

Report

Report to:	Lanarkshire Valuation Joint Board
Date of Meeting:	13 March 2017
Report by:	Assessor and Electoral Registration Officer

Subject:	Risk Register Update 2017
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Present to members of the Joint Board, for information, notice that the Board's Risk Register has been reviewed and updated for 2017.

2. Recommendation(s)

2.1. The Board is asked to approve the following recommendation(s):-

- (1) that the content of the report be noted.

3. Background

3.1. The report is entitled 'Lanarkshire Valuation Joint Board – Risk Register Update 2017' and the Risk Register is attached as Appendix 1. The Risk Scoring Matrix is also attached, for information, as Appendix 2.

3.2. Lanarkshire Valuation Joint Board's Organisational Risk Register has been fully reviewed by LVJB's management team. It has been updated to reflect a reassessment of existing risks on the register and to document new risks which have emerged over the recent period. Each risk within the register has been allocated to individual members of the management team to monitor on an ongoing basis. The Risk Scoring Matrix explains how the Inherent and Residual Risk are decided.

3.3. LVJB's management team identifies and controls risk to which LVJB is exposed. At the review in early 2017, 35 risks were identified and they can be summarised as follows:-

<u>Residual Risk Score</u>	<u>Number</u>
High (7–9)	3
Medium (4–6)	13
Low (1–3)	19

The high risks are:

Risk reference number	Classification	Key risk	Residual risk score
LVJB/09/17	Operational, Continuity and Performance, Political, Financial	Insufficient funding from Cabinet Office for Individual Electoral Registration leading to failure to achieve statutory duty.	8
LVJB/19/17	Financial	Current LVJB budget does not include funding for significant electricity cases proceeding to Lands Tribunal.	8
LVJB/20/17	Financial	Lack of funding for valuation of electricity subjects which fall under the Non-Domestic Ratings (Valuation of Utilities) (Scotland) Order 2005. Failure to comply with the statutory duty could lead to a potential loss of income for the Scottish Government.	7

4. Employee Implications

4.1 None.

5. Financial Implications

5.1 Financial issues in relation to the Risk Register are covered annually as part of the budgetary process and in discussions with the Treasurer to the Board.

6. Other Implications

6.1 There are no implications for sustainability in terms of the information contained in this report.

6.2 Failure to demonstrate that risk is actively considered and managed can not only lead to avoidable financial loss but could also adversely affect delivery of services and could affect LVJB's reputation.

7. Equality Impact Assessment and Consultation Arrangements

7.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

7.2 There is no requirement for consultation in respect of this report.

8. Privacy Impact Assessment

8.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

Gary Bennett
Assessor and Electoral Registration Officer
16 February 2017

Previous References

Report to Board for 3 March 2014 meeting entitled – Risk Register Update 2014
Report to Board for 2 March 2015 meeting entitled – Risk Register Update 2015
Report to Board for 7 March 2016 meeting entitled – Risk Register Update 2016

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
LVJB/01/17	JN	Operational, Continuity and Performance	Loss or damage to communications cabinet.	Loss or damage to communications cabinet due to water ingress. There is a history of water ingress due to construction of the building.	5	1) Regular inspection of comms room for water ingress. 2) Verbal agreement with landlord re reporting and subsequent repairs to leaks. 3) Liaise with landlord on any issues.	2
LVJB/02/17	JN/DC	Operational, Continuity and Performance	Large reductions in rating valuations.	Large reductions in rating valuations.	8	1) Ensure adequate checking and authorising procedures are in place in relation to valuations of non domestic subjects. 2) Actively participate within Scottish Assessors Association to ensure consistency.	3
LVJB/03/17	JN/DC	Operational, Continuity and Performance	Increase in non domestic appeals activity.	Upsurge in non-domestic appeal activity. This leads to greater time spent by LVJB staff on handling appeals.	8	1) Structured non domestic appeal disposal programme. 2) Regular case review meetings. 3) Agree citation plan with Secretary to the Lanarkshire Valuation Appeal Panel. 4) Agree disposal strategy of non domestic appeals with SAA where appropriate. 5) Regular meetings with LVJB's IT Business Systems Manager covering risk issues.	3

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
LVJB/04/17	JN	Operational, Continuity and Performance	Lack of central IT support.	Lack of central IT support for LVJB provided by constituent authorities.	8	1) Service Level Agreement with constituent authority currently being reviewed. 2) IT Business Systems Manager attends for relevant part of LVJB Management Team meetings.	4
LVJB/05/17	JN	Operational, Continuity and Performance	Lack of comprehensive business continuity programme, includes loss of services (gas, water, electricity).	Lack of comprehensive business continuity programme, includes damage to building, loss of services (gas, water, electricity).	4	1) Business Continuity Plan developed in 2012 and reviewed annually. 2) SLA with SLC IT.	2
LVJB/06/17	GB	Operational, Continuity and Performance	Failure to revise/maintain/update service plan.	Failure to revise/maintain/update service plan on an annual basis.	4	1) Service Plan reviewed annually and reported to Board. A new service plan was devised for the period Jan 2016 to Dec 2018 and noted by the Board.	2
LVJB/07/17	TR	Operational, Continuity and Performance	SLC payroll staff make changes.	SLC payroll staff make changes to salaries or deductions without prior LVJB authorisation.	3	1) Use of the monthly payroll and establishment list. 2) Budget Monitoring Process: check of Monthly Salaries to Estimates. 3) Budget Monitoring Process: check of Monthly Salaries to PDR Rises/Incremental Rises.	1
LVJB/08/17	GH	Operational, Continuity and Performance	Comply with boundary reviews as determined by the Boundary Commission	Properties/electors in wrong wards and/or polling stations	6	1) Any boundary reviews to be managed via specific project, consisting of Project Manager and Project Team reporting directly to the Assessor and ERO.	1

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
LVJB/09/17	GB	Operational, Continuity and Performance, Political, Financial	Insufficient funding from Cabinet Office for Individual Electoral registration leading to failure to achieve statutory duty.	Failure to obtain adequate funding for Individual Electoral Registration could lead to failure to implement.	9	1) Continue to make representations to the Cabinet Office where additional funding for IER is required.	8
LVJB/10/17	GB	Operational, Continuity and Performance, Political, Financial	Insufficient funding from constituent authorities for IER leading to failure to achieve statutory duty.	Failure to obtain adequate funding for delivery of new legal system of electoral registration could lead to failure to implement.	4	1) Continue to make representations to the Constituent Authorities where it is felt that funding is inadequate to deal with IER.	2
LVJB/11/15	JN	Operational, Continuity and Performance, Political, Financial	Failure to be compliant with Public Service Network criteria and affect on ability of LVJB staff to carry out their duties.	Complying with PSN requirements.	2	1) Ongoing dialogue with SLC IT Business Systems Manager. 2) Continuous monitoring of PSN compliance for LVJB. 3) LVJB designated PSN compliant in December 2013. 4) Accreditation is renewed annually.	1
LVJB/12/17	DC	Operational, Continuity and Performance, Political, Financial	Failure to fully comply with Disclosure Scotland and affect on ability of LVJB staff to carry out their duties.	Complying with Disclosure Scotland requirements.	9	1) All existing staff Disclosed. 2) Disclosure for new staff part of recruitment process. 3) LVJB staff are required to notify senior management of any criminal charges or convictions.	3
LVJB/13/17	DC	Operational, Continuity and Performance, Political, Financial	Failure to comply with the Public Service Network (PSN) requirement that canvassers fully	Complying with Disclosure Scotland requirements	9	1) All new canvass staff Disclosed. 2) Re-employed canvassers to supply a completed criminal convictions form.	3

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
			comply with Disclosure Scotland and the subsequent effect on ability of LVJB to recruit sufficient canvassers to carry out their duties.				
LVJB/14/17	GB	Operational, Continuity and Performance, Political, Financial	Failure to deliver Registers and data exports in time for Local Government Election.	Inability to deliver Registers to RO's in connection with Local Government Election and other data extracts such as for Absent Votes and Poll Cards.	9	1) Action Plan as a result of the Election Plan 2) Regular meetings with RO's. 3) Attendance at ERCOM, AEA and EC meetings. 4) Rigorous software testing. 5) Staff training.	4
LVJB/15/17	GB	Operational, Continuity and Performance, Political, Financial	Failure to deliver Non Domestic Revaluation scheduled for 1 April 2017.	Unable to resource revaluation of all non domestic properties in line with legislation.	9	1) Reporting framework and associated project meetings in place to monitor Revaluation issues. 2) LVJB staff attendance and participation at SAA standing Committees and Working Group meetings.	4
LVJB/16/17	DC	Operational, Continuity and Performance, Political, Financial	Failure to comply with statutory duties as a result of inability to source adequate bulk mailing, printing and scanning supplier.	Unable to source supplier for printing, mailing and scanning.	7	1) Project team set up to review bulk printing, mailing and scanning needs and contract 2) Liaison with SLC procurement.	4
LVJB/17/17	GB	Financial	Insufficient budget from SLC/NLC.	Insufficient budget from SLC/NLC could lead statutory duties not being undertaken.	9	1) Realignment of budgets. 2) Quarterly meeting with Treasurer to the Board to discuss budgetary matters.	4

