

Agenda Item No:

Report To: Audit Committee

Date of Meeting: 29 September 2020

Report Title: Corporate Risk Register – update September 2020

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Portfolio Holder Cllr. Neil Bell
Portfolio Holder for: Finance and IT



Summary: Twice a year the Audit Committee considers the council's corporate risks and is asked to note the updated assessments and to agree the adequacy of key controls to manage the risks. This report fulfils those obligations.

The Corporate Risk register is assessed using the Risk Management Framework adopted by the Cabinet in April 2018.

Recommendations: **The Audit Committee is recommended to:-**

Consider the Corporate Risk Register and agree the assessments and the adequacy of key controls to manage the risks.

Policy Overview: Risk Management Framework

Financial Implications: None at this stage

Legal Implications None at this stage.

Equalities Impact Assessment Not required because equalities issues are assessed at the point the project or service the risk relates to are incepted.

Exempt from Publication: **Yes Appendix B only**

[Not For Publication by virtue of Paragraph 6 of Part 1 of Schedule 12A of the Local Government Act 1972.] and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

**Background
Papers:**

Risk Management Framework

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Report Title: Corporate Risk Management – update report September 2020

Introduction and Background

1. Twice a year the Audit Committee considers the council's Corporate Risks and risks management processes. This report is an update report providing the latest information on the council's Corporate Risk Register.

The Corporate Risk Register is set out at Appendix A.

Proposal/Current Position

2. The Corporate Risk Register provides details of the council's key risks that could, if untreated, impact on the council's Strategic aims, Financial position or Compliance with the law. Operational risks are monitored regularly by individual services and the council's Management Team on an exception basis. Any risks that become of strategic significance and outside of tolerated levels are also reported to this Committee.
3. The Corporate Risk Register is linked to the risk appetite statement which is contained within the Risk Management Framework. The statement is designed to inform decision making about the amount of acceptable risk within which the council chooses to operate. Risks that fall outside of the council's appetite are reported to the Audit Committee. The appetite statement sets out that the council has a moderate appetite to strategic risks, a low appetite to financial risks and a very low appetite to compliance risks. The Corporate Risk Register is informed by those risks that are currently above the risk appetite levels set.
4. Set out at Appendix A are details of the risks included on the current Corporate Risk Register which provides details of individual risks and explains the current position or any further action that may need to be taken to manage the risk.
5. This report highlights any changes to the risk profiles since the last update, provides details of any new risks that have been included on the register and those that have been managed down to a level where they no longer require reporting on.

Brexit/End of Transition Risk

6. The Audit Committee oversaw a separate risk register relating to Brexit up until March 2020. Due to strategic nature of the Brexit risks as we approach the end of the transition period, Cabinet have asked that future updates are provided through the Cabinet process. The risk register is currently being reviewed and will be reported to the Cabinet in due course.

Strategic Risks

Increased risk profile

7. Covid-19 has inevitably had an impact across council services which is reflected in many of the risk profiles on the Corporate Risk Register. There is an increased risk of recession and whilst the council has been prudent in maintaining an economic resilience fund, the council's Management Team and Members are in the process of identifying savings and income generating opportunities.
8. A new risk on the register relates to Eurostar's recent announcement that they are withdrawing services from Kent until 2022. The council is currently working to mitigate through lobbying with partners, the negative impact on the local economy that withdrawal of the service could cause.
9. The risk of developers not delivering sites with planning permissions to expected timescales has also increased in light of the economic climate. A Housing Delivery Action Plan has been produced and it has been identified that resources will need to be allocated to mitigate this risk.

Reduced risk profile

10. The last report to this Committee highlighted an increased risk of not being able to respond to a significant business continuity event. Our Business continuity (BC) processes have been extensively tested by the COVID-19 outbreak and our arrangements have been proved to be highly effective. Therefore this risk has moved back within tolerated levels and does not feature of the register this time. The outbreak has thoroughly tested our ability to respond quickly to what is probably one of the most significant public health incidents that we will ever face. All services are functioning well under what is considerable pressure. The current COVID-19 risk assessment is reported separately at Appendix B for the Committee's information.

Financial Risks

Increased risk profile

11. Since the last report to this Committee, Covid-19 has impacted the council's budget with income affected across services. Whilst the council has sufficient

reserves to manage the impact, a new risk has been included on the register to reflect the challenges to the budget if another unforeseen event occurred. Covid-19 significantly affected the council's car parking income. The risk profile was consequently raised to reflect this during lockdown. However, whilst the risk does remain high, it has since reduced slightly as is now recovering in line with predictions. As a result of Covid-19 there is also a new risk to the Housing Revenue Account income levels which is shown on the register for the first time.

12. **Reduced risk profiles**

The financial risk of not meeting target income levels for the Ashford Monitoring Centre has been removed from the risk register as the impact of the risk is within tolerated levels. Currently the service is upgrading to a digital Lifeline service and this will be of benefit in marketing the service to new customers. Similarly, the long term viability of Park Mall is within tolerated levels and does not feature on the register this time.

Compliance Risk

13. The risk of non-compliance with GDPR has increased to reflect the changes in working arrangements that have been in place during the coronavirus pandemic. From the outset there have been communications with staff reminding them of their data protection responsibilities whilst working remotely and additional technical security measures have also been put in place to ensure compliance continues. These are being kept under review by the council's Corporate Information Governance Group.

Conclusion

14. Risk owners have reviewed and reassessed the risks and controls within their specific areas and are satisfied that this report and attached Appendix A represent an accurate picture of the current risks to the organisation.
15. The Corporate Risk Register will be presented again to the Audit Committee in six months time in accordance with the Risk Management Framework where a further update will be provided on current risks and notable changes to the Register.

Contact and Email

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