

NORTH INSHORE FISHERIES AND CONSERVATION AUTHORITY

Report to: Quarterly Meeting
8 March 2012

Strategic & Operational Risk Register Review

Report of the Clerk of the Authority.

A. **Purpose of Report**

To inform Authority members that in accordance with the Risk Management Strategy, a six monthly review of the Strategic and Operational Risk Registers has been undertaken and is reported for the Authority's approval.

B. **Recommendation**

That the revised Strategic Risk Register be approved and reviewed in six months' time or sooner if the need arises.

1. **Background**

1.1 The Risk Management Strategy and associated Strategic & Operational Risk Registers were approved by the shadow Authority at its meeting held on 25 January 2011 (Minute 17 refers).

1.2 The Authority agreed that the Risk Management Strategy be reviewed on an annual basis and that the Strategic and operational Risk Registers be reviewed every six months, or sooner, if the need arose and reported to the Authority.

2. **Strategic Risk Register Review**

2.1 The Strategic Risk Register has been reviewed to consider any potential changes which have occurred over the last six months which have affected the nine key risks identified in the Register. The nine key risks have been reviewed and the changes are highlighted in bold in the attached register. An update position for each of the nine key indicators is also included in the Register attached as Appendix 1.

2.2 Some key areas of change to the Strategic Register include risks in meeting statutory responsibilities in relation to the assessment and adequate management of European Marine Sites which are currently facing external challenge. The level of risk to the Authority in this area will be reliant on ensuring that Officers are resourced both in terms of equipment and expertise to deal with such challenges. Other areas of change include a slight reduction in risk associated with a major incident e.g. involving the Authority's main patrol vessel, due to recent staffing changes and the recruitment of an additional crew member providing offshore engineering support. The IFCA transition and the development of new duties and responsibilities has placed additional pressures on staff which could affect staff retention and the future IIP re-assessment.

3. **Operational Risk Register Review**

- 3.1 The Operational Risk register has been reviewed to consider any potential changes which have occurred over the last six months which have affected the main risk areas identified. Apart from minor adjustments in detail one of the main current risk areas relates to the vacant Environmental IFC Officer post which is placing additional burdens on the associated team. A recruitment process is underway and interviews are scheduled to take place at the end of February 2012. Other operational risks such as the volatility of the global fuel market have since stabilised to a degree. An update position for each of the risk areas is attached as Appendix 2.

4. **Risk Based Enforcement Matrix**

- 4.1 The Risk Based Enforcement Matrix associated with the Authority's risk based management procedures has also been reviewed to consider any potential changes which have occurred over the last six months. Some of the main changes relate to reports of elevated sea bird by-catches in fixed nets worked within some areas of the Authority's district and ongoing external challenges to the current management of fishing activities within European Marine sites. An updated copy of the risk based enforcement matrix is attached as Appendix 3 to the report.

Contact Officer

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Background Papers

Strategic & Operational Risk Registers

NORTH EASTERN INSHORE AND CONSERVATION AUTHORITY - STRATEGIC RISK REGISTER

Risk No	Performance Plan Strategic Objective	Category of Risk	Risk	Gross Risk Score	Control Action	Residual Risk Score	Further Action Required	Update	Risk Owner
NEIFCA 1	A reputation for smart and prudent stewardship	Reputation	Loss or damage to reputation through poor press and public relations	9	Good internal communications, PR, reports to Authority, Press releases approved by the Chief IFC Officer and Clerk/Chairman where necessary. Members and key managers to have received media training. Members receive detailed briefings on sensitive issues and confidentiality requirements. Back up arrangements through the national Association and partner IFCA's	7	Reviewed on a quarterly basis		Chief IFC Officer
NEIFCA 2	A reputation for smart and prudent stewardship. Strategic objectives	Reputation	Failure to achieve policies, aims and objectives.	9	Annual Plan & Report produced each year outlining strategic objectives. Performance measured against number of targets. Reviewed in December. Exceptions reported to Authority. Constitution, Standing Orders Schemes of Delegation. The Authority has put in place structures and processes to govern decision making.	7	Reviewed on a quarterly basis by the Authority.		Chief IFC Officer
NEIFCA 3	A reputation for smart and prudent stewardship. Statutory responsibilities.	Reputation Legal	Failure to meet statutory responsibilities set out by legislation. Main causes of risk are:- (i) Poor leadership/ judgement by managers. (ii) Inadequate monitoring review. (iii) Lack of professional staff. (iv) Legal challenge. (v) Lack of resources	8	Series of performance targets set and measured to meet the requirements. Reported on quarterly basis to the Authority. Understanding and adherence to all governing legislation	7	Reviewed on a quarterly basis by reporting to the Authority and taking advice from Science & Governance Working Group.	Ongoing challenges to central government policy on MPA management with implications for IFCA's	Chief IFC Officer