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
						3) Notification to clerk as part of budget planning. 4) Notification to the board as part of budget planning. 5) Monitor Revenue budget at monthly management meetings.	
LVJB/18/17	GB	Financial	Lack of control over costs.	Lack of control over costs - Valuation Appeal Panels, Central Recharges, Print Contracts, Property and additional workload due to legislative changes.	9	1) Realignment of budgets. 2) Quarterly meeting with Treasurer to the Board to discuss budgetary matters. 3) Notification to the board as part of budget planning. 4) Monitor Revenue budget at monthly management meetings.	6
LVJB/19/17	GB	Financial	Lack of funding for cost of electricity appeal cases.	Current LVJB budget does not include funding for significant electricity cases proceeding to Lands Tribunal.	9	1) Undertake training in relation to the valuation of electricity subjects to ensure values are robust. 2) Continue dialogue with relevant agents and companies in relation to the valuation of electricity subjects to agree as many issues as possible. 3) A fee structure has been agreed with various chambers for representation by counsel. 4) The Treasurer has been made aware of this risk.	8
LVJB/20/17	GB	Financial	Lack of funding for valuation of electricity subjects.	Lack of funding for valuation of electricity subjects which fall under the non domestic ratings (valuation of utilities) (Scotland) Order 2005. Failure to comply with the statutory duty could lead to a	9	1) Realignment of budgets. 2) Notification to the Treasurer as part of budget planning.	7

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
				potential loss of income for the Scottish Government.			
LVJB/21/17	TR	Financial	Lack of adequate insurance cover in place for LVJB.	Lack of adequate insurance cover in place for LVJB.	8	1) Annually review levels of insurance covers. 2) Insurance policies subject to tender process. 3) LVJB consults with SLC Insurance Risk Section to obtain professional advice on level of cover. 4) Annual check to ensure cover is continued and premiums paid on time.	2
LVJB/22/17	GB	People	Industrial action.	Industrial action by staff as a result of Government budget savings, pension changes, tax rises, pay freezes etc.	8	1) Partnership working. 2) Grievance procedures in place. 3) Joint Trades Union Congress participation. 4) Joint Consultative Committee Structures.	5
LVJB/23/17	GH	People	Difficulty in recruiting canvassers (temporary staff).	Difficulty in recruiting canvassers. The fees paid insufficient to attract temporary canvassers.	7	1) Ensure payment structure is adequate. 2) Regular meetings with SLC/NLC to contact all Council employees if additional canvasser required. 3) Contact RO if additional canvassers required. 4) Regular meetings with Personnel about recruitment policies. 5) Informal canvasser assessment framework ensures effective canvassers re-employed.	4

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
LVJB/24/17	DC	People	Failure to retain or recruit staff.	Failure to retain or recruit staff including those with appropriate qualifications e.g. RICS.	8	<ul style="list-style-type: none"> 1) Work life balance/conditions of service/personnel policies/job families. 2) PDR process. 3) Trainee surveyors / trainee technicians employed when appropriate with structured training scheme in place. 4) Offer to existing staff of training/professional qualifications where deemed appropriate. 	6
LVJB/25/17	DC	People	Health epidemic.	Health epidemic could lead to staff shortages and reduction in service provided.	5	<ul style="list-style-type: none"> 1) Reciprocal agreement in place with other Valuation Joint Boards to assist each other in times of crisis/short staffing. 2) Personnel Circulars monitored and reported to management team meetings and bulleted to staff. 3) Provision of controls as advised by HSE (e.g. antiseptic hand gel). 4) Information via email/MTM bullet points. 5) Maximising attendance policy. 6) Promotion by SLC of healthy living. 7) Conditions of Service. 	2
LVJB/26/17	IN/SL	People	Injury/death/physical or verbal assault of Valuation/ERO staff or service users while in LVJB premises.	Injury/death/assault of Valuation/ERO staff whilst undertaking duties, or service users while in LVJB premises, could potentially lead to liability claims being intimated against the joint	6	<ul style="list-style-type: none"> 1) Risk Assessments carried out. 2) Personal Safety Policy in place. 3) Occupational Health and Safety Management System in operation. 	3

