael Honeysett	Rachel Cowburn, Pradeep Waddon	Ongoing	Following the leave vote, the Pension team was in immediate contact with fund managers and Investment consultants, receiving commentary from each fund.  Pension Committee has received numerous updates and reports and, following the advice of the investment consultants, agreed not take any immediate action and to monitor the impact on an ongoing basis.  Also, UK gilts yields have already reached a record low and a reduction in UK base rate occurred last July.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0005 Recruitment and Retention / Workforce. <b>EXTERNAL / INTERNAL RISK</b> <b>CURRENT RISK</b>	Within a competitive market, areas of the Directorate (particularly ICT) struggle to successfully recruit for important positions. Failure to do so could impact seriously on service delivery.  Also, with various restructures within the Directorate planned or ongoing, there is a period of uncertainty and adjustment which may affect the quality of service delivery and impact on overall objectives and targets.	Finance & Corporate Resources		 February 2017 – The recruitment risk is particularly acute within ICT. In a competitive market for technology skills the Council has experienced difficulties recruiting to a range of ICT roles essential to delivery of services and planned service improvements (including delivery of digital

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	<p>Additionally, the ability to carry out work efficiently, on time and in compliance with applicable standards could be affected by the loss of experienced staff following the Corporate level restructure and the possible long term absence of key staff.</p>			<p>services). This is exacerbated by the imminent changes to IR35, which is having the effect of driving skilled specialist workers to the private sector (as many ICT skills are transferable across sectors). Risk ongoing with more positions needing to be filled and a cause for growing concern.</p> <p>An example of a restructure is the one ongoing within Audit and Anti-fraud. This is underway with key appointments made and some still outstanding. Immediate positive outcomes of the restructure are that several experienced officers have been promoted and temporary staff will have the opportunity to apply for permanent positions. This will ensure the Council retains knowledge. Also there will now be increased flexibility between posts, so depending on the urgency of workloads staff can move between teams as needed. If positions are not successfully filled, this could impact on the quality of work undertaken.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR DR 0005 Recruitment and Retention (ICT)	<p>The ICT service will work with HR / OD to carry out the following suggested mitigations:</p> <ul style="list-style-type: none"> <li>- review recruitment strategy and identify other measures which can be taken to promote Hackney Council as a great place to work in technology and attract high quality candidates</li> <li>- review salary supplements to ensure that these are providing market competitive salaries and are also fair and transparent</li> <li>- review career development paths within the service and also ensure that apprenticeships / graduate trainee opportunities are being used effectively to develop internal talent.</li> </ul>	Ian Williams	Rob Miller	30-Sept-2017	<p>16 Feb 2017: work is in progress through the development of the ICT restructure to implement the proposed controls.</p> <p>The recent update to the Council's salary supplement scheme reflects the requirements of the ICT service.</p> <p>The design of the restructure proposals is on track for the planned start of consultation at</p>

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					the end of May 2017. This includes review of salary levels to ensure that Hackney is able to compete for high quality ICT talent.
FR DR 007 A Training and development	Training and development needs for all staff have been captured from yearly appraisals and 1-2-1 documents. All HR procedures are followed correctly to ensure staff are valued and treated appropriately whilst at work. Where possible acting up and secondment opportunities are made available to staff. This helps contribute to an improved experience of working at Hackney and to an extent, mitigates the risks of absences and departures.	Ian Williams	All managers	28-Jun-2017	Control reviewed and amended February 2017

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0002 Failure and Poor Performance of Suppliers and Contractors / Partnerships <b>EXTERNAL RISK</b> <b>CURRENT RISK</b>	<p>The Council's mixed-sourcing model includes provision of essential services by third party providers, and these are used within Finance and Corporate Resources, especially ICT. Non-delivery by these suppliers would impact negatively the services LBH can deliver.</p> <p>Also more generally, many bodies are closely associated with the Council but are subject to separate governance and management structures (eg CCGs / building contractors, IT suppliers). They play an important role directly or in support of the corporate objectives of the Council.</p> <p>If these contracting and / or partnering arrangements fail, it could have serious impacts re cost, service delivery, and reputation.</p>	Finance & Corporate Resources		<p>16 Feb 2017 Direction of Travel = DOWN (from 16 to 12). Likelihood down as a result of work already undertaken and systems in place.</p> <p>From an ICT perspective, mitigations for this risk will be factored into the service's commissioning and supplier management work.</p> <p>Internal reintegrations (e.g. Hackney Homes coming back 'in-house' to become Hackney Housing in April 2016) have gone well and been managed successfully providing good assurance as to how these relationships / arrangements are managed.</p> <p>In terms of the potential for financial risks –this could be serious since the Council is supported by many of these bodies, or is implicitly responsible for their financial soundness. Consequences of this risk being realised may include:</p> <ul style="list-style-type: none"> <li>• Financial loss – additional resources spent on rectification of areas of non-compliance</li> <li>• High costs associated with re-letting contract if re-tender required</li> <li>• Service delivery/reputation compromised</li> <li>• Legal challenge from contractors dissatisfied with Council processes and decisions.</li> </ul>

Control Title	Control Description	Responsible	Service	Due Date	Control - Latest Note
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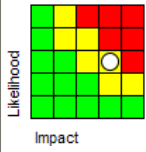

