

Agenda Item No:

Report To: Audit Committee

Date of Meeting: 21 June 2018

Report Title: Corporate Risk Register – update June 2018

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Portfolio Holder: Cllr. Neil Shorter

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 assessment and to agree the adequacy of key controls to manage the risks. This report fulfils those obligations.

Since the last update, the council's Cabinet adopted a new Risk Management Framework at its meeting on 11 April. This Corporate Risk Register is based on that Framework.

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: **NO**

Background Papers: **Risk Management Framework**

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Report Title: Corporate Risk Register – