

NORTH EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Report to: Executive Committee
24 February 2016

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 first 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 Operational Risk Registers were reviewed and updated on 20 October 2015 (Minuted item 68 refers).

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 October 2016. The identified risks have also been ranked in order of significance (highest residual risk score).

2.2 In the main, identified strategic and operational risk have largely remained unchanged since October 2015, although organisational risks associated with ongoing staffing vacancies have reduced following several recruitment initiatives, experience is limited but the Authority is now fully staffed across all of its departments. Operational risks associated with the escalation in nomadic scallop dredging activity eased during the reporting period following the confirmation of a new scallop management byelaw regulation on 17 December 2015.

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

Caroline Lacey, Deputy Clerk of the Authority

Ext 3000

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. (v) Lack of trained, experienced staff.	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.	All staffing vacancies now filled but newly appointed staff (approx 50% of current resource) are lacking experience presenting short to medium term risks in relation to effective service delivery.	Chief 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 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 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 Officer
NEIFCA 5	A reputation for smart and prudent stewardship.	Reputation/ Legal	Officers acting beyond their statutory remit through inexperience. Legal challenge. Potential incident. Adverse publicity.	8	Full training in role. Qualifications. Performance monitoring, target setting, recruitment procedures.	7	As roles develop, change, continuous training and development. EDP process to be utilised for this.	Newly appointed staff (approx 50% of current resource) are lacking experience presenting short to medium term risks in relation to effective service delivery.	Chief 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, 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.	All NEIFCA vacancies now filled.	Chief Officer & Deputy Chief Officer
NEIFCA 4	A reputation for smart and prudent stewardship.	Disaster Planning	Major incident, i.e. 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 Officer & Deputy Chief 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 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, Deputy Chief Officers. Senior Environmental & Scientific Officer Environmental & Scientific Officers.
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 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.	Allocation of funds to the Renewals Fund made as part of the annual budget setting. Commencement of procurement processes supporting the replacement of the Authority's main fisheries vessel.	Chief Officer Deputy Chief 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"> • Reduction in Government funding 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 • Increased pressure on resources from other agencies 	7	Three year financial plan in place based on prudent projections and sensitivity analysis. Budget process flexible enough to deal with changes in funding e.g. savings plans 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.	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>	Board agreed that the levy for 2016-17 be set at the same rate as 2014-15 subject to a review in December 2015. Government announces spending review in November 2015 further austerity predicted between 25 and 40% cuts to 2019-20. Defra announced continuation of the IFCA 'New Burdens' funding support for a further 4 years.	Clerk/ Treasurer/ Chief IFC Officer
NEIFCA 9	A reputation for smart and prudent stewardship - staffing	Staff, customer	Failing to retain Investors in People status.	8	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 staff are involved and actively encouraged to take ownership of the award.	1	Continue working to IIP standards and implement recommendations from the recent 2015 assessment report.	Successful IIP review June 2015. Award retained for another 3 years.	Clerk Chief Officer, Deputy Chief Officer

APPENDIX 2

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. Increasing pressures from partner agencies to support their front-line services and primary service delivery could have a negative impact on the delivery of IFCA statutory duties and responsibilities.	8	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. Active participation in the MMO/IFCA joint working project and maintenance of active dialogue with all key partner agencies. AIFCA, NIMEG & TAG.	7	Clerk and Chief IFC Officer.	Quarterly.	Reports to Authority. Team meetings/ EPAs. Sickness Review Meetings. Vacancy/sickness. Performance monitoring results. Proactive training programmes.
	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.	8	Performance Indicators. Inspections audit. Workload monitoring. Policy and procedure compliance. Staff training. Communication with customers.	7	Clerk and Chief IFC Officer.	Quarterly	Annual reports. Performance monitoring reports. Feedback from staff and customers.
	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	Clerk, Legal Advisor and Chief Officer.	Monthly and quarterly reports to Authority.	Performance monitoring reports. Legal challenges.

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
	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. Business Cases considered with full whole life costs of projects made	6	Clerk and Chief Officer.	Monthly	Performance monitoring reports. Budget reports. Legislative changes. Government funding initiatives. Authority decisions. Contract variation slippage.
	Financial and contractual.	Unexpected budget demands and variances and failure to achieve agreed budget Income generation is expected to remain low during 2015/2017 maintaining risk at previous levels although this has been offset through savings to the current operational budget.	7	Monitoring systems. Systems to capture spend. Regular budget holder meetings. Internal Audit. Regular reviews of the appropriate level of reserves	6	Treasurer, Clerk and Chief IFC Officer.	Monthly.	Budget financial reporting.
	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.

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
	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, technical.	Volatility of global oil/fuel markets and national tax changes. Markets remain unstable	6	Regular monitoring of fuel spends included within quarterly reports to Authority. Additional provision made within annual precept.	5	Chairman, Clerk, Deputy Clerk, Chief Officer and Deputy Chief	Monthly.	Budget financial review & reporting
	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. One off appropriation of funds to the Renewals Fund considered. New EMFF funding programme commenced. Officers seeking advice an access to support vessel replacement.	5	Chairman, Clerk, Chief Officer and Deputy Chief Officer	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
	Environmental	Habitat damage caused by invasive fishing methods. Damage to protected features of European Marine Sites or Marine Conservation Zones Significant increases in nomadic scallop dredging activity within the NEIFCA area required the implementation of a six month emergency byelaw measure in February 2015.	9	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. Working closely with the MMO and Defra to ensure adequate protection remains in place. New permanent management byelaw regulation confirmed by Defra on 7 December 2015.	7	Chief Officer, Deputy Chief Officer Environmental & Scientific Officers	Quarterly to Authority and associated working groups	Significant increases in related activity. Evidence of damage and impact. 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. Over-exploitation of the Farne Deep's nephrop fishery by large pair and multi-rig trawlers leading to associated economic impacts on smaller scale local fleet	8	Detailed monitoring of stock health. Development of dedicated management plans and strategies. Tailored management provisions. Sound enforcement. Fisheries accreditation schemes. National coordination Working closely with MMO, CEFAS, DEFRA and NIFCA colleagues to support more effective national management of nephrop stocks Consultation process launched Feb 2016 to explore options for the improved management of potting effort.	7	Chief & Deputy Chief Officers and Environmental & Scientific Officers	Quarterly & monthly	Non achievement of stock indicators. Declining catches and fleets. Complaints and comments.

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	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. Extensive tests of 'likely significant effect' completed to inform new management measures.	6	Chief Officer, Deputy Chief Officer Environmental & Scientific 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. New intelligence gathering system established to better inform targeted enforcement activity.	5	Chief, Deputy Chief and IFC Officers	Monthly	Intelligence reports. Surveillance. Routine observations and complaints