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		<b>Officer</b>	<b>Manager</b>		
FR IT 0002 Procurement to include definition of performance indicators and viability checks.	Ensure that all procurements include definition of required performance indicators for the contract and financial viability checks before contracts are entered into.  This will be an ongoing activity (no fixed end date).	Rob Miller	Glen Poulley	Ongoing	Updated February 2017
FR IT 0002b Carry out regular reviews of identified key suppliers, including reviewing their financial viability.	Ensure that supplier service reviews include supplier performance and independent validation of suppliers' financial viability (eg through credit checking). This should be used to identify any concerns re: the risk of supplier failure and poor performance so that appropriate mitigation plans can be made.	Rob Miller	Glen Poulley	30 April 2017	Updated February 2017
FR IT 0002c Identify opportunities for joined up supplier management with other Council services and external partners.	Work with other Council services who share common suppliers and also with external partners to maximise the impact of supplier relationship management activity.  This will be an ongoing activity (no fixed end date).	Rob Miller	Glen Poulley	Ongoing	Updated February 2017
FRDR 0015 A Contracting / partnering	Council's financial management procedures extended to partners where possible (e.g. financial regulations)	Ian Williams	Michael Honeysett; Chris Hudson	31-Jun-2017	Reviewed February 2017-ongoing.
FRDR 0015 B Contracting / partnering	Monitoring of financial position by Section151 Officer and Director (Fin Man)	Ian Williams	Michael Honeysett	31-Jun-2017	Reviewed February 2017-ongoing.
FRDR 0015 C Contracting / partnering	Post-implementation reviews carried out	Chris Hudson	Procurement Manager	31-Jun-2017	Reviewed February 2017-ongoing.
FRDR 0015 D Contracting / partnering	Compliance with Contract Standing Orders.	Chris Hudson	Procurement Manager	31-Jun-2017	February 2017- ongoing.
FRDR 0015 E Contracting / partnering	Substantial Legal Services input into contract formulation and on-going advice.	Tim Shields	Chris Hudson; Yinka Owa	31-Jun-2017	Reviewed February 2017-ongoing.
FRDR 0015 H Contracting / partnering	Improve and open information flows between the Council and its partners.	Tim Shields	Yinka Owa	31-Jun-2017	Reviewed February 2017-ongoing.
FRDR 0015 I Contracting / partnering	Additional training on contract negotiation skills, contract management.	Chris Hudson	Procurement Manager	31-Jun-2017	Reviewed February 2017-ongoing.

<b>Risk Title</b>	<b>Description of Risk</b>	<b>Directorate</b>	<b>Current</b>	<b>Risk - Latest Note</b>
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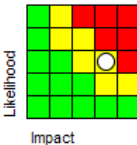

			Risk Matrix	
FR AC 0001 Final Accounts produced late <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	Accounts are produced late, and the subsequent management of the audit then results in late production of the Council's accounts. New deadlines to be introduced in 2017/18 will intensify this risk. This would have potential legislative and reputational consequences.	Finance & Corporate Resources	 <p>Likelihood</p> <p>Impact</p>	 Direction of travel = Decreased from 20 to 12. Reviewed March 2017 - The DCLG (Department for Communities and Local Government) announced that accounts (and audits) will need to be completed at an earlier date, commencing for 2017/18 closure of accounts. From then accounts will need to be completed by the end of May (moving forward a month from the previous deadline of June), so they can be (externally) audited by the end of July (which has been moved forward from the previous deadline at the end of September). The accounts continue to be produced in conjunction with the IFRS (International Financial Reporting Standards). Whilst this is a challenging deadline; the Council have now had 2 successive dry-runs (2014/15 and 2016/17) and missed the earlier deadline by just two weeks and then just 2 days respectively. Furthermore, pressures on the external auditors may also affect this timing as the audit needs to be completed earlier. However, the score has reduced overall as the 'dry - runs' provide significant assurance that things are in place to manage this risk.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 1516 004- Rehearse new deadlines for completing accounts.	Because the new deadlines will not come into force until 2017/18, there is an opportunity to have three financial years (2014/15 through 2016/17) to prepare for these new demands, and try to ensure processes and procedures are in place by 2018 to ensure the Accountancy team have a good chance of being able to complete the accounts on time. Lessons will be learned along the way and new practices adopted to better enable an earlier completion of the accounts.	Michael Honeysett	James Newman	19-Aug-2017	Reviewed January 2017 - control added, and ongoing
FRAC 0004 A Closedown of accounts is not complete in time to allow members to approve within the statutory deadline.	Constant monitoring of progress against closedown timetable backed by fortnightly exception reports to Director and DoF re any areas of concern caused by slippage, etc.	Michael Honeysett	James	30-Nov-2017	Reviewed January 2017 - control ongoing. With new more challenging deadlines, this control will

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			Newman		be more robust than ever with full support being provided by relevant people.
FRAC 0005 A Auditors unable to complete audit of the accounts within the required deadline	Review of audit requirements by Central Accountancy for compliance with working paper requirements prior to submission to external auditors. Escalation procedures in place for non-receipt/compliance. Work with Auditors throughout the year and encourage them to carry out a thorough Interim Audit.	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - control ongoing
FRAC 0012 A Financial Accounts controls	Senior officers scrutinise balance sheet accounts, ensure reconciliations with general and bank ledgers, retain and use qualified (in terms of experience and professional qualifications) staff, training and CPD, incorporate lessons learnt, technical briefings, work with external audit, final account checklists, final accounts presented in accordance with relevant IFRS code, audit adjustments made correctly, escalation for non-compliance or non-submission.	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - control ongoing

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 0018 Accounts not audited <b>EXTERNAL RISK</b> <b>POTENTIAL RISK</b>	As a result of recent changes, auditors unable to complete audit of the accounts within the required deadline. This has a potential legislative and reputational risk.	Finance & Corporate Resources		 Reviewed January 2017 - control ongoing. The score for this risk increased markedly last year (2016) but has now reduced again. Previously the auditors had until the end of September to complete their audit of accounts but the new DCLG guidelines mean this now needs to be done by the end of July with effect from 2017/18 accounts. A full dry run in 2016/17 with adoption of audited accounts by end July is aimed for. Whilst this causes issues with clash with NHS audit till mid-June a more thorough interim audit is being undertaken in March.

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRAC 0809 0004 A Closedown of accounts is not complete in time to allow members to approve within the statutory deadline.	Constant monitoring of progress against closedown timetable backed by fortnightly exception reports to Director and DoF re any areas of concern caused by slippage, etc.	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - control ongoing. With new more challenging deadlines, this control will be more robust than ever with full support being provided by relevant people.
FRAC 1516 0004 B Closedown of accounts is not complete in time to allow members to approve within the statutory deadline.	Accountancy review closedown timetable weekly and updates are provided to relevant officers to ensure issues such as slippage are resolved immediately.	Michael Honeysett	James Newman	19-Aug-2017	Reviewed January 2017 - control ongoing. With new more challenging deadlines, this control will be more robust than ever with full support being provided by relevant people.
FRAC 1516 0004 C Auditors unable to complete audit of the accounts within the required deadline	Review of audit requirements by Central Accountancy for compliance with working paper requirements prior to submission to external auditors. Escalation procedures in place for non-receipt/compliance. Accountancy and Auditors hold pre-closedown meetings where auditors provide requirements on WPs and documentation. This is put together within an audit plan. During audit weekly update meetings are held with auditors.	Michael Honeysett	James Newman	19-Aug-2017	January 2017 - control ongoing.



Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 0021 Pay release forms <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	Pay release forms are not authorised and returned to Randstad by due dates, leading to dissatisfied staff, and serious administrative and reputational issues.	Finance & Corporate Resources		<p>Reviewed January 2017 - likelihood has reduced by one, as a result of process being successfully carried out without any major problems in recent years. However there remain tight deadlines to operate within.</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRAC 0809 0008 A Pay release forms are not authorised and returned to Northgate by due dates	All PRFs are copied to various officers to ensure that cover is provided should one be absent. Cover for authorised signatories is checked, particularly during holiday periods. All communications are planned and carried out to minimise problems.	Michael Honeysett	James Newman	30-Nov-2017	January 2017 - control ongoing.

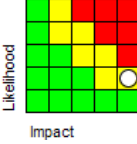

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 0030 Material / technical error resulting in qualification of accounts e.g. inappropriate depreciation, computation error <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	The complexity of local government accounting arrangements and the volume of guidance from both CIPFA and government agencies (together with scarcity of key financial staff) could lead to material errors in the Council's financial accounts. This could have damaging consequences.	Finance & Corporate Resources		 Reviewed January 2017 - ongoing and always possible. The consequences of this might be • Qualification of the accounts by the Council's external auditors • Distrust in the financial information produced by the Council from stakeholders such as inspectorates, the public • Loss of reputation for financial prudence • Budget deficits and consequent adverse impact on service delivery.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0007 A Material technical error	Scrutiny of accounts and related accounting policies by the Director of Financial Management.	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0007 B Material technical error	Reconciliation of feeder systems to the Council's General Ledger, including the bank reconciliation	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0007 C Material technical error	Retention of qualified and experienced financial staff – ongoing training and CPD to ensure up to date knowledge of accounting standards and codes of practice.	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0007 D Material technical error	Pre-planning arrangements with external audit	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0007 E Material technical error	Provision of financial advice throughout the Council to ensure that adequate support is provided to	Michael Honeysett	James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.

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	directorate finance teams and other stakeholders.				
FRDR 0007 G Material technical error	Technical Briefings issued to key financial staff ensuring sharing of knowledge base across Council as requested.	Michael Honeysett	James Newman	05-Nov-2017	Reviewed January 2017 - ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 0032 The Council enters a transaction which is subsequently found to be illegal. <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	The Council is required to comply with a wide variety of complex legislation which governs how it operates and what transactions it can legally enter into. Many decisions may be challenged in the courts if there is not a clear legal authority for a financial transaction. The consequences of an illegal transaction occurring could be problematic.	Finance & Corporate Resources; Legal, HR & Regulatory Services		 Reviewed January 2017 – ongoing and risk down slightly due to increased assurance about controls in place. Directorate level risk because the reputational impact is so potentially high. Consequences may include: A Legal challenge to the transaction results in the Council having to withdraw with consequent liabilities • Qualification of the accounts by the External Auditor • Loss of reputation and distrust in the way the Council manages its affairs •

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0010 A Illegal transaction	Head of Legal Services provides on-going advice on legislation and material items in contractual arrangements	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 B Legal Standards	Corporate Legal Standards developed and agreed	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 C Training	Training and qualifications of legal and financial staff.	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 D Illegal transaction	Major transactions are subject to additional scrutiny by service director and Section 151 Officer	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.

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FRDR 0010 E Illegal transaction:	Advice sought from external audit on legality as and when deemed appropriate	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 F Illegal transaction	Formal training on financial regulations	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 G Illegal transaction	Raise awareness of corporate legal standards	Michael Honeysett	Yinka Owa; James Newman	30-Nov-2017	Reviewed January 2017 - ongoing.
FRDR 0010 H Illegal transaction	Compliance with Contract Standing orders ensure internal processes comply with relevant laws and regulations	Chris Hudson	Head of Procurement	30-Nov-2017	Reviewed March 2017- ongoing

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AC 1516 0033 Updates to Accounting Regulations & Disclosure Requirements <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	Various changes taking place to accounting regulations and changes to disclosure requirements such as in 2016/17 new formats for comprehensive income & expenditure account and MIRS. If the Council fails to successfully make and adapt these changes, there will be a serious impact on general compliance	Finance & Corporate Resources		Updated January 2017. <b>New Inclusion.</b> This Risk was added due to significant changes and updates arising from CIPFA and Treasury around the financial reporting requirements for Local Authorities. Not being up to date can have significant issues on the accuracy of financial reporting and failing to comply with compliance.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 1516 0033A Staying abreast of changes and reporting updates	Relevant officers attending annual courses/training sessions to gain updates. Chief Accountant engaging with other officers in other authorities and CIPFA to gauge wider knowledge on changes and updates. Also regular updates with auditors throughout year to gain their perspective.	Michael Honeysett	James Newman	19-Aug-2017	January 2017 - ongoing
FR AC 1516 0033B Preparing a robust project plan to deal with significant changes	A project plan needs to be prepared that clearly sets out the requirements to ensure accurate reporting and implementation of systems, working papers and timely engagement with stakeholders.	Michael Honeysett	James Newman	19-Aug-2017	January 2017 - ongoing.