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
				board.		4) Training and instruction provided to staff. 5) Regular monitoring and review of 1 – 4. 6) Communication with SLC in relation to common areas.	
LVJB/27/17	DC	People	Changes to conditions of service.	Changes to conditions of service, pensions, holidays, etc could cause general staffing issues.	7	1) Maintain contact with Personnel in relation to any changes. 2) Maintain awareness of such issues across industry in general. 3) Maintain effective Communication with staff and Union representatives (industrial relations). 4) Allow staff time to attend Briefings on Legislative changes likely to impact conditions of service (e.g. Pension Changes). 5) Personnel Bulletins/Team Briefing notes provided to all employees. 6) Seek SLA with SLC Personnel Services.	4
LVJB/28/17	DC	People	Lack of adequate skills/qualifications/training	Lack of adequate skills/qualifications/training in existing workforce.	7	1) Personal Development Review Process. 2) Training strategy (3 year plan). 3) APC/RICS Training. 4) Continual appraisal of organisation structure. 5) AEA training.	2
LVJB/29/17	TR	Regulatory/ Legislative	Failure to comply with FOI and Data	Failure to comply with legislation – leading to	6	1) FOI Policy and Procedures. 2) Monitor via LVJB	1

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
			Protection legislation.	consequent failure to achieve statutory duties.		Management Team Meetings. 3) Staff training. 4) Data Protection Policy and procedures. 5) Information retention schedules. 6) Privacy Impact Assessments developed. 7) Adhere to SLC's Information Security Policy. All staff vetted to a basic level by Disclosure Scotland. 8) Office wide clear desk procedure implemented.	
LVJB/30/17	DC	Regulatory/ Legislative	Failure to comply with Part 1 of the Public Records (Scotland) Act 2011 to prepare and submit a records management plan for approval by the Keeper of Records and to ensure that LVJB's public records are managed in accordance with the agreed plan.	Failure to prepare a Plan that is agreed by the Keeper of Records and ensuring that LVJB's public records are managed in accordance with the agreed plan.	6	1) Dedicated Records Manager. 2) Prepare approved retention schedules replace with "Business classification scheme, retention schedule and disposal arrangements". 3) Approved records management plan in place. 4) Records management issues monitored via monthly management team meetings. 5) Manager qualified as a Certified Data Protection Practitioner. 6) Records Management Policy. 7) Adhere to SLC's Information Security Policy. All staff vetted to a basic level by Disclosure Scotland. 8) Business Continuity Plan. 9) Data Protection Policy. 10) Office wide clear desk procedure implemented.	3

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
LVJB/31/17	GH	Information and Technology	Failure of Eros Software during canvass/election.	Failure of Eros Software during canvass/election.	7	1) Attend software provider workshops. 2) Software support and maintenance agreement in place. 3) Regular back-ups of system data taken. 4) Testing takes place prior to elections/ canvass to ensure system resilience. 5) Regular dialogue with software suppliers and attendance at supplier run events. 6) Regular software updates.	4
LVJB/32/17	JN	Information and Technology	Total computer/communications failure.	Total computer/communications failure could cause disruption to the services provided.	9	1) Disaster recovery in place for servers – backup based in Almada Street. 2) SLA with constituent authority currently under review.	4
LVJB/33/17	JN	Information and Technology	Failure of the Scottish Assessors' Association portal web site.	Failure of the Scottish Assessors' Association portal web site could lead to a significant increase in enquiries from service users to LVJB.	3	1) Portal suppliers have documented procedures for dealing with such situations.	1
LVJB/34/17	TR	Reputation	Claims submitted against LVJB.	Claims submitted against LVJB for negligence or failure to comply with legislation (equality/discrimination).	7	1) Identify in Service Plan responsible officers for key undertakings to ensure ownership. 2) Monitor via LVJB team meetings. 3) Provision of Training to Employees/Managers on	4

Risk reference number	Allocated to	Classification	Key risk	Description of risk	Inherent risk score	Controls in place	Residual risk score
						Equality and Diversity legislation. 4) Compliance with general and specific duties determined by relevant Legislation. 5) Ensure adequate Public Liability insurance is in place.	
LVJB/35/17	DC	Environmental	Severe weather.	Severe weather could result in surveys and canvassing etc being unable to be carried out due to unsafe conditions or staff unable to travel to work base.	5	1) Skeleton staff availability. 2) Reduced hours. 3) Alternative working arrangements sought with SLC Personnel in such circumstances. 4) Comply with OHSMS.	3

Risk Scoring

Appendix 2

Impact 1 to 3

1. Will cause some problems but could be managed
2. Will cause significant delay or interruption to our service
3. Could cause our service to fail

Likelihood 1 to 3

1. Unlikely but could happen
2. Likely to happen
3. Very likely or already happening

Scoring matrix

I M P A C T	3. Could cause our service to fail	4	7	9
	2. Will cause significant delay or interruption to our service	2	5	8
	1. Will cause some problems but could be managed	1	3	6
		1. Unlikely but could happen	2. Likely to happen	3. Very likely or already happening
likelihood				

Initial scoring is without controls or mitigation.

Residual score reflects outcome after controls are in place and tested.

For new risks controls/mitigation is normally being put in place.

Residual scores should therefore still be high until these are fully in place and tested.