

CORPORATE RESOURCES RISK REGISTER (AS AT Q1 2021/22)

Appendix D

Risk	Rating and Current Position	Risk Treatment	Mitigating Actions	Change since last quarter	Risk Owner
<p>1 Universal Credit (UC) – the implementation of UC could have an impact on resources in Benefits and Customer Services.</p> <p>Housing Benefit is administered by the Council on behalf of the DWP and is one of the six benefits being rolled up into UC.</p>	<p>UC is being rolled out on a phased basis for working age claimants. During 2019/20, this started to have a much bigger impact with claims for HB reducing by over 30%. However, the overall volume of work has broadly stayed the same as changes in UC are impacting on the Council's Council Tax Reduction Scheme (CTRS). More recently, the impact of Covid-19 has increased claims under the CTRS.</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Local Council Tax Reduction Scheme is being redesigned to improve the customer experience and make it easier/more efficient to administer. Proposals will be presented to Finance & Management Committee in July 2021.</p> <p>A service review will ensure the team is flexible and can adapt to changes in workload in future years.</p> <p>Following a major system upgrade, improved document management functions, the introduction of a linked CRM system and automation are being explored to increase productivity within the team and improve interaction with customers.</p>	<p>No change to rating, mitigating actions updated.</p>	<p>Customer Services</p>
<p>2 Fraudulent activities – the possibility of fraud being undetected.</p>	<p>National studies show fraud leads to a significant loss of resources within the Public Sector as a whole. The likelihood is considered high because fraud has been detected and prevented locally.</p> <p>In addition, authorities are being asked to be extra vigilant due to the potential for fraud to increase during Covid-</p>	<p>Treat the risk through continuous action and review.</p>	<p>The Council has a Shared Service Arrangement with Derby City Council which supports the delivery of the Council's Anti-Fraud & Corruption Plan, which aims to introduce stronger anti-fraud processes across council tax, business rates, benefits, Right to Buy, social housing, supported accommodation and wider service areas. The unit also delivers fraud awareness training across the Council.</p> <p>Public agencies such as the DWP and HMRC increasingly share data with local authorities on a real-time basis. This allows compliance checks to take place to spot and eliminate the potential for fraud and error in a timely manner.</p>	<p>Mitigating actions updated no change to risk rating.</p>	<p>Customer Services</p>

	19.		Single Person Discount checks on Council Tax are also regularly undertaken.		
<p>3 Procurement Services</p> <p>The Directorate is responsible for providing a procurement service. Given the specialised and regulatory nature, there is a risk of not having resources to enable good quality advice and support for Services.</p>	<p>The Council does not have its own procurement department but currently has access to support and advice, so the likelihood is considered low.</p>	<p>Treat the risk through continuous action and review</p>	<p>The Council is part of a Shared Service Arrangement with other Derbyshire Agencies and has access to a wider pool of resources for support and advice.</p>	<p>No change to rating or mitigating actions.</p>	<p>Corporate Resources, Strategic Director</p>
<p>4 Public Building</p> <p>Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.</p>	<p>Budgets are allocated for the repair of all public buildings, with the budget provisions based on historical repair expenditure. The adequacy of these budgets will need to be assessed on completion of the planned maintenance programme. Covid-19 risk assessments have been undertaken for the Civic Offices, depot and community buildings to ensure adequate safety measures are implemented, with public access being</p>	<p>Treat the risk through continuous action and review.</p>	<p>Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets. The safety measures identified within the Covid-19 risk assessments will be implemented before any closed Council building is re-opened to the public.</p>	<p>No change to rating or mitigating actions.</p>	<p>Corporate Property</p>

	controlled and restricted.				
<p>5. Financial Management System Upgrade</p> <p>The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021.</p> <p>PSN compliance and failure of the upgrade create risks to financial controls and data security</p>	<p>A project group is set up internally to focus on Council action points with another group set up including the supplier. A project plan is being closely followed by each group.</p> <p>The project went live in April 2021 with no issues identified.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> Risk can now be removed / archived as the project was successful with the system going live in April 2021 	<p>Update to current rating and position</p>	<p>Head of Finance</p>
<p>6. Failure of the Financial Management System</p> <p>The possibility of failure due to aging software poses risks to payment of suppliers, generating customer invoices and qualified Financial Statements.</p>	<p>An upgrade to the FMS has been undertaken and went live in April 2021</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> No longer hosted on the Council's servers and therefore the risk can be removed / archived. There is a risk of internet failure but this is considered as part of IT risks and downtime 	<p>Update to current rating and position</p>	<p>Head of Finance</p>
<p>7. Payroll Service</p> <p>the payment of employees and members is managed on a day-to-day basis by one person.</p> <p>There is no additional capacity or expertise</p>	<p>A report was approved to transfer the payroll service to another Local Authority and to TUPE the employee in August 2019 to create resilience in the service.</p> <p>Issues arose and the</p>	<p>Treat the risk through continuous action and review</p>	<ul style="list-style-type: none"> There is a support function for payroll provision available to the Council from the supplier of the payroll software which can be utilised in an emergency. Discussions regarding cover of the payroll service are currently underway with the software supplier to make the detail more formal. 	<p>No change to rating or mitigating actions</p>	<p>Head of Finance</p>