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FR AC 1617 0033C Training	Relevant training being provided to Accountants and Engineers to ensure both are of the same understanding in regards to the reporting and financial requirements.	Michael Honeysett	James Newman	02-Nov-2017	Control added and ongoing - January 2017
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR AAF 013 Resources to handle increases in fraud <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	The economic downturn is likely to lead to increased levels of fraud against the Council, resulting in a negative impact on Council finances and reputation. While it is a management responsibility to have adequate systems in place to reasonably prevent and deter fraud, AAF will regularly have a role to play where these defences fail. As the fraud threat increases so too does the pull on AAF resources to investigate potential fraudulent activity and to help management improve their counter-fraud controls. There is a risk that the available counter-fraud resources may not be able to address the full threat, or they might not be targeted in the most effective way.	Finance & Corporate Resources		<p>Updated February 2017 - the team could be viewed here as almost being a 'victim of its own success' with more referrals and high profile cases. The larger cases have tended to dominate officer's time, sometimes impacting on the ability to pursue other enquiries. Management have had to prioritise certain cases in order to get the most from finite resources. However, the service is now better equipped to handle this pressure and resourcing has been well supported over the last year. Within the new restructure, there is a good deal of flexibility to some of the new roles, meaning officers will have the capacity to switch between different roles depending on work pressures.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Review Due Date	Control - Latest Note
FR AAF 013 A Information Sharing	AAF participate in working groups to develop Council services and have advocated sharing data (eg Housing Needs, Housing).	Tracy Barnett	Michael Sheffield	30-Jun-2017	This is a real opportunity to improve internally and benefit from closer working – February 2017
FR AAF 013 B Resources to handle increases in fraud	AAF promote good relationships with all Services. Staff are always on hand to provide advice when issues emerge rather than letting matters escalate. Whistle blowing facilities are in place, and AAF maintain good communication networks throughout the Council.	Tracy Barnett	Michael Sheffield	12-Jun-2017	Action ongoing February 2017

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FR AAF 013 C Fraud Reporting	Statistical information on the performance of all fraud teams is regularly provided to the Council's senior managers and Members to demonstrate what the Division is achieving and to highlight emerging fraud risks. This will help to maintain the high-level support that has been given to the investigation service to date. Benchmarking data is provided to, and received from, external agencies and this feeds in to service planning.	Tracy Barnett	Michael Sheffield	30-Jun-2017	Ongoing February 2017- teams are more empowered when they have better information, making more informed, improved decisions.
FR AAF 013 D Flexible Team Working	Where appropriate, joint working between the different fraud teams will take place. Resources from one team may also be made available to assist another if the need arises. Also, dedicated counter fraud resources are in place to respond to key threats, for example tenancy and NRPF Fraud.	Tracy Barnett	Michael Sheffield	30-Jun-2017	Action ongoing February 2017
FR AAF 013 E Risk Assessment	All new fraud referrals are risk assessed to ensure that the most serious concerns are prioritised for investigation.	Tracy Barnett	Michael Sheffield	30-Jun-2017	Action February 2017
FR AAF 013 F Internal Audit	Investigations work closely with the Internal Audit team to ensure any weaknesses in internal controls highlighted by fraudulent activity are addressed adequately. Several investigations have also arisen from concerns that were identified through a routine audit.	Tracy Barnett	Michael Sheffield	30-Jun-2017	Action ongoing February 2017
FR AAF 013 G Counter fraud grants.	The Division has a good track record in applying for central government funding and using this to develop innovative and effective counter-fraud solutions.	Tracy Barnett	Michael Sheffield	30-Jun-2017	Updated - February 2017- There is an expectation that these types of opportunity will be more limited in future.
FR AAF 013 H Assist other services to prevent fraud.	Work with services to enable front line staff to undertake necessary checks so that AF deals with genuine fraud matters, not standard service delivery. Investigators work with other services to help them to design systems that discourage fraud and prevent fraudulent approaches for services. AAF maintain and provide guidance on corporate policies such as the Anti-Fraud & Corruption Strategy, Whistleblowing and RIPA, and provide advice and guidance on these as well as fraud awareness training to specific teams.  AAF are strong advocates of the need to share information much more effectively than is currently the case so that data held by one service can also be used by another service to inform decision making, without the need to refer low-level enquiries to AAF.	Tracy Barnett	Michael Sheffield	30-Jun-2017	February 2017- ongoing An Audit Investigator is assigned to work with CACH to counter NRPF fraud. Investigation reports give guidance on improving control arrangements, anti-fraud training is regularly provided to Hackney Housing and school bursars.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
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FR FS 0013 PCIDSS Compliance <b>EXTERNAL RISK</b> <b>POTENTIAL RISK</b>	The Council has to be Payment Card Industry (PCI) Data Security Standard (DSS) compliant for all systems related activity, or escalating fines starting at €5,000 can be imposed by the credit card companies. The risk is that we fail to reach this standard.	Finance & Corporate Resources		<div style="text-align: center;">↓</div> Reviewed and updated January 2017, and score has reduced since last year. New software version which is PCI compliant has been implemented (in February 2014). PCI independent audit completed and identified two remediation points which have been completed. Shortly to submit our attestation of compliance to our merchant acquirer GLOBAL Pay.
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFS 0013A PCIDSS Compliance	A work stream comprising of staff from Financial Management/HR /Core IT and Cashiers has been created in order to ensure the Council is working to meet the standards across all areas.	Michael Honeysett	John Delgado	15-Sep-2017	Reviewed and updated January 2017. New software version which is PCI compliant has been implemented in February 2014. PCI independent audit completed and identified two remediation points which have been completed. Shortly to submit our attestation of compliance to our merchant acquirer GLOBAL Pay.

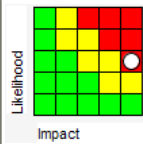
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FS 0015 Failure of managed service provider for financial systems <b>EXTERNAL RISK</b> <b>POTENTIAL RISK</b>	Current managed service provider for the Council's main financial system and cash management system goes into liquidation. Council is then unable to raise purchase orders, make payments, raise invoices for sundry debt, maintain general ledger and monitor budgets.	Finance & Corporate Resources		<div style="text-align: center;">↔</div> January 2017- Risk reviewed and ongoing.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
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FR FS 0015a Failure of managed service provider for financial systems	Detailed contingency plans have been developed in order that the Council could bring back on line main stream financial processes within a couple of days. These include putting in place contingency plans with alternative providers ensuring that we could make payments to suppliers via other contractors and our own in-house facilities. The re-creation of the sundry debt ledger via a macro driven spreadsheet enables us to continue to collect sundry debts.	Michael Honeysett	John Delgado	04-Jun-2017	January 2017- ongoing. Detailed contingency plans have been developed and are tested regularly.
FR FS 0015b Failure of managed service provider for financial systems	We have requested copies of the configuration of the system as well as data from our existing managed service provider, in order that we can look at alternative disaster recovery facilities.	Michael Honeysett	John Delgado	04-Jun-2017	January 2017- ongoing. Detailed contingency plans have been developed.
FR FS 0015c Failure of managed service provider for financial systems	The cash management system has been moved out of the existing contract and the service is now provided directly by the software owner (Northgate).	Michael Honeysett	John Delgado	04-Jun-2017	January 2017- ongoing. Cash management system was moved in February 2014 to Northgate, so this is completed and ongoing.
FR FS 0015d Failure of managed service provider for financial systems	Comprehensive documentation for the contingency plan has been developed.	Michael Honeysett	John Delgado	04-Jun-2017	Detailed contingency plans have been developed. In addition, work has been completed for Council to have step in rights with Disaster Recovery company Alternative supplier (Virtus) and connections from DR site directly to Hackney, have been set up. January 2017

