

NORTH EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Report to: Executive Committee
22 October 2014

Strategic Risk Register – Six Monthly Review

Report of the Clerk.

A. Purpose of Report

To inform members of the Executive Committee 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 approval.

B. Recommendation

That the revised Strategic and Operational Risk Register be approved and reviewed in six months' time.

1. Background

1.1 The Risk Management Strategy and associated Strategic and Operational Risk Registers were approved by the shadow Authority at its quarterly 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 and reported to the Authority (Minute 17 refers). In accordance with these recommendations the Risk Management Strategy and associated risk registers were reviewed and updated on 23 March 2014 (Minuted items 72 & 73 refer).

2. Strategic & Operational Risk Register Reviews

2.1 The Strategic and Operational Risk Registers have been reviewed to consider any potential changes which have occurred over the last six months which have affected the key risks identified in the Registers. The risks have been reviewed and the changes are highlighted in bold within the attached registers. An update position for each of the key indicators is also included in the Register. The next review of the Strategic Risk Register is scheduled for March 2015. The identified risks have also been ranked in order of significance (highest residual risk score) as recommended by Authority members in March 2014 (Minute 72 refers).

2.2 In the main identified strategic and operational risk have largely remained unchanged since March 2014 although organisational risk associated with ongoing staffing vacancies remains a key area of focus.

2.3 The Strategic Risk Register is attached as Appendix 1, the Operational Risk Register as Appendix 2 and the risk based enforcement matrix, a sub register of the Operational Risk Register, as Appendix 3 for members information.

Contact Officer

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Background Papers

Strategic Risk Register
Operational Risk Register

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 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. | 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(6) | Reviewed on a quarterly basis by reporting to the Authority. | 3 staff vacancies pending subject to outcome of organisational review. | Chief IFC Officer |
| 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 supported by Standards Committee and procedures. 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 produced each year outlining strategic objectives. Performance measured against number of targets. Reviewed in March. 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 |

| 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 or runs aground. | 8 | The appropriate qualifications/licences/tickets are held by the crew. Train staff with skills in marine environment. Adequate Insurance. | 6 | Continue to keep up to date with training and appropriate qualifications | | 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. EDP 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. (iv) Private sector competition | 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 | Recruitment processes expedited to fill vacancies when they arise. | 3 staff vacancies pending subject to outcome of organisational review. | Chief IFC Officer & Assistant Chief IFC Officers |

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|-----------|---|----------------------|---|------------------|--|---------------------|---|--|---|
| NEIFCA 10 | A reputation for smart and prudent stewardship | Reputation/legal | Failure to deliver revised fisheries management policies within Marine Protected Area Sites which fall within the Authority's jurisdiction. | 7 | Full engagement with Defra, MMO, national working groups and local management groups. | 6 | Regular updates and progress reports to Science and Governance Working Group, Executive and full Authority | 'Red Risk' EMS management complete. 'Amber' and 'Green' planning well advanced to meet national 2016 deadlines. | Chief, Assistant Chief IFC Officers. Environmental IFC Officer and support staff. |
| NEIFCA 8 | A reputation for smart and prudent stewardship. | Financial Reputation | Failure to manage the Authority's assets, caused by:- <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 | Asset Management Plans - including audit and survey result to target investment and maintenance at high priority areas. Patrol Vessel renewal fund. Maintenance programme. Risk assessments. Inspections and surveys. Insurance. | 6 | 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 criteria. | | Chief IFC Officer Assistant Chief IFC Officer |

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|----------|---|--------------------|--|------------------|---|---------------------|--|---|--|
| 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 Committee. Budget over spends, 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> | 5(6) | <p>Ensure sound business cases are made to Authority funders for continued financial support.</p> <p>Continue to apply for EU and other grants for project work.</p> | <p>Although income generation has remained low through 2014/2015 savings have been generated in some budget areas.</p> | Clerk/ Treasurer/ Chief IFC Officer |
| NEIFCA 9 | A reputation for smart and prudent stewardship - staffing | Staff, customer | Failing to retain Investors in People status. | 7 | <p>Ensure Investors in People remains 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> | 2 | <p>Continue working to IIP standards and implement recommendations from the recent 2012 assessment report.</p> | <p>IIP successfully retained by NEIFCA in June 2012. And has been subject to 18 month interim review</p> | Clerk Chief IFC Officer Assistant Chief Officers |