Risk No	Performance Plan Strategic Objective	Category of Risk	Risk	Gross Risk Score	Control Action	Residual Risk Score	Further Action Required	Update	Risk Owner
NEIFCA 4	A reputation for smart and prudent stewardship.	Disaster Planning	Major incident, ie patrol vessel collides with another vessel.	8	The appropriate qualifications/licences/tickets are held by the crew. Train staff with skills in marine environment. Adequate Insurance.	5	Continue to keep up to date with training and appropriate qualifications	One additional crew member recruited to support offshore operations. Offshore roles and responsibilities reviewed and revised.	Chief IFC Officer & Assistant Chief IFC Officers
NEIFCA 5	A reputation for smart and prudent stewardship.	Reputation / Legal	Officers acting beyond their statutory remit. Legal challenge. Potential incident. Adverse publicity.	8	Full training in role. Qualifications. Performance monitoring, target setting, recruitment procedures.	6	As roles develop, change, continuous training and development. EDR process to be utilised for this.		Chief IFC Officer
NEIFCA 6	An Authority which attracts and keeps the best staff.	Customer/ Staff	Specialist staff and skills shortages. Sickness absence. Triggers include:- (i) Inability to recruit and retain staff. (ii) Inadequate succession planning. (iii) The Authority has a small but dedicated workforce.	7	Recruitment, retention policies, including work life balance policy, training and development, surveys of existing staff, analysis at exits interviews and managing sickness absence.	6	Analyse response from staff questionnaires and regular staff meetings. Review and monitor recruitment and retention policy to ensure effectiveness. Succession planning. Work life balance.	New IFCA role still developing including developing duties and responsibilities. Potential to place added pressure on staff in certain areas.	Chief IFC Officer

Risk No	Performance Plan Strategic Objective	Category of Risk	Risk	Gross Risk Score	Control Action	Residual Risk Score	Further Action Required	Update	Risk Owner
NEIFCA 7	A reputation for smart and prudent stewardship.	Financial/Economic	<p>Cuts to service, balance budget. Triggers include:-</p> <ul style="list-style-type: none"> • Poor budget settlement or lack of Government funding through specific grants to precepting authorities which impact on the budget for the Authority. • Budget overspends, insufficient reserves. • Precept set too low. • Lack of compliance with financial regulations 	7	<p>Three year financial plan in place based on prudent projections and sensitivity analysis. Budget process flexible enough to deal with changes in funding. Lobbying with other Authority's to get better deals. Government assumptions used in the planning exercise. Formal considerations of reserves. Monthly revenue and capital budget monitoring. Demonstrating the ability to manage in-year budget pressures. Early closure of accounts. Attraction of EU and other grants for project works.</p>	6	<p>Ensure sound business cases are made to Authority funders for continued financial support.</p> <p>Full, access to new burdens funding</p> <p>Continue to apply for EU and other grants for project work.</p>		Clerk/ Treasurer/ Chief IFC Officer

