

## Operational Risk Register

### Introduction

Risk Management is an essential element of corporate governance arrangements. The process of risk management allows the Council to identify, prioritise and mitigate risks which may have a positive or negative effect on services. This is an important and underpinning process which ensures good value for money and also continuity of services.

Risks are recognised as essential management information and so contribute towards decision making. This document lists all those risks which are considered operational in nature – in other words those risks that could have an impact within an operational area and require control at operational level.

The Operational Risks Register is reviewed and updated every quarter by Operational Leads. Risks above the line of tolerance are a priority and so are reviewed every quarter – whilst those below tolerance are reviewed once a year.

### Summary

Following a review of the Operational Risk Register during Quarter 4 2021/22 it can be seen that 11 risks (11% of risks) are above Risk Appetite - a significant reduction when compared with Q1 2021/22 when 26 risks (23% of risks) were above Risk Appetite.

Page 2: explains the Risk Matrix - showing Likelihood and Impact scales and green/blue tolerance zones.

Page 3: contains the Operational Risks currently positioned above Appetite

## How to understand the Risk Matrix:

This appendix contains the Council's Operational Risks which lay above the line of risk appetite/tolerance. Each risk is plotted on a risk matrix to show degree of likelihood and impact. The greater the likelihood and impact the higher the priority for management. Those risks which lay above the line of 'risk appetite' can be seen in the blue zone of the matrix. These risks are a priority for management and are reviewed every quarter. Risks below the risk appetite, in the green zone, are a lower priority and so are reviewed on an annual basis.

Likelihood	High				
	Medium			<b>X</b> ←	
	Low		<b>X</b> ←		
	Very Low				
		Negligible	Marginal	Serious	Critical
	Impact				

Risks positioned in the blue zone of the risk matrix are above 'risk appetite' (high priority) and require quarterly mitigation and management. Mitigation updates are listed for these risks.

Risks positioned in the green zone of the risk matrix are below 'risk appetite' (lower priority) and require an annual review in Quarter Four.

## Operational Risk Register

Operational Risk Register - showing those risks which lay above Risk Appetite – listed in order of overall current risk score.

Operational Lead Area	Risk No.	Name	Description	Current Likelihood	Current Impact	Overall Current Score	Risk Appetite & Review Frequency	Target Likelihood	Target Impact	Overall Target Score	Target due date	Mitigations and their due dates	History of improvement	Officer Owner
Legal, Governance and Democracy	6	Lack of Case Management system results in inefficiency and errors	The new organisational model requires the implementation of a legal case management system. Without a Case Management system working is not sustainable, effective or efficient. This results in increased stress and pressure on the team for tasks such as running productivity reports, work levels and providing updates, inability to save important information to file, information is missed where advising in a colleague's absence or that the time taken to provide advice is increased; info@work errors resulting in frequent demand on IT and Legal colleagues; effective delivery of Statutory role of Monitoring Officer; documentation handling and version control when managing legal matters; resource intensive manual recording, allocation and management of legal cases; legal time and costs are not properly captured; inaccuracy of evidence regarding costs recovery for litigation matters; lack of suitable technology results in a bid for additional staff resources.	4	3	12	Above - review each quarter	2	2	4	31/03/2022	Focused support on legal filing. Awaiting feedback from innovations group on case management system. Temporary purchase of off shelf case management system. Report and Action Plan in development with ICT with Info@Work. 09/09/21: Risk presented to Audit Committee. Meetings with Director and ICT. Demos of providers taken place and procurement timescale to be agreed with ICT and procurement. Joint project for case management system with Eden DC. ICT have advised that due to other projects their resources are stretched. ICT requesting information on budgets and resources available to commit to the project from Eden and SLDC before meeting to discuss timetable for procurement. 07/04/22: Further support is required to progress a Case Management solution.	26/08/20: Risk entered onto risk register. 08/03/2021: Risk review resets likelihood from score 3 to score 4 to reflect current impacts - additional existing mitigation around report and action plan listed. 09/09/21: Risk review indicates that risk remains unchanged - additional mitigations listed. 06/12/21: Risk review indicates that risk remains unchanged – additional mitigations listed. 01/03/22: Risk review indicates that risk remains unchanged.	Legal Governance Democracy Lead Specialist

