

NORTH EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Report to: Executive Committee
6 September 2018

Strategic & Operational Risk Register – Six Monthly Reviews

Report of the Clerk.

A. Purpose of Report

To inform members of the Executive Committee that in accordance with the Authority's 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 Risk Management Strategy and Operational Risk Registers were reviewed, updated and reported to members on 8 March 2018. (Minuted item 49 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 and affected the key risks identified within the Registers. The risks have been reviewed and the changes are highlighted in bold within the attached registers. An updated 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 2019. The identified risks have also been ranked in order of significance (highest residual risk score).
- 2.2 The main, identified changes in strategic and operational risk relate to the Authority's anticipated role in supporting the implementation of the national IVMS project, accessing adequate funding to support the building and commissioning of a new patrol vessel and non-compliance with the new egg bearing lobster legislation.

2.3 The revised 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. All changes are highlighted.

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 1 | 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 | 6 (2x3) | Recruitment, retention policies, training and development, surveys of existing staff, analysis at exits interviews and managing sickness absence. | 6 (2x3) | Recruitment processes expedited to fill vacancies when they arise. | First Mate position currently vacant recruitment process underway. | Chief Officer & Deputy Chief Officer |
| NEIFCA 2 | A reputation for smart and prudent stewardship. | Disaster Planning | Major incident, i.e. patrol vessel collides with another vessel or runs aground. | 4 (1x4) | The appropriate qualifications/licences/tickets are held by the crew. Train staff with skills in marine environment. Adequate Insurance. | 4 (1x4) | Continue to keep up to date with training and appropriate qualifications | | Chief Officer & Deputy Chief Officer |
| NEIFCA 3 | A reputation for smart and prudent stewardship. | Financial/ Economic | Cuts to service, balance budget. Triggers include:- <ul style="list-style-type: none"> ● Reduction in Government funding ● Budget over spends, insufficient reserves. ● Precept set too low. ● Lack of compliance with financial regulations ● Increased pressure on resources from other agencies | 6 (2x3) | 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. | 3 (1x3) | Ensure sound business cases are made to Authority funders for continued financial support. Continue to apply for EU and other grants for project work. | Board agreed that the levy for 2018-19 be increased by £38K to meet identified pressures alongside the continuation of the IFCA 'New Burdens' funding support for until March 2020. | Clerk/ Treasurer/ 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 | Reputation | Loss or damage to reputation through poor press and public relations | 6 (2x3) | Good internal communications, PR, reports to Authority, Press releases approved by the Chief 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. | 3 (1x3) | Reviewed on a quarterly basis | | Chief Officer |
| NEIFCA 5 | A reputation for smart and prudent stewardship. Strategic objectives | Reputation | Failure to achieve policies, aims and objectives. | 6 (2x3) | 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. | 3 (1x3) | Reviewed on a quarterly basis by the Authority. | | Chief Officer |
| NEIFCA 6 | 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. | 6 (2x3) | 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 | 3 (1x3) | Reviewed on a quarterly basis by reporting to the Authority. | | 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. | Reputation/ Legal | Officers acting beyond their statutory remit through inexperience. Legal challenge. Potential incident. Adverse publicity. | 6 (2x3) | Full training in role. Qualifications. Performance monitoring, target setting, recruitment procedures. | 4 (2x2) | As roles develop, change, continuous training and development. EDP process to be utilised for this. | Relatively in-experienced team of officers although training is prioritised accordingly. | Chief Officer |
| NEIFCA 8 | 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. Procedural delays in the formal making of regulations. | 6 (2x3) | Full engagement with Defra, MMO, national working groups and local management groups. | 3 (1x3) | Regular updates and progress reports to Science Advisory Group, Executive and full Committee. | 'Red Risk' EMS management complete. 'Amber' and 'Green' planning currently 'on track'. | Chief, Deputy Chief Officers. Senior Environmental & Scientific Officer Environmental & Scientific Officers. |
| NEIFCA 9 | 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. | 6 (2x3) | 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. | 3 (1x3) | 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. Strengthen asset management and control. | Allocation of funds to the Renewals Fund made as part of the annual budget setting and increased by £20K for 2018/2019 year. Sixth monthly review of asset registers. | Chief Officer Deputy Chief Officer |

APPENDIX 2

NORTH EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY - OPERATIONAL RISK REGISTER

| Risk Number | Process | Risk Identification | Risk Analysis | Risk Control | Residual Risk | Monitoring | | |
|-------------|----------------------------------|--|--|---|--|---|------------------|--|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 1 | Financial reputation, technical. | <p>Insufficient funding to replace main fisheries vessel, North Eastern Guardian III.</p> <p>Only £500K allocated to support vessel replacement and renewal within the EMFF programme for England with reduced time lines to access due to the UK referendum result to leave the EU.</p> | 12 (3x4) | <p>Maintenance of current funding levels to the vessel renewal account including allocating an additional £20K in the 2018/2019 year. 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. Officers currently exploring all external funding options to support vessel replacement although no additional external funding sources have yet been found.</p> | 12 (3x4) | Chairman, Clerk, Chief Officer and Deputy Chief Officer | Quarterly | Budget financial review & reporting to Committees and internal working groups. |
| 2 | Staffing | <p>Lack of staffing resources to deliver service and that staff have adequate skills training to achieve performance requirements.</p> <p>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.</p> | 9 (3x3) | <p>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.</p> | 6 (2x3) | Clerk and Chief IFC Officer. | Quarterly. | <p>Reports to Authority. Team meetings/ EPAs. Sickness Review Meetings. Vacancy/sickness. Performance monitoring results. Proactive training programmes.</p> |