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 1617 001 (Pension) Asset Pooling <b>INTERNAL 'EXTERNAL RISK POTENTIAL RISK</b>	In October 2015, the Government called for the assets of the 89 LGPS funds in England and Wales to be merged into (approx.) 6 pools of £25bn+ of assets. The pooling agenda introduces a number of new risks for the Pension Fund (as well as for the pools themselves) including but not limited to: <ul style="list-style-type: none"> <li>Transition risk – the Fund incurs excessive additional cost as a result of transition to the pooled arrangement, resulting in a loss of value</li> <li>Concentration and capacity risks – pooling arrangements result in excessive</li> </ul>	Finance & Corporate Resources		<b>NEW RISK</b> - Introduced November 2016 – updated January 2017 - ongoing. Score is high to reflect the scale and pace of change demanded, with significant impact if the new arrangements are not

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	<p>concentration of assets amongst relatively few institutions. The large scale of the pooling arrangements also creates potential capacity issues, with the pools potentially forced to focus on only the larger end of the market.</p> <ul style="list-style-type: none"> <li>• Political risk – the Government has made clear its wish that the pools set an aspiration to invest in UK infrastructure. This presents a potential conflict of interest for the Fund in setting its asset allocation strategy.</li> <li>• Reputational risks – the pooling agenda is a highly ambitious one, involving the use of relatively new investment vehicles (the ACS) and entirely new governance arrangements. The failure of a pooled arrangement could have significant consequences for the future of the LGPS.</li> <li>• Strategy risk – the Fund’s chosen asset pool does not deliver suitable investment strategies to allow the fund to meet its objectives</li> </ul>			successful.
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR FSV 1617 001A Monitoring developments and responding to consultations	Monitor proposed changes, consultations and guidance from Government on the pooling agenda, responding where appropriate to influence outcomes. Amend process where required to ensure compliance.	Michael Honeysett	Rachel Cowburn/ Pradeep Waddon	30-Dec-2017	Reviewed January 2017 - ongoing.
FR FSV 1617 001B Maintain close working relationship with chosen asset pool	Maintain good working relationship to ensure that the Fund is fully aware of developments at the pool level and the pool is aware of and responds to the Fund’s strategic requirements.	Michael Honeysett	Rachel Cowburn/ Pradeep Waddon	30-Dec-2017	Reviewed January 2017 - ongoing.
FR FSV 1617 001C Transition planning	Planning for transition considered as part of Investment Strategy development to ensure assets are transitioned efficiently and within the required timeframes.	Michael Honeysett	Rachel Cowburn/ Pradeep Waddon	30-Dec-2017	Reviewed January 2017 - ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0040 T & P - Increased Longevity <b>EXTERNAL RISK</b> <b>CURRENT RISK</b>	Pensioners continue to live for longer (with life expectancy markedly increasing) therefore drawing pensions for longer than had been accounted for within the funding position. This is leading to increasing liabilities of the pension fund giving rise to higher costs and major financial implications.	Finance & Corporate Resources		<p>January 2017 - reviewed and this risk remains high. There has been a reduction in the rate of increase in life expectancy; however, this is based on greater than expected mortality and is not currently sufficient to warrant a decrease in the risk rating. It should be noted that post 2014, the scheme pension age mirrors that of the state, thus reducing the liability slightly</p>



				compared to previous years.
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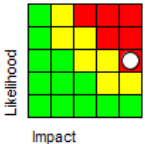

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
F RTP 0809 0040 A Monitoring of Pension Fund position	Controls in place to monitor developments with Fund Actuary and Triennial valuations, targeting increased funding level to be able to cope with increased longevity.	Michael Honeysett	Rachel Cowburn	30-Dec-2017	Reviewed January 2017 - ongoing.
F RTP 0809 0040 B Raising retirement ages to match increasing longevity	Scheme retirement age in line with the state pension (as of April 2014), regulatory changes to reflect increase in State Pension Age Retirement and a linking of future increases in longevity with increasing retirement age, would help it be possible to downgrade the risk rating associated with people living longer.	Michael Honeysett	Rachel Cowburn	07-Dec-2017	Reviewed January 2017 - ongoing.
F RTP 0809 0040 C Fund profiling to monitor specific experience	Club Vita membership to annually monitor the LBH specific fund longevity profile.	Michael Honeysett	Rachel Cowburn	07-Dec-2017	Reviewed January 2017 - ongoing.
F RTP 0809 0040 D Consideration of a range of developing options	Monitoring of developing financial instruments which may provide insurance for the Fund; e.g. longevity swap and buy out, should these be deemed appropriate for the Fund.	Michael Honeysett	Rachel Cowburn	07-Dec-2017	Reviewed January 2017 - ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0043 T & P - Poor Membership Data <b>EXTERNAL RISK</b> <b>CURRENT RISK</b>	Owing to poor administration of the Pension Fund, by employers and payroll providers participating in the Fund, there is a rise in inaccurate data resulting in financial, reputational risks. If not managed this could lead to the, actuary being unable to set contribution rates, higher contribution rates, member dissatisfaction, inaccurate benefit statements produced and overpayment of benefits etc.	Finance & Corporate Resources		<p>January 2017 – the likelihood of this risk has increased to very high. Significant problems with the payroll data being provided by the Council has meant that the quality of membership data has deteriorated since the introduction of the 2014 scheme. The complexity of the scheme has increased significantly and the Council’s payroll provider has been unable to respond to these changes, resulting in consistently poor provision of vital data across the Fund’s largest employer.</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
F RTP 0043 A Monitoring of membership data	Controls – annual monitoring of membership records, valuation checks, external data validations	Michael Honeysett	Rachel Cowburn	30-Dec-2017	Reviewed January 2017 - ongoing.
F RTP 0043 B Contributions monitoring	Monthly monitoring of contributions to ensure that employers paying across correct contributions along with membership data being supplied	Michael Honeysett	Rachel Cowburn	07-Dec-2017	Reviewed January 2017. Good communication with payroll, as accurate data is very important.
F RTP 0043 C Performance Monitoring	Service Level Agreement with external administrator and monthly monitoring of contract. Monitoring of employers and Pensions Administration Strategy which enables Fund to recoup additional administration costs for sub-standard performance.	Michael Honeysett	Rachel Cowburn/Julie Stacey	30-Dec-2017	Reviewed January 2017
F RTP 0043 D New Payroll Implementation	Early and consistent involvement in the implementation of the Council's new payroll system (Go live July 2017). The Council's payroll supplies data for the vast majority of the Fund – the Fund's involvement with the implementation helps ensure the importance of good quality pension reporting is recognised	Michael Honeysett	Rachel Cowburn/Julie Stacey	30-Dec-2017	Updated January 2017