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NEIFCA 8	A reputation for smart and prudent stewardship.	Financial Reputation	<p>Failure to manage the Authority's assets, caused by:-</p> <ul style="list-style-type: none"> ● Lack of funding ● Service failures/poor maintenance ● Poor risk assessments and controls ● Inaction on behalf of the Chief IFC Officer and his assistants. 	7	<p>Asset Management Plans - including audit and survey result to target investment and maintenance at high priority areas.</p> <p>Patrol Vessel renewal fund. Maintenance programme. Risk assessments. Inspections and surveys. Insurance.</p>	6	<p>Review and define inspection survey programme. Ensure compliance with the programme. Review health and safety arrangements. Review adequacy of sums insured and compliance with insurance policy conditions. Operating a close monitoring regime on investment priority and reactive criteria.</p>		<p>Chief IFC Officer Assistant Chief IFC Officer</p>
NEIFCA 9	A reputation for smart and prudent stewardship - staffing	Staff, customer	Failing to retain Investors in People status.	7	<p>Ensure the Investors in People is a priority for service delivery. Continue to develop the service to take on board and incorporate any areas identified for development in the last assessment. Ensure that all staff are involved and actively encouraged to take ownership of the award.</p>	5	<p>Continue working to IIP standards. Continue to be at the forefront of developments.</p>	<p>IIP first assessment to be undertaken on 25th May 2012. The IFCA transition will be a major influencing factor on its outcome.</p>	<p>Clerk Chief IFC Officer</p>

NORTH EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY - OPERATIONAL RISK REGISTER

Performance Plan Reference	Process	Risk Identification	Risk Analysis	Risk Control	Residual Risk	Monitoring		
	Risk Category	Risk	1-3 = Low 4-6 = Medium 7-9 = High	Control Action	1-3 = Low 4-6 = Medium 7-9 = High	By Whom	Review Frequency	Triggers for Action
1.2.5 IFCA Success Criterion 1	Staffing	Lack of staffing resources to deliver service and to ensure that staff have adequate skills training to achieve performance requirements. Key Environmental IFC Officer post currently vacant	5	Communication networks. Staff flexibility. Monitoring of workloads. Workforce Development. Vacancy Management. Adhere to Sickness Policy. Implement Training Plans. Health and Safety. Recruitment process for vacant EO post currently underway, short-listing complete interviews scheduled for end February 2012.	4	Clerk and Chief IFC Officer.	Quarterly.	Reports to Authority. Team meetings/ EDRs. Sickness Review Meetings. Vacancy/sickness. Performance monitoring results.
1.2.5 IFCA Success Criterion 4	Customer Service/ reputation	Failure to provide agreed service. Failure to establish and achieve performance targets therefore having a detrimental impact on the delivery of service to the customer and achievement of performance objectives.	6	Performance Indicators. Inspections audit. Workload monitoring. Policy and procedure compliance. Staff training. Communication with customers.	4	Clerk and Chief IFC Officer.	Quarterly	Annual reports. Performance monitoring reports. Feedback from staff and customers.
4.10(7) 6.0	Technological.	Failure to meet targets in ICT strategy and implementation of new technology impacting on the efficiency and delivery of the service.	7	Prince 2 project methodology and scheme proposals. Project management. Ensure funding is available. Communication with IT Services. Reports to Authority.	5	Clerk and Chief IFC Officer.	Project stages and regular reports to Authority.	Project schedules Monitoring ICT strategy and IT reports.
3.0	Financial and contractual.	Unexpected budget demands and variances and failure to achieve agreed budget	7	Monitoring systems. Systems to capture spend. Regular budget holder meetings. Internal Audit.	6	Treasurer, Clerk and Chief IFC Officer.	Monthly.	Budget financial reporting.

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1.2.5 IFCA Success Criterion 1	Professional, contractual, legal reputation.	Failure to effectively support projects, poor contract documentation, failure to meet contract deadlines, failure to meet legal requirements and procurement legislation Provider fails to deliver the contract.	7	Use of internal/external experts/consultants. Robust specifications. Risk Assessments. Strong contract management. Financial, technical and legal vetting of all providers. Procurement policy followed. Monitoring and reporting processes. Meet statutory requirements.	4	Chairman, Clerk and Chief IFC Officer.	Monthly.	Procurement processes. Legislative changes. Contract variations. Timetable slippage.
1.2.5 IFCA Success Criterion 1	Financial reputation.	Failure to deliver projects through lack of resources or investment. Loss of funding and grants resulting in inability to proceed with projects. Change in legislation resulting in inability to generate funds. Reputation for inability to utilise grants awarded.	7	Use of Prince 2 methodology. Budget setting and monitoring process. Procurement policy followed. Appropriate resources available to undertake the project. Skills and knowledge of staff.	4	Clerk and Chief IFC Officer.	Monthly	Performance monitoring reports. Budget reports. Legislative changes. Government funding initiatives. Authority decisions. Contract variation slippage.

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1.2.5 IFCA Success Criterion 1	Financial reputation, technical.	Volatility of global oil/fuel markets and national tax changes.	6	Regular monitoring of fuel spends included within quarterly reports to Authority. Additional provision made within annual precept.	4	Chairman, Clerk, Deputy Clerk, Chief IFC Officer and Skipper of patrol vessel.	Monthly.	Budget financial review & reporting
1.2.5 IFCA Success Criterion 1	Legal/reputation.	Legal challenge resulting from failure to undertake statutory responsibilities in terms of enforcement or poorly drafted Authority bye-laws.	7	Performance monitoring in terms of enforcement targets. Drafting of bye-laws in consultation with Legal Services. Proper consultation processes followed in accordance with statutory requirements. Involvement of MMO DEFRA in final approval of bye-laws.	5	Clerk, Legal Advisor and Chief IFC Officer.	Monthly and quarterly reports to Authority.	Performance monitoring reports. Legal challenges.

OPERATIONAL RISK REGISTER – RISK BASED ENFORCEMENT MATRIX

Performance Plan Reference	Process	Risk Identification	Risk Analysis	Risk Control	Residual Risk	Monitoring		
	Risk Category	Risk	1-3 = Low 4-6 = Medium 7-9 = High	Control Action	1-3 = Low 4-6 = Medium 7-9 = High	By Whom	Review Frequency	Triggers for Action
1.2.5 IFCA Success Criterion 2 & 6	Environmental	Habitat damage caused by invasive fishing methods. Damage to protected features of European Marine Sites or Marine Conservation Zones. New external challenge to UK policy on the current approach to the management of fishing activities within European Marine Sites.	6	Ongoing monitoring of activities. Active participation in associated schemes of management. Introduction of emergency and long-term Byelaw regulations and codes of conduct governing activities. Enforcement of existing regulations.	5	Chief IFC Officer, Assistant Chief IFC Officers Environmental Officers	Quarterly to Authority and associated working groups	Significant increases in related activity. Evidence of damage and impact. Complaints
1.2.5 IFCA Success Criterion 2 & 6	Environmental	Impacts on other marine species such as sea birds, cetaceans and other organisms associated with fishing activities Anecdotal reports of elevated sea bird by-catches in fixed nets worked in some areas.	7	Monitoring through fishing permit schemes and accreditation processes. One off studies and assessments Officers tasked with strengthening monitoring and reporting of sea bird by-catch.	6	Chief IFC Officer, Assistant Chief IFC Officers Environmental Officers	Quarterly to Authority and associated working groups	Negative feedback from catch reporting schemes and or studies. Complaints
1.2.5 IFCA Success Criterion 2 & 6	Environmental	Impacts on fish and shellfish stocks through non-compliance with regulations	6	Targeted approach to enforcement at ports and areas of known high non compliance at peak season. Focus on ports of high volume landings out of season	5	Chief, Assistant Chief and IFC Officers	Monthly	Intelligence reports. Surveillance. Routine observations and complaints
1.2.5 IFCA Success Criterion 2 & 6	Environmental	Impacts on fish and shellfish stocks through over-exploitation	7	Detailed monitoring of stock health. Development of dedicated management plans and strategies. Tailored management provisions. Sound enforcement. Fisheries accreditation schemes. National coordination	6	Chief IFC Officers and Environmental Officers	Quarterly & monthly	Non achievement of stock indicators. Declining catches and fleets. Complaints and comments.

