

Annex D

Risk 19 - Insufficient Resources Available

A: HSE bids to DTLR and HMT not accepted B: Unexpected additional work (eg major incident) C: Policy changes might adversely affect forecast income	
Probability of Risk	high
Increasing or Decreasing	increasing
Effect\consequence or risk	<ul style="list-style-type: none"> - HSE could not meet expectations eg full implementation of Cullen recommendations [ministerial embarrassment?] - risk of infraction proceedings if Directives not implemented; - HSE forced to direct available resource regardless of risk assessment, SH2 or RHS; - support from DTLR cannot be guaranteed, especially if any pressure is on Admin costs.
What control measures are in place?	<p>planning events, including zerobase review of HSE activities in Autumn 2001 which provided basis for SR 2002 submission; resource inputs and targets agreed with direct links to the Strategic Plan; resource budgets are managed via a series of delegated authority to those responsible for delivering. Initial resource allocations are thoroughly reviewed at the mid year stage.</p>
What mechanisms provide assurance that they are operating effectively?	<p>Budget holders are required to plan delivery of targets and resource outturn within their allocated budget; those plans form a forecast monthly profile for the FY. Budget Holders are required to review resource outturn and progress with targets against their forecast and provide a narrative to explain variances; proposals to adjust plans may also be made. Budget holders submit their monthly reports to PEFD. PEFD carry out a scrutiny and challenge function and prepare a consolidated monthly report to the HSE Board. The report is discussed by the Board and any changes thought necessary will be discussed and agreed by the Board.</p>
Do any new measures need to be added? (specify)	<p>Contingency plans to enable resource outturn to be redirected or reduced; Build up reserve via EYF</p>
If new measures are to be added when will they be in place?	[to be discussed]

Risk 20 - Poor control of resources

<p>A: Exceed Administration Costs control limit; B: Exceed Net Resource Budget; C: Underspends; D: Lack of Expertise</p>	
Probability of Risk	A, B medium. C and D high
Increasing or Decreasing	C is reducing. A and B increasing due to over allocation of budgets to address C, coupled with D/D 'hot running' and increased dependency on realisation of forecast income. Also, HSE GAE spend currently supplemented by payroll which is not sustainable. D is a high risk in respect of those posts which demand a very good understanding of RAB and for which there is no succession planning.
Effect\consequence or risk	<p>A and B - HSE might exceed its admin limit and/or net resource budget if it over-commits its resources or fails to realise sufficient income. This would lead to criticism of the Accounting Officer and possibly an appearance before the PAC.</p> <p>C - planned targets may not be met; HSE might not meet its statutory obligations; resource unnecessarily diverted/withheld.</p> <p>A, B and C. Damage to resource management credibility and possible impairment to future HSE resource allocation.</p> <p>D - in D/Ds eg spend on major contracts could spiral out of control or lack of understanding of RAB could lead to over or under commitment.</p>
What control measures are in place?	as for risk 19
What mechanisms provide assurance that they are operating effectively?	as for risk 19
Do any new measures need to be added? (specify)	the monthly forecasting process is being reviewed with a view to incorporating a much more strategic view of the realistic staffing and post filling position across HSE and the consequent impact on income generation, resource outturn and outputs. The aim is too provide an informed strategy to maximise use of HSE's resources by a calculated risk, avoiding both over and under commitment. That strategy to include forward projections of resource commitments over a settlement period.®

	<p>PEFD are about to start work on the development of productivity measures to better inform income forecasts. Agreed measures will then be used to forecast and monitor income to enable emerging issues to be identified and addressed quickly.</p> <p>Detailed guidance on planning and resource management in a RAB environment is required. A review of the HSE Planning and Resourcing Guide is nearing completion and will be available on the Intranet.</p> <p>Work is also underway to develop training modules which can be used remotely by Budget Holders and Finance managers. Following discussions with D/Ds, direct training provided by Finance Unit will, in future, be individually tailored to need rather than a generic provision which may not be wholly relevant.</p> <p>When the CSR is discussed consideration should be given to rationalising the finance community throughout HSE to increase expertise, reduce overhead and introduce arrangements to assure continuity of effective resource management.</p>
<p>If new measures are to be added when will they be in place?</p>	<p>by 1 October 2002</p>

Risk 21 - Financial Loss

A: Fraud B: Major Uninsured Losses C: Major Special Payments arising from Litigation D: Bad Debts	
Probability of Risk	A, B and C - low D – medium
Increasing or Decreasing	A - decreasing due to transfer in title of IT assets B - increasing due to events of 11 September 2001 C - increasing due heightened awareness of litigation D - decreasing due to effectiveness of controls
Effect\consequence or risk	A - unproductive loss of resources B - pressure on other operating costs; and support for additional funding cannot be guaranteed C - as for B; and loss of reputation in cases involving advice/guidance failures D - increase in operating costs; loss of cash
What control measures are in place?	A - internal controls; whistle-blowing/"hot" lines B - reliant upon operational controls; training, etc C - as for B; D - regular and frequent debt collection activities; operational standards, regular discussions regarding individual debtors, etc
What mechanisms provide assurance that they are operating effectively?	A - internal and external audit; annual report of fraud discovered B - as for 19; management reviews of uninsured risks; C - as for B; management reviews of guidance, working conditions D - OPMs for debtor days, aged debtor listings, internal and external audit, and management reviews of debt collection procedures
Do any new measures need to be added? (specify)	A - issue of Fraud Policy Statement and Fraud Response Plan; development of risk management strategy and register B - contingency plans to enable economies to be made from within existing provision; build up reserve via EYF; training to include risk awareness C - as for B; D - review, with Sol. Office, development of legislation to recover overseas debts
If new measures are to be added when will they be in place?	[to be discussed]