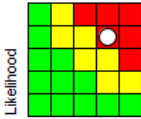
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0053 Pension Funding Risk <b>EXTERNAL / INTERNAL RISK</b> <b>CURRENT RISK</b>	The fund is unable to meet its liabilities, due to a mismatch of assets/liabilities. The Funding position as at March 2016 was 77% i.e. 77p of assets to cover every £1 of liabilities. Further deterioration of the funding position either through poor asset returns or increasing liabilities could result in the Council and other employers being required to make significant additional employer contributions to cover the deficit in the Fund. Significant financial and reputational risks.	Finance & Corporate Resources		 Updated January 2017 - ongoing.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFSV 0052D Knowledge and Skills	Ensuring those charged with governance of the Fund and for managing the day to day operations have the requisite knowledge and skills to make informed decisions when managing the funding position.	Michael Honeysett	Rachel Cowburn	30-Dec-2017	Updated January 2017 - ongoing

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FRFSV 0053B Pension - Valuation Monitoring	Triennial Valuation assesses the funding position, intervaluation monitoring ensures that movements in the Funding position can be assessed and strategies to manage any deterioration are put in place.	Michael Honeysett	Rachel Cowburn	30-Dec-2017	Updated January 2017 - ongoing.
FRFSV 0053C Identifying the external risk factors that affect the funding position	Identifying the various risk factors, asset/liability, investment, longevity, interest rates, inflation, liquidity, etc and how the interaction of these impacts on the funding position and adapting the strategy and business plans to manage these risk where feasible.	Michael Honeysett	Rachel Cowburn	30-Dec-2017	Updated January 2017 - ongoing
FRFSV 0053E Cashflow Monitoring	Quarterly monitoring of Pension Fund cashflows to ensure that there is sufficient cash inflows from contributions and income to meet the cash outflows from benefit and cost payments. This will also provide early warning of potential cashflow mismatch and possible changes to investment strategy. Longer term cashflow monitoring in conjunction with the Fund Actuary to establish trigger points for the Fund becoming cashflow negative.	Michael Honeysett	Rachel Cowburn	08-Dec-2015	Updated January 2017 - ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0001 Information Assets <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	<p>The Council holds a wealth of information assets across its services. It is essential that this is managed in compliance with requirements such as the Data Protection Act, the NHS IG Toolkit and also the forthcoming General Data Protection Regulation (which comes into effect from May 2018).</p> <p>It is also essential that the Council is able to use these information assets effectively to commission and deliver high quality services, reduce costs and work in partnership with other agencies and providers.</p>	Finance & Corporate Resources		February 2017: Mitigation of this risk, and harnessing the most of the significant opportunity presented by effective information management, is a joint responsibility across each service directorate and the corporate ICT service. At Hackney, these risks are currently overseen by the Information Governance Group (which meets quarterly).

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0001a Information management	Ensure effective information management policy and	Ian Williams	Rob Miller	02-Oct-2017	Ongoing January 2017

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	<p>processes are in place so that the Council meets the requirements of the Data Protection Act / other legal and regulatory compliance arrangements.</p> <p>Ensure that the Council's information assets are managed robustly and used effectively to provide insight and to integrate Council and partner services, and deliver the maximum benefit to residents and businesses.</p> <p>This will be an ongoing activity (no fixed end date).</p>				
FR IT 0001b Compliance	<p>IGSoC: compliance with the NHS IG Toolkit. Ensure that the Council meets the compliance requirements for the NHS IG Toolkit to enable information sharing and partnership working with the NHS.</p> <p>This will include requirements for services across Public Health and Social Care.</p> <p>This will be an annual activity (no fixed end date).</p>	Ian Williams	Rob Miller	02-Nov-2017	Ongoing January 2017
FR IT 0001c EU General Data Protection Regulation: preparing for compliance from May 2018	<p>Establish a programme of preparatory activity to support Hackney's compliance with the GDPR in good time for its introduction in May 2018. This will include changes to the Council's information management arrangements, data retention, privacy provisions and practise across all Council teams who handle people's personal information.</p>	Ian Williams	Rob Miller	1 May 2018	Ongoing January 2017
FR IT 0001d Third party information sharing	<p>Ensure that we can do business efficiently and seamlessly by having appropriate data sharing agreements in place with our external partners.</p> <p>It will be critical to ensure that third parties control requirements are assessed and the implications for Hackney users are clear and proportionate (eg. some third parties require controls that would excessively restrict the Council's use of systems and buildings etc, and these may be barriers to information sharing).</p> <p>This will be an ongoing activity (no fixed end date).</p>	Ian Williams	Rob Miller	02-Nov-2017	Ongoing January 2017