| Risk Number | Process | Risk Identification | Risk Analysis | Risk Control | Residual Risk | Monitoring | | |
|-------------|----------------------------------|--|--|---|--|---|---|---|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 3 | Financial and reputational | Breaches of new General Data Protection Regulations which come into force at the end of May 2018 could lead to fines and reputational impacts. | 9 (3x3) | Key staffed trained and familiar with new GDP regulations. Data Protection Officer role agreed, creation of a register of data processing activities, utilisation of impact assessments when required, creation of public and internal privacy statements and active management of all data processing activities. Advice from ICO. | 6 (2x3) | DPO Clerk Chief Officer Support Officer | Monthly | |
| 4 | Financial reputation, technical. | Volatility of global oil/fuel markets and national tax changes. Markets remain unstable | 4 (2x2) | Regular monitoring of fuel spends included within quarterly reports to Authority. Additional provision made within annual precept. | 4 (2x2) | Chairman, Clerk, Deputy Clerk, Chief Officer and Deputy Chief | Monthly. | Budget financial review & reporting |
| 5 | Legal/ reputation. | Legal challenge resulting from failure to undertake statutory responsibilities in terms of enforcement or poorly drafted Authority bye-laws. | 4 (2x2) | 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 NEIFCA Legal team, MMO, DEFRA in final approval of bye-laws. | 4 (2x2) | Clerk, Legal Advisor and Chief Officer. | Monthly and quarterly reports to Authority. | Performance monitoring reports. Legal challenges. |

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|-------------|--|--|--|--|--|--|------------------|---|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 6 | Financial reputation. | <p>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. Future funding implications of the UK referendum result to leave the EU.</p> <p>Supporting the implementation of the national IVMS project places additional risk onto the Authority, however, at present these are considered manageable.</p> | 6 (2x3) | <p>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.</p> <p>Business Cases considered with full whole life costs of projects made</p> | 6 (2x3) | Clerk and Chief Officer. | Monthly | <p>Performance monitoring reports. Budget reports. Legislative changes. Government funding initiatives. Authority decisions. Contract variation slippage.</p> |
| 7 | Professional, contractual, legal reputation. | <p>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.</p> <p>Supporting the implementation of the national IVMS project places additional risk onto the Authority, however, at present these are considered manageable.</p> | 6 (2x3) | <p>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.</p> <p>Additional support provided through the national IVMS project board.</p> | 6 (2x3) | Chairman, Clerk and Chief IFC Officer. | Monthly. | <p>Procurement processes. Legislative changes. Contract variations. Timetable slippage.</p> |

| Risk Number | Process | Risk Identification | Risk Analysis | Risk Control | Residual Risk | Monitoring | | |
|--------------------|---------------------------------|--|--|---|--|------------------------------|-------------------------|--|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 8 | 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. | 3 (1x3) | Performance Indicators. Inspections audit. Workload monitoring. Policy and procedure compliance. Staff training. Communication with customers. | 3 (1x3) | Clerk and Chief IFC Officer. | Quarterly | Annual reports. Performance monitoring reports. Feedback from staff and customers. |

OPERATIONAL RISK REGISTER – RISK BASED ENFORCEMENT MATRIX

| Risk Number | Process | Risk Identification | Risk Analysis | Risk Control | Residual Risk | Monitoring | | |
|-------------|---------------|--|--|---|--|--|--|--|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 1 | 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 surrounding the NEIFCA area | 8 (2x4) | 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 byelaw regulation confirmed on 17 December 2015 to strengthen the management of scallop dredging within the Authority's district. | 4 (1x4) | 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 |
| 2 | 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 Deeps nephrop fishery by large pair and multi-rig trawlers leading to associated economic impacts on smaller scale local fleet | 8 (2x4) | 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 processes continuing during 2018 in the development of a potting effort management regime. | 4 (1x4) | Chief & Deputy Chief Officers and Environmental & Scientific Officers | Quarterly & monthly | Non achievement of stock indicators. Declining catches and fleets. Complaints and comments. |

| Risk Number | Process | Risk Identification | Risk Analysis | Risk Control | Residual Risk | Monitoring | | |
|-------------|---------------|---|--|---|--|--|--|---|
| | Risk Category | Risk | 1-6 = Low 8-12 = Medium 13-20 = High | Control Action | 1-6 = Low 8-12 = Medium 13-20 = High | By Whom | Review Frequency | Triggers for Action |
| 3 | Environmental | Impacts on fish and shellfish stocks through non-compliance with regulations Significant intelligence being gathered and collated relating to non-compliance with berried lobster regulations | 6 (2x3) | 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. Eight cases relating to egg bearing lobsters currently under investigation and 1 case successfully prosecuted on 7 August 2018. New lobster testing protocols in place and active testing has commenced. | 4 (2x2) | Chief, Deputy Chief and IFC Officers | Monthly | Intelligence reports. Surveillance. Routine observations and complaints |
| 4 | Environmental | Impacts on other marine species such as sea birds, cetaceans and other organisms associated with fishing activities | 4 (1x4) | Monitoring through fishing permit schemes and accreditation processes. One off studies and assessments. Timely use of emergency byelaw making procedures when required. | 4 (1x4) | 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 |