Strategy	5	Risk that key staff will leave if there are no career progression opportunities	Key staff may leave the organisation if there are no career progression opportunities	4	3	12	Above - review each quarter	2	2	4	Mar-23	Consider scope to offer more attractive T&C and career prospects within service - if cannot be achieved then escalate March 2021. 01/09/21: Able to advertise on slightly extended timeframe. 08/12/21: Look to create more flexible career paths in the new authority. greater clarity and improved communications around LGR will build employee confidence levels.	04/08/20: risk identified. 03/03/21: Risk review indicates that likelihood has increased to score 4. 03/06/21: Risk review indicates that risk remains unchanged. 01/09/21: Risk review indicates no change - additional mitigation listed. 08/12/21: Review indicates that risk remains unchanged - additional mitigation listed. 01/03/22: Risk review indicates no change to this risk.	Strategy
Case Management	8	Availability and pace of digital technology and development negatively impacting on transition into new working model	Working model and structure is dependent on digital development to achieve efficiency savings. Delays in digital development and self-serve availability impacts on ability to transition into new working model and places additional pressure in many areas	3	3	9	Above - review each quarter	2	2	4	01/12/2022	Some elements of self-serve now live for Revs and Bens - hard launch week commencing 15.03.2021. Capita Project Team working on further self-serve e-forms to allow more on line transactions to be made ESB payment integration due for completion in April. Some self-serve options available but not enough to make significant impact across all areas. (10/09/21: additional self-serve options have been developed and implemented across some service areas but more required at pace to make a significant impact.) Transition Workshops are underway to develop programme of work required to increase number and range of online transactions - 10/09/21: programme of work from sessions developed Capita portal is now live (Revs and Bens) and integrated into My Account and has had good take up since launch in March Capita e-forms project to allow further self-serve functionality is due to be completed by end of September 2021. One form is live with a further 3 to go live in the coming weeks. 06.12.21: Customer Connect programme of work has now been implemented based upon 3 themes, reducing customer demand, improve customer digital experience and People. There are 26 active tasks @ 06.12.21. Upgrade to info@work underway with introduction of email connect which will bring further efficiencies within Q4 when due to go live. 02.03.22: Info@work upgrade has been delayed until June/July 2022, further progress being made on Revs and Bens Capita forms due to go live in Q1. 07/04/22: Progress is being made on improving digital experience with focus on resources to undertake UAT.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates no change to risk, mitigations enhanced. 10/09/21: Review indicates no change to current risk - mitigations expanded. 06/12/21: Review indicates no change to risk - mitigations updated. 01/03/22: Risk review indicates that risk remains unchanged, further mitigations added 02.03.22.	Operational Lead - People, Welfare and Income Maximisation

Finance	0.4	Budget savings not identified and/or achieved (linked to Strategic Risk 06 Medium Term Financial Planning.)	Please refer to the specific risk register for Medium Term Financial Planning. This register is located with Financial Services.	3	3	9	Above - review each quarter	2	2	4	31/03/2022	Progress with budget savings are reported quarterly as part of corporate financial monitoring. Realistic projections of income and expenditure, including government funding proposals. Identify deliverable savings and new income streams. Monitor and resource delivery. All mitigations in place.	14/03/18: Review indicates that the current risk has reduced in terms of likelihood due to a reduction in target value and progress made through Customer Connect. 21/03/19: Review indicates that the risk remains unchanged. 02/03/21: Review indicates that likelihood is increased to 3 due to delays in Gov funding changes - and organisational capacity limited by Covid. Risk now above appetite. 04/06/21: Risk review indicates that risk remains unchanged. 08/09/21: Risk remains unchanged - the target savings have reduced due to assumptions around timing of Local Government Finance reform. 07/12/21: Review indicates that risk remains unchanged. 01/03/22: Risk review indicates that risk remains unchanged - WAF Council will deliver savings.	Finance Lead Specialist
Human Resources	5	Risk that staff objectives are not aligned with the Council Plan	Whilst the Council Plan is an external-facing programme, greater clarity may be needed to translate into clear objectives for SLDC employees. Without greater clarity activities may not be aligned. 22/03/22: Risk now influenced by LGR.	3	3	9	Above - review each quarter	2	2	4	31/03/2023	Close working with Strategy during the Council Plan review process. Meeting in place 31/03/21 to discuss departmental. Performance management and measurement. New appraisal process to be introduced from April 2021. Mitigations added 01/06/21: Developing a new plan on a page to link departmental objectives to the Council Plan by end of October. Link with Appraisal process by end July - 'Your Conversation'. Your Conversations 85% complete end of August. Plan written and awaiting adoption. New SLDC Performance Specialist could help to address. Clear links with Appraisal process - 'Your Conversation'. Your Conversations 94% complete by end of November.	04/08/20: Risk identified. 10/12/20: Risk reviewed - risk position unchanged - mitigation around close working added. 03/03/21: Risk review indicates that risk remains unchanged, mitigations added. 01/06/21: Risk review indicates that risk remains unchanged - additional mitigations listed. 08/09/21: Risk review indicates that risk remains unchanged at this time. Good progress with 'Your Conversations' with 85% completed by of August. 06/12/21: Risk review indicates risk remains unchanged. Excellent progress with 'Your Conversations' with 94% completed by November. 01/03/22: Risk review indicates that risk remains unchanged and influenced by LGR.	Lead HR Specialist
Legal, Governance and Democracy	1	Windermere lake encroachment debt recovery does not significantly reduce the amounts outstanding.	Reputational risk to Legal Services. Historically there has been insufficient resource for recovery on Windermere. Numerous challenges to the current square metre methodology have been made. Debts require significant Legal, Finance and Estates work in every case. Impact Unrecovered debts. Negative publicity. Write offs for unpaid debts over 6 years old where no legal proceedings actioned.	3	3	9	Above - review each quarter	2	3	6	31/03/2023	Regular progress reports to senior officers and members. Reports to Lake Admin Committee and Audit Committee. Regular 1-1 item with Assistant Director Resources. All mitigations in place. 09/09/21: Progress made with recovering debt and reports to Lake Admin Committee. Advertising Property Solicitor post. 01/03/22: Property Solicitor now in place.	29/03/18: Reviewed. Significant improvements have been made in relation to this risk. However, it is considered prudent for the risk to remain unchanged until the impact of such improvements has been monitored. 14/03/19: Review indicates that debt has been reduced significantly and is now within corporate recovery rates. However the organisation is undergoing change and key legal vacancies will require maintaining - the risk position therefore remains unchanged in the short term. 08/03/2021: Risk review indicates no change to risk position. 09/09/21: Risk review indicates that risk remains unchanged - additional mitigations listed. 06/12/21: Risk Review indicates that the risk remains unchanged. 01/03/22: Risk review indicates that risk remains unchanged - debt recovery position has improved. Property Solicitor in place.	Legal Governance Democracy Lead Specialist