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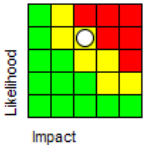
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0003 Resilience of ICT systems / Disaster Recovery <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	<p>The Council does not currently have disaster recovery provision in place for recovery of critical ICT systems in the event of a major failure affecting the Council's hosting facility provider (Advanced 365). The clear risk here would be the loss/unavailability of the external data centre (single point of failure).</p> <p>There is also a risk that Business Continuity Plans across the Council's services do not accurately reflect the disaster recovery provision that is available. This could result in services not being able to invoke their continuity plans effectively due to incorrect assumptions.</p>	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>16 Feb 2017: DR provision is in place for critical systems and 400 <i>myoffice</i> desktop sessions in the event of the main datacentre being unavailable (this will rise to 1200 <i>myoffice</i> desktop sessions by April 2017 as additional infrastructure capacity is added.</p> <p>Successful DR testing took place over Christmas 2016. Follow up actions are now being completed and a final report on the DR provision is due for April 2017.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0003 Resilience of ICT systems / Disaster Recovery	<p>Work is currently in progress to commission resilient hosting arrangements in the Council's Stoke Newington offices. This will provide the facility to restore critical systems (based on a previously agreed list of corporate priority applications) so that priority Council services will have access to their systems within 4 hours of a major outage with loss of data limited to 15 minutes (Recovery Point Objective). A test on 1 key application has already proved successful.</p> <p>It must be noted that this provision will not give instant seamless failover for these services - so Council services must ensure that their Business Continuity Plans include plans in the event that ICT systems are not available - other services whose systems are not included in the resilience provision must ensure that their Business Continuity Plans include plans for extended unavailability of their ICT systems.</p>	Ian Williams	Rob Miller	30-Apr-2016	<p>16 Feb 2017: DR provision is in place for critical systems and 400 <i>myoffice</i> desktop sessions in the event of the main datacentre being unavailable (this will rise to 1200 <i>myoffice</i> desktop sessions by April 2017 as additional infrastructure capacity is added.</p> <p>Successful DR testing took place over Christmas 2016. Follow up actions are now being completed and a final report on the DR provision is due for April 2017.</p>
NEW CONTROL Review of Business Continuity Plans across the Council's services.	The Corporate Business Continuity Manager is supporting service managers across the Council in carrying out a review of their Business Continuity	Laura Watson	Laura Watson	31-Dec-2017	New control ongoing - February 2017

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	<p>Plans. This is designed to identify critical services and their continuity requirements, and will help ensure that their plans are based on accurate expectations of the provision available.</p> <p>It is planned to implement a rolling 18 month schedule of review for all the council's BCPs. This will be in place following the current review of BCPs across all services, which is expected to complete in the latter part of 2017.</p>				
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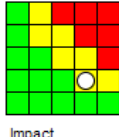
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0004 User IT Expertise <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	Use of ICT and information is increasingly important as a core part of roles across all Council services. There is a risk that if ICT expertise across the Council's workforce is insufficient then service quality and efficiency will be affected.	Finance & Corporate Resources		<b>NEW RISK</b> - This risk and controls have been discussed in detail with the Head of HD and OD.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0004 Recruitment	IT skills are already included in relevant job descriptions. However, in order to enhance this ICT skills will also be included in the development of a competency framework as part of the 'change for everyone' programme.	Dan Paul / Rob Miller	Dan Paul / Rob Miller	31-Dec-2017	Ongoing
FR IT 0004 Training and personal development	ICT and organisational development already offer comprehensive training on ICT skills, however this will be reviewed and developed as part of the workforce development work being undertaken as part of change for everyone.	Dan Paul / Rob Miller	Dan Paul / Rob Miller	31-Dec-2017	Ongoing

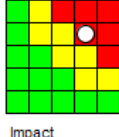
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FR IT 0006 Information Security <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	There is a risk that the security of Council's systems, network and devices could be compromised	Finance and Corporate Resources		<b>NEW RISK</b> -16 Feb 2017: this is an ongoing risk and of increasing importance as more Council services are dependent on ICT and electronic information.
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0006a Ensure compliance with the PSN Code of Connection and other applicable standards (including the ICT security requirements for compliance with the NHS IGSoc).	Ensure that good security practice is reflected in the Council's technical architecture and operational practices, including annual PSN Code of Connection compliance assessment (supported by IT health check)  This will be an ongoing annual activity (no fixed end date).	Rob Miller	[TBC]	Ongoing - annual	Updated February 2017
FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.	Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members).  This will be an ongoing activity (no fixed end date).	Rob Miller	[TBC]	Ongoing	Updated February 2017
FR IT 0006c Ensure that all hardware and software is supported for security updates.	Ensure that infrastructure and application lifecycle management practices are in place and functioning effectively so that the Council's systems remain supported.  This will be an ongoing activity (no fixed end date).	Rob Miller	[TBC]	Ongoing	Updated February 2017
FR IT 0006d Plan for upgrade required to end use of Windows 7 ahead of the end of Microsoft support (January 2020).	Upgrading the Council's desktop environment is a major activity and this will require careful planning and preparation, as well as significant allocation of funding.	Rob Miller	[TBC]	14-Jan-2020	Updated February 2017

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 008 Technology change	Technology is changing fast and it is essential that the Council is able to keep pace, harnessing the potential that this offers for delivering high quality and cost effective services for Hackney	Finance and Corporate Resources		NEW RISK – added February 2017

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 008a Technology architecture	Ensure that the design of the Council's systems architecture takes account of potential technology changes and is based on open standards.  This will be an ongoing activity (no fixed end date).	Rob Miller	ICT Managers	Ongoing	Updated February 2017
FR IT 008b Technology skills	Ensure that personal development plans and work plans within the ICT team take account of the need to remain up to date with technology change.  This will be an ongoing activity (no fixed end date).	Rob Miller	ICT Managers	Ongoing	Updated February 2017

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0009 Engagement between Council services and ICT <b>INTERNAL RISK</b> <b>POTENTIAL RISK</b>	With the increasing importance of technology across Council services, there is a risk that if engagement between Council services and the ICT division is not effective then opportunities may be missed and / or poor technology choices made which result in poor value for money, poor customer outcomes and / or fragmented data.	Finance and Corporate Resources		<b>NEW RISK</b> – added February 2017