<p>within the team to cope with any down time so the risk of employees and members not receiving payments due is significant.</p>	<p>transfer has been delayed. Discussions are ongoing and it is hoped that the service will now transfer by April 2022.</p>		<ul style="list-style-type: none"> Chesterfield Borough Council use the same payroll system and are able to offer a small level of support if required although they would not have the capacity to run the payroll. 		
<p>8. Payroll Software Contract Expiry</p> <p>The contract expires in February 2022 and a tender would be required which may result in a change to the system prior to the end of a tax year plus an increased cost</p>	<p>No specification for a tender has been drawn up at this stage due to the potential outsourcing of the service.</p> <p>If the service transfers in April 2022 there will be a contractual gap of approximately a month</p>	<p>Treat the risk through continuous action and review</p>	<ul style="list-style-type: none"> The service is due to transfer to another Local Authority and therefore a tender may not be required. If the transfer doesn't take place, a specification is partly in place due to the detail required for the transfer so this can be adapted. Discussions with the current software provider are underway regarding the contract and the potential transfer of the service. 	<p>No change to rating or mitigating actions</p>	<p>Head of Finance</p>
<p>9. Transformation Compliance</p> <p>Approval of projects or workloads outside the annual work programme for ICT and Business Change</p>	<p>The Council has signed up to a Transformation Roadmap. Any day-to-day activities or project work that is established outside this process but calls on the same resources will stop progress on approved projects.</p>	<p>Treat the risk through continuous action and review</p>	<ul style="list-style-type: none"> Ensure all Heads of Service are aware of the roadmap and the implications of adding additional projects. Ensure Transformation Steering Group members understand when they are involved in other work how that affects the ability to deliver critical transformation projects. 	<p>No change to rating or mitigating actions</p>	<p>Business Change, ICT, Digital</p>
<p>10 Banking and Counterparty Limits</p> <p>authorised signatories being unavailable, internet failure resulting in no access to the bank accounts</p>	<p>Annual leave and meetings of both approvers and administrative functions are monitored by the team to ensure any potential risks are mitigated.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> 5 administration staff have responsibility for setting up transfers of cash therefore any external internet failure is mitigated by having at least 2 other staff to take over the process. There are 3 approvers for banking transactions, 2 of which are the S151 and 	<p>No change to rating or mitigating actions</p>	

<p>Any of the above could result in a breach of the approved counterparty limits set by the Council, -</p>	<p>External internet issues cannot be managed directly but internal issues are reverted to the Head of Business Change and ICT</p>		<p>Deputy S151 Officers. At least 1 of these officers is always available for approvals.</p> <ul style="list-style-type: none"> • Cash flow forecasts are updated daily, and any known transfers are set up in advance 		<p>Head of Finance</p>
<p>11 Failure of systems external to Finance</p> <p>The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.</p> <p>Failure to either of these systems or interfaces results in customer accounts not being up to date with cash paid and the FMS not including all assets and liabilities resulting in potential qualification of the Financial Statements</p>	<p>The files are monitored daily and any issues raised with the IT Helpdesk.</p> <p>There is an upgrade currently in process to the Academy system which the Finance team have been involved in testing, so risk of failure is low.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> • An annual maintenance fee is paid to the system providers for system support and disaster recovery. • Daily reconciliations of cash are completed by the Finance team to ensure that any failure is recognised immediately. To prevent any reputational issues, a major failure would result in debt collection reminders being delayed. • Bank accounts are also reconciled daily, and any missing cash files would be manually transferred into the FMS to ensure the Debtor position is correct. • Council Tax, Business Rates and Housing Benefit interface files are reconciled monthly but the processing of the interface files is a manual task so any failure of file generation would be recognised immediately and reported to the IT Helpdesk. 	<p>No change to rating or mitigating actions</p>	<p>Head of Finance</p>

CORPORATE RESOURCES RISK MATRIX

Likelihood					
4 High	3 Medium	(1) Universal Credit (2) Fraudulent Activity (4) Public Buildings (8) Contract Expiry			
		(9) Transformation Compliance	(6) FMS Failure (7) Payroll Service		
2 Low	1 Unlikely	(3) Procurement (10) Banking (11) External System Failure	(5) FMS Upgrade		
		1 Minor	2 Moderate	3 Significant	4 Catastrophic
		Impact			

1 Universal Credit

The implementation of Universal Credit could have an impact on resources in Benefits and Customer Services

2 Fraudulent Activity

The possibility of fraud being undetected in Revenues, Benefits and Housing, etc

3 Procurement.

The possibility of having limited access to good quality support and advice

4 Public Buildings

Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose

5 Financial Management System Upgrade

The FMS requires an upgrade during 2020/21 with a go live date of 1 April 2021

6 Failure of the Financial Management System	The possibility of failure due to aging software
7 Payroll Service	The payment of employees and members is managed on a day-to-day basis by one person.
8 Payroll Software Contract Expiry	The contract expires in February 2022
9 Transformation Compliance	Approval of projects or workloads outside the annual work programme for ICT and Business Change
10 Banking and Counterparty Limits	Authorised signatories being unavailable
11 Failure of systems external to Finance	The Academy system interfaces data for Housing Benefit, Council Tax and Business Rates daily. The AIM system interfaces cash files daily.