Service Delivery and Commercial Services	13	Recession – Impact on Parking/ Lake fees and charges, impact on income from commercial units.	Covid-19 economic impact on fees and charges which provide an income to the Council. Government subsidies no longer available. There is improvement within the Lakes area.	3	3	9	Above - review each quarter	2	3	6	31/03/2023	Review fees and charges throughout financial year 2021/22. Reviews keep up to date with Government subsidies for loss of income.	Risk identified Oct 2020. 14/12/2020: risk reviewed - remains unchanged in terms of position. 03/03/21: Risk review indicates no change to risk scores, mitigations added. 10/09/21: review indicates that risk remains unchanged. 06/12/21 Review indicates no change to risk. 01/03/22: Risk review indicates that risk remains the same. 01/03/22: Risk review indicates that risk remains the same – risk description updated.	
Finance	9	Procurement - legal challenge	Procurement exercise non-compliant with legislation. Possible risk of legal challenge and damage to the Council's reputation	3	3	9	Above - review each quarter	2	2	4	Mar-23	Ensure relevant officers are suitably trained to understand the implications of new and existing legislation. Involve Procurement in complex or high value procurement exercises. Further training has been provided during 2021/22. Contract Management Board.	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged. 04/06/21: Risk review indicates that risk remains unchanged. 08/09/21: Risk remains unchanged. 07/12/21: Review indicates that risk remains unchanged, mitigations updated. 01/03/22: Risk review indicates that risk remains the same due to LGR resource pressures.	Finance Lead Specialist
Finance	12	Procurement - budgets	Final quotation/tender prices higher than anticipated. Budget not available to deliver the required goods/works/services	3	3	9	Above - review each quarter	2	2	4	Mar-23	Ensure officers are available with the skills to provide accurate estimations. Conduct market consultations where particularly vague over anticipated cost.	Risk transferred to organisational operational risk register 20/08/20. 02/03/21: Review indicates impact increased to 3 due to volatility of market during Covid. Risk now above appetite. 04/06/21: Risk review indicates that risk remains unchanged. 08/09/21: Risk remains unchanged. 07/12/21: Review indicates improvement with likelihood reducing from score 3 to score 2 - risk now below appetite. 01/03/22: Risk review indicates that both likelihood and impact have each increased to score 3 due to due to current economic and international political environment - risk now above appetite.	Finance Lead Specialist
Support Services	5	Availability and pace of digital technology and development negatively impacting on transition into new working model	Working model and structure is dependent on digital development to achieve efficiency savings. Delays in digital development and self-serve availability. Particularly in relation to delivery of lawful meetings using virtual meetings technology.	3	3	9	Above - review each quarter	1	2	2	31/03/2022	Produced specification for Legal Case Management and HR systems. 29/09/21: Systems demonstrations in place and resources being sought to implement system. 07/04/22: Progress is being made on improving digital experience with focus on resources to undertake User Acceptance Testing.	08/12/2020: risk identified. 03/03/21: Risk prioritisation, existing and required mitigations listed, risk is above appetite. 29/09/21: Risk remains unchanged - additional mitigations listed. 07/12/21: Review indicates that risk remains unchanged. 01/03/22: Risk review indicates that risk remains unchanged.	Operational Lead Support Services
Finance	5	Treasury Management - investment losses	Investment placed with counterparty not on confirmed list or limit exceeded. Potential to lose money invested	2	4	8	Above - review each quarter	1	4	4	Mar-22	Consult counterparty list before making investment. Two senior officers sign off transfer of funds. Training provided for staff. Limited number of staff are authorised for placing investments.	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged. 04/06/21: Risk review indicates that risk remains unchanged. 08/09/21: Risk remains unchanged. 07/12/21: Review indicates that risk remains unchanged, mitigations updated. 01/03/22: Risk review indicates that risk remains unchanged - full complement of mitigations in place.	Finance Lead Specialist