

CORPORATE RESOURCES RISK REGISTER (AS AT Q3 2020/21)

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).</p> <p>More recently, the impact of Covid-19 has increased claims under the CTRS.</p>	<p>Treat the risk through continuous action and review.</p>	<ul style="list-style-type: none"> Greater automation is currently being progressed to process change of circumstances. The Local Council Tax Reduction Scheme is being redesigned to make it easier to understand and administer. Proposals for a new scheme, in principle, were originally planned for June 2020. However, due to Covid-19, this has been delayed until next year. Where spare capacity arises, off-site support, which is used to deal with peaks in workload, will be transferred in-house to utilise spare capacity. When future vacancies arise, these will be reviewed in the light of the longer-term position. 	<p>No change to rating or mitigating actions.</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</p>	<p>Treat the risk through continuous action and review.</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>The Council works in partnership with another Derbyshire authority to share a software package that enables data matching in Council Tax and Business Rates.</p> <p>Single Person Discount checks on Council Tax are also regularly undertaken.</p>	<p>No change to rating or mitigating actions.</p>	<p>Customer Services</p>

	potential for fraud to increase during Covid-19.		<p>In addition, the Council has a Shared Service Arrangement with Derby City Council which delivers a dedicated Fraud Unit. This Unit is resourced to prevent and detect fraud across all services, including raising awareness amongst Council Officers.</p> <p>The Fraud Unit have an annual work programme which is considered and approved by the Audit Sub-Committee. Outcomes are also reported to the Audit Committee.</p>		
<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>	The Council does not have its own procurement department but currently has access to support and advice, so the likelihood is considered low.	Treat the risk through continuous action and review	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.	No change to rating or mitigating actions.	Corporate Resources, Strategic Director
<p>4 Public Building</p> <p>Ensuring public buildings are safe and have adequate repair budgets to ensure they remain fit for purpose.</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	Treat the risk through continuous action and review.	<p>Condition surveys are being undertaken with a view to preparing a planned maintenance programme and comparing estimated costs against available budgets.</p> <p>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>	No change to rating or mitigating actions.	Corporate Property

	assessments have been undertaken for the Civic Offices, depot and community buildings to ensure adequate safety measures are implemented, with public access being 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>Test scripts are written, and testing is due to start on 18 January 2021.</p> <p>No issues have yet been identified by the supplier or Council.</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • A Business Change project manager and specific finance officers from the Council meet twice per month about the project. • A technical consultant and account manager have been assigned to the project by the supplier and they meet weekly with the Council's project manager. • A robust project plan has been agreed and signed off by both parties and is being strictly followed and communicated to both groups. • All action points from meetings are recorded and followed up by the project manager. 	New Risk	Head of Finance
<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</p>	<p>An upgrade to the FMS has been approved and is underway during 2020/21</p>	Treat the risk through continuous action and review.	<ul style="list-style-type: none"> • The Council pays a maintenance fee to the FMS provider for support with system issues. • An external consultant is on standby should any major failure occur to help support with any fixes. • Payments to suppliers could be made by cheque and blank invoice templates could be utilised if necessary, to overcome a 	New Risk	Head of Finance

Financial Statements.			major failure.		
<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 within the team to cope with any down time so the risk of employees and members not receiving payments due is significant.</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 transfer has been delayed. Discussions are ongoing and it is hoped that the service will now transfer by April 2022.</p>	Treat the risk through continuous action and review	<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. • 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. 	New Risk	Head of Finance
<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>	Treat the risk through continuous action and review	<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. 	New Risk	Head of Finance
<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.</p> <p>Any day-to-day activities or project work that is established outside this process but calls on the same</p>	Treat the risk through continuous action and review	<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 	New Risk	Business Change, ICT, Digital

	resources will stop progress on approved projects.		projects.		
<p>10 Banking and Counterparty Limits</p> <p>authorised signatories being unavailable, internet failure resulting in no access to the bank accounts Any of the above could result in a breach of the approved counterparty limits set by the Council, -</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>External internet issues cannot be managed directly but internal issues are reverted to the Head of Business Change and ICT</p>	Treat the risk through continuous action and review.	<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 Deputy S151 Officers. At least 1 of these officers is always available for approvals. Cash flow forecasts are updated daily, and any known transfers are set up in advance 	New Risk	Head of Finance
<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</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>	Treat the risk through continuous action and review.	<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 	New Risk	Head of Finance

potential qualification of the Financial Statements			Helpdesk.		
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CORPORATE RESOURCES RISK MATRIX

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