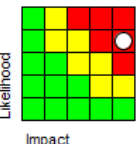

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0009 Ensure effective business relationship management capacity and processes within the ICT service	Ensure that clear and effective roles, responsibilities and processes for managing engagement between ICT and the Council's services is included as part of the ICT service structure and operating model.	Ian Williams	Rob Miller	30-Sept-2017	Updated February 2017
FR IT 0009 Ensure effective strategic governance and engagement across the Council's directorates and change programmes	Ensure that clear and effective governance and engagement is place across the Council's directorates and change programmes, and that ICT are included as part of these arrangements.  This will be an ongoing activity (no fixed end date).	Tim Shields	Corporate Directors.	Ongoing	This will involve HMT making sure their change programmes and strategic direction includes ICT engagement.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
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<p>FR RV 001 Impact of Universal Credit and other welfare reforms <b>EXTERNAL RISK</b> <b>CURRENT RISK</b></p>	<p>Universal Credit is administered by the DWP/JCP and has been live within the borough since March 2016 for job seeking singles only. Universal Credit full service will roll out within borough in June 2018 for all claimant types for new claims. All these reforms could result in an increase in arrears, higher legal costs, increased evictions and pressure on the vulnerable. These impacts would be financial, legislative and reputational and directly affect the local community.</p>	<p>Finance &amp; Corporate Resources</p>		<p style="text-align: center;"></p> <p>Risk ongoing post-election with continuing reforms confirmed by the Conservative government. Although tax credit changes have now been retracted. Jan 2017</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>FR RV 01 Impact of Universal Credit and other welfare reforms</p>	<p>This will mean that payments for housing costs for the majority will be paid monthly and direct to the tenant. The risk to collection for rental charges including those already homeless in temporary accommodation is great. This can be mitigated if it is identified that Universal Credit is in payment. Changes to processes for signing up new tenants into accommodation have been adapted with the required learning and development to request a managed payment to landlord from the DWP at the outset. This should mitigate the risk to some degree.</p>	<p>Ian Williams</p>	<p>Kay Brown</p>	<p>30-May-2017</p>	<p>Control updated Jan 2017. The risks have been / are being managed by detailed programmes of training and briefings for staff, DHP training for frontline staff, and letters explaining everything being rolled out. There has been a communication strategy specifically developed for this so that the public have everything explained and broken down as comprehensively as possible. Resident's briefings, 'surgeries', and online explanations are also further contributing to making the transition as smooth as possible.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>FR RV 002 Impact of rising property prices and rents <b>EXTERNAL RISK</b> <b>CURRENT RISK</b></p>	<p>Impact of rising property prices and rents. As Hackney becomes a more desirable place to live, the steep increase in property prices and in turn rental costs means that it becomes increasingly difficult for those on low incomes and welfare benefits to reside in the borough. This leads to increased overcrowding and an increase in those making homeless applications and needing emergency accommodation.</p>	<p>Finance &amp; Corporate Resources</p>		<p><b>NEW</b> Risk added January 2017. This has the potential to escalate and become a significantly greater risk.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR RV 002 Impact of rising property prices and rents.	The cost of which is expensive both to residents and the Council. These risks are mitigated by strict financial controls in place when procuring properties for placements, the use of empty Council owned buildings wherever possible and robust decision making on homeless applications.	Ian Williams	Kay Brown	18-May-2017	New control added January 2017.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0001 Building Availability <b>INTERNAL RISK</b> <b>CURRENT / POTENTIAL RISK</b>	The Council is unable to conduct its business due to significant problems with the buildings from which it operates. This could be caused by the historical lack of maintenance of buildings causing health and safety issues. This could result in accidents / incidents with severe financial and reputational impacts.	Finance & Corporate Resources		 Feb 2017 - Risk reviewed by Strategic Property Services Management team. Ongoing

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0001 A: Building Availability	Rolling programme of building surveys initiated to identify condition and risks.	Ian Williams	Chris Pritchard	31-Mar-2018	Feb 2017 - ongoing. Also, testing and inspection works to civic buildings under the Directorate's financial control are ongoing, as well as 95% of voluntary sector properties.
FRDR 0001 B: Building Availability	Funding for reactive maintenance included in the Capital Programme	Ian Williams	Chris Pritchard	31-Mar-2018	Feb 2017 ongoing. This is managed by Corporate Property & Asset Management, (CPAM), for buildings under the Directorate's financial control, along with the management of buildings for some other directorates.
FRDR 0001 C: Building Availability	Planned maintenance arrangements for new campus covering whole building lifecycle has been introduced.	Ian Williams	Chris Pritchard	31-Mar-2018	Ongoing Feb 2017 - Planned maintenance contract now procured and on site. CPAM able to cater for all statutory inspections subject to

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					funding availability.
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0009 Utilities cost <b>EXTERNAL RISK</b> <b>POTENTIAL RISK</b>	Increase in utility costs or usage causes budgetary overspends. Also Services are unable to cope with the demands of Climate Change, which could lead to severe financial losses, a damage to Hackney's reputation and a negative impact on the quality of services offered to stakeholders.	Finance & Corporate Resources		 February 2017 - Risk ongoing and remaining stable.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0009 A Utilities Cost	EMU team reduce unit costs by monitoring the market and procuring utilities contracts when costs are lowest.	Ian Williams	Chris Prichard	31-Mar-2018	Ongoing Feb 2017
FRDR 0009 B Utilities Cost	Reducing energy demand – a series of initiatives are underway across services. Also there is now an Environmental Sustainability manager in place.	Ian Williams	Chris Prichard	31-Mar-2018	Ongoing with lots of proactive work undertaken by Environmental Sustainability Manager and teams.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0809 0004 Rental Income	Rent from commercial properties is not received, leaving income dependent service with a budgetary overspend.	Finance & Corporate Resources		 Risk reviewed by Strategic Property Services Senior Management Team. Risk is ongoing, especially acute in these times of cutbacks.

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 0004 A Rental Income	Cleansing historic debt.	Chris Pritchard	Jonathan Angell	31-Mar-2018	Ongoing Feb 2017
FRDR 0004 B Rental Income	Debt collection function located within property service to chase debt and escalate where necessary	Chris Pritchard	Jonathan Angell	31-Mar-2018	Ongoing Feb 2017

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FRDR 0004 C Rental Income	Regular reporting as part of the OFP on income levels and historic debt.	Chris Pritchard	Jonathan Angell	31-Mar-2018	Ongoing Feb 2017
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