

## Appendix 2

Risk Area "There is a risk that..."	Analysis of Risk "Which will result in..."	Type	Assessment of Risk original score in brackets			Management Actions Implemented or Planned (in bold)	Assessment of Risk after mitigations			Responsible Officer
			Impact	Probability	Rating		Impact	Probability	Rating	
Recycling targets and environmental legislation will weaken post Brexit	Unwanted facilities, expensive but sustainable methods of managing waste materials	Political	4 (5)	3 (4)	12 (20)	Ongoing monitoring of proposals, respond to consultations and review as part of new contracts. Continue to attend CIWM events and monitor industry commentary and reiterate west London Boroughs intent to hit 50% target.	4	1	4	Managing Director
Authority decisions may be based on inaccurate or incomplete information	Inappropriate actions, unnecessary costs, challenge from an interested party and impact on reputation	Political	5	2	10	Scrutiny processes in place for reporting, reviewing and checking of any financial data by Officers. Borough officers consulted on all draft papers for financial and technical comment. Policy for handling conflicts of interest involving Members and/or Officers.	5	1	5	Managing Director
One or more of the waste treatment and disposal contracts will perform poorly or a single event will result in a need for business continuity planning.	Poor service to the Boroughs using the sites or needing material to be removed from site. Complaints about nuisance e.g. odour or pests. Increased cost of handling materials	Political	5	2	10	Ongoing review of contingency arrangements on each contract quarterly / annually as required. PPP contract used contingency arrangements during commissioning. Holding regular meetings with contractors and monitor KPIs as appropriate. Regular communication with Boroughs about service issues. Service monitoring and market information, reports on credit changes monitored. Credit checks and a review of accounts are routinely undertaken for new contracts and considered for contract extensions.	5	1	5	Contracts Manager
WLWA is not managed in accordance with policies and procedures or the policies and procedures are not robust.	Inappropriate decision making, failure to meet objectives and impact on reputation	Political	5	2	10	Internal management team meetings, Chief Officer's meetings, Borough Partnership meetings and review of Authority papers. Audit Committee established with internal and external audit governance framework. Key performance indicators are reported to the Authority. Borough officers consulted on all draft papers for financial and technical comment.	5	1	5	Managing Director
WLWA financial processes are not robust	Internal fraud by an employee or contractor, bad information resulting in wrong decisions	Economic	5 (4)	2	10 (8)	Internal audit plan in place. Policies and procedures in place including arrangements for checking contracts and invoices. Segregation of duties between authorisation and checking of payments. Robust arrangements in place to control payments. Register of assets maintained. Processes in place for the monitoring of ad hoc contracts, contract management and negotiations. Whistle blowing policy. Standing Orders. 2015 Internal audit assurance Procurement fraud training rolled out in 2016 and declarations of interest extended to all staff involved in procurement.	4	1	4	Head of Finance and Performance
There will be unforeseen financial costs not covered by balances	An in-year levy to the Boroughs	Economic	4	3	12	Budget processes reviewed and monthly reporting demonstrating consistent performance. Budgets built from the bottom up with input and validation of data from boroughs. Boroughs nominate number of tonnes for PAYT budget for collected tonnes. Prudent levels of reserves are maintained to act as a buffer against any unforeseen risks and financial costs. Budget plan takes into account quantifiable risks. Where appropriate budgets are set with contingencies for identified risks.	3	1	3	Head of Finance and Performance
WLWA insurance cover will be insufficient	Inadequate cover to meet the costs of future claims, increasing difficulty in obtaining competitive quotes for waste industry facilities	Economic	5	3	15	There is an annual review with brokers and insurers to review adequacy of policies, claims history and premiums and options. Regular updates from insurer and broker advising of new policies.	5	1	5	Head of Finance and Performance
Funds (cash) are not managed effectively	Insufficient readily accessible cash to meet spending commitments resulting in financial penalties, legal claims and poor reputation. Poor rate of return on investments.	Economic	4	4	16	Cash planning in place. Processes in place to make payments swiftly, within minutes if necessary. Cash balances maintained to cover delays in borough transactions. 3 day turnaround time for calling down funding from investments. Opportunities to improve returns are reported to Chief Officers/Authority e.g. office procurement	3	1	3	Head of Finance and Performance
The contract payment mechanisms are not properly understood or ambiguous	Payment delays, under or overpayments or disputes	Economic	5 (4)	3	15 (12)	In-house checks of invoices by both operational and financial managers in place. Independent audit of contractor's payment model. In depth contract knowledge of Sharpe Pritchard solicitors and PwC financial advisers. Monthly contract meetings, training and familiarisation with payment mechanisms	5 (4)	2	10 (8)	Head of Finance and Performance
There will be fluctuations in material value due to recycling and raw material market forces	Uncontracted material streams may not be budgeted accurately, Falling scrap metal prices could lead to more abandoned vehicles for disposal, Boroughs cannot rely on a regular / known income from dry mixed recycling	Economic	3	3	9	Regular monitoring of all material markets and sharing information with Boroughs.	3	2	6	Contracts Manager
The loss of or absence of a key member of the team	Ineffective day to day management of the Authority, poor service delivery, contract management and long term planning	Economic	3	3	9	Recruitment policies, succession planning, cover/interim arrangements and other procedures limit impact on business continuity. New management structure largely in place	2	2	4	Managing Director