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 |
| | Staffing | Lack of staffing resources to deliver service and to ensure that staff have adequate skills training to achieve performance requirements. Buoyant offshore private sector continues to attract staff maintaining high staff turnover within the Authority 3 vacancies held pending outcome of internal staffing review | 8(7) | Communication networks. Staff flexibility. Monitoring of workloads. Workforce Development. Vacancy Management. Adhere to Sickness Policy. Implement Training Plans. Health and Safety. Recruitment processes expedited to fill vacancies. Examine as part of future staffing review | 7(6) | Clerk and Chief IFC Officer. | Quarterly. | Reports to Authority. Team meetings/ EDRs. Sickness Review Meetings. Vacancy/sickness. Performance monitoring results. |
| | Technological. | Failure to meet targets in ICT strategy and implementation of new technology impacting on the efficiency and delivery of the service. | 6 | 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. |
| | Financial and contractual. | Unexpected budget demands and variances and failure to achieve agreed budget Income generation is expected to remain low during 2014/2015 maintaining risk at previous levels although this has been offset through savings to the current operational budget. | 6 | Monitoring systems. Systems to capture spend. Regular budget holder meetings. Internal Audit. | 5(6) | Treasurer, Clerk and Chief IFC Officer. | Monthly. | Budget financial reporting. |

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|----------------------------|---------------------------------|--|---|--|---|------------------------------|------------------|---|
| | 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 |
| | Customer Service/ reputation | <p>Failure to provide agreed service.</p> <p>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.</p> <p>Changes in support service functions now complete two full time support staff now recruited.</p> | 6 | <p>Performance Indicators.</p> <p>Inspections audit.</p> <p>Workload monitoring.</p> <p>Policy and procedure compliance.</p> <p>Staff training.</p> <p>Communication with customers.</p> | 4(5) | Clerk and Chief IFC Officer. | Quarterly | <p>Annual reports.</p> <p>Performance monitoring reports.</p> <p>Feedback from staff and customers.</p> |

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|----------------------------|--|--|---|--|---|--|----------------------------|---|
| | 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 |
| | 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. With regard to supporting national projects ensure maintenance of dialogue and a proactive approach. | 5 | Chairman, Clerk and Chief IFC Officer. | Monthly. | Procurement processes. Legislative changes. Contract variations. Timetable slippage. |
| | 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. Continued risk level due to ongoing national MPA management programme. | 7 | Budget setting and monitoring process. Procurement policy followed. Appropriate resources available to undertake the project. Skills and knowledge of staff. With regard to supporting national projects ensure maintenance of dialogue and a proactive approach. Additional funding of £15K+ provided by Defra to purchase research equipment to support MCZ work. | 6 | 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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|----------------------------|----------------------------------|---|---|---|---|---|---|---|
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| | Financial reputation, technical. | Volatility of global oil/fuel markets and national tax changes. Markets remain unstable Procurement process underway for provision of a new fuel supply contact which may increase the cost of marine fuel. | 6 | Regular monitoring of fuel spends included within quarterly reports to Authority. Additional provision made within annual precept. | 5 | Chairman, Clerk, Deputy Clerk, Chief IFC Officer and Skipper of patrol vessel. | Monthly. | Budget financial review & reporting |
| | 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. | 6(5) | Clerk, Legal Advisor and Chief IFC Officer. | Monthly and quarterly reports to Authority. | Performance monitoring reports. Legal challenges. |
| | Financial reputation, technical. | Insufficient funding to replace main fisheries vessel, North Eastern Guardian III | 6 | Maintenance of current funding levels to the vessel renewal account. Continued investment in current vessel as a saleable asset. Monitoring and utilisation of all appropriate external funding avenues. | 5 | Chairman, Clerk, Chief IFC Officer and Assistant Chief IFC Officer (offshore ops) | Annual | Budget financial review & reporting |

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 |
| | Environmental | Habitat damage caused by invasive fishing methods. Damage to protected features of European Marine Sites or Marine Conservation Zones Increase in nomadic scallop dredging activity within the NEIFCA area – currently being monitored. | 7 | 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. Timely use of emergency byelaw making procedures when necessary | 6 | 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 |
| | Environmental | Impacts on other marine species such as sea birds, cetaceans and other organisms associated with fishing activities | 7 | Monitoring through fishing permit schemes and accreditation processes. One off studies and assessments. Timely use of emergency byelaw making procedures when required. | 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 |
| | 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 |
| | Environmental | Impacts on fish and shellfish stocks through over-exploitation Pressures on stocks, particularly crustacea remain high although work is continuing on revised management measures. | 8 | Detailed monitoring of stock health. Development of dedicated management plans and strategies. Tailored management provisions. Sound enforcement. Fisheries accreditation schemes. National coordination | 7 | Chief IFC Officers and Environmental Officers | Quarterly & monthly | Non achievement of stock indicators. Declining catches and fleets. Complaints and comments. |