IT systems are insecure or suffer a major failure	Loss of data which we are obliged to report, or without which we cannot invoice or operate effectively	Economic	4 (5)	4	16 (20)	ICT service is delivered by LB Ealing and subject to a wide range of back-up and security measures including remote storage and performance to an agreed service level standards. An IT strategy is in place and IT requirements are regularly reviewed. LBE unable to provide service long term. New arrangements to replace LBE identified in IT report. Project resource and management to mitigate any risks.	4	1	4	Head of Finance and Performance
The waste flows are constantly changing	The contracted capacity does not match actual treatment requirement resulting in ineffective waste management arrangements	Social	5	3	15	Regular monitoring of waste flows and data patterns. Contracts with suitable flexibility/capacity. Liaison with boroughs for service changes, highlighting risks during the budget setting and budget monitoring.	4	1	4	Contracts Manager
The need for local facilities will be rejected by the planning process	Protracted and expensive planning applications, bad will from the local community and failure to ensure availability of ideal infrastructure	Social	4	4 (5)	16 (20)	Adopting appropriate project management approach will include early engagement with community liaison groups, robust site analysis and multiple options cost analysis. Careful selection well managed planning authorities. Discussions with neighboring WDAs	4	3	12	Contracts Manager
We are reliant on one member of staff for the access database	Being unable to administer/support our core IT system (developed by that member of staff), the Access waste data management system (used for checking invoices, submitting waste dataflow returns, providing management information).	Technological	5	3	15	Documented procedures allow continued day to day use of the system and the procurement of Opensky data management system with fully supported maintenance will mitigate this risk further. New system processes tested and working. Awaiting reports.	4	2	8	Head of Finance and Performance
WLWA Borough data is not being viewed holistically	A disjointed approach. Failure to capitalise on opportunity. Additional cost. A continuing disjointed approach. The Boroughs will fail to meet the 50% recycling composting target by 2010	Technological	5	3	15	Data is viewed from an Authority perspective and ensures operations are effective for the Authority. However a more holistic view of data across all boroughs will facilitate better partnership working. Information needs documented. New project identified in Business plan.	4	2	8	Head of Finance and Performance
There will be a change in law relevant to our contracts	Unanticipated cost for the Authority	Legislative	4	4	16	Legislative changes are identified i.e. which affect EfW or transfer station operations, an incineration tax or change in classification to hazardous waste and are prepared for accordingly. Widp meetings are attended to gather from/share knowledge with other disposal authorities. Where possible costs will be built into the budgeting process or reported through budget monitoring and dealt with through reserves.	4	2	8	Contracts Manager
DCLG will challenge our HRRC provision or charging policy	Reputational damage, court action or a fine	Legislative	3	3	9	A Memorandum of Understanding (MoU) with boroughs and the availability of HRRC sites demonstrates performance of the statutory role. However the MoU expired in 2015 and charging policies across boroughs are disparate. New project identified in the business plan for HRRCs.	1	2	2	Operations Manager
Environmental damage will be caused by Authority or Contractor Activities	Increased cost of repair, potential fines, reputational damage	Environmental	5	2	10	Range of processes including internal daily and weekly monitoring. Review operations risks. Review procurement policy. Monitor contractor's environmental performance and reporting.	5	1	5	Operations Manager
There will be a breach in Health & Safety at an Authority or Contractor site	Risk of injury to staff or public visitors to Authority sites	Environmental	5	2	10	Specialist Health and Safety Advice from LB Hounslow. 2015 Internal audit provided assurance. 2016/17 Action Plan considered and agreed with GMB. Monitor contractor's health and safety performance and reporting. A range of fire prevention/precaution measures are in place at site including fire risk assessments. Losses are also covered by insurance policies.	5	1	5	Operations Manager

## Risk Rating

### Impact Classification

	Service disruption	Financial Loss	Reputation	Failure to provide statutory service/meet legal obligations	People
<b>Extreme 5</b>	Total failure of service	Over £5m	National publicity > than 3 days. Resignation of leading member of chief officer	Multiple civil or criminal suits. Litigation, claim or fine above £5m	Fatality of one of more clients/staff
<b>Very high 4</b>	Serious disruption to service	£500k-£5m	National public or press interest	Litigation, claim or fine £500k-£5m	Serious injury. Permanent disablement of one of more clients/staff
<b>Medium 3</b>	Disruption to service	£50k-£500k	Local public/press interest	Litigation, claim or fine £50k-£500k	Major injury to individual
<b>Low 2</b>	Some minor impact on service	£5k-£50k	Contained within department	Litigation, claim or fine £5k-£50k	Minor injuries to several people
<b>Negligible 1</b>	Annoyance but does not disrupt service	< £5k	Contained within unit/section	Litigation, within claim or fine less than £5k	Minor injury to an individual

### Likelihood Classification

5. *Almost Certain* – Expected to occur in most circumstances (>80%)
4. *Likely* – Will probably occur in most circumstances (51%-80%)
3. *Possible* – Fairly likely to occur (21%-50%)
2. *Unlikely* – Could occur at some time (6%-30%)
1. *Rare* – May occur only in exceptional circumstances (0-5%)

### Risk Rating/Scoring = Impact\*Likelihood. Prioritisation of Risks

20-25 (Red)	Those risks requiring immediate management and monitoring
9-19 (Amber)	Those risks requiring management and monitoring but less time critical
1-8 (Green)	Those risks which require ongoing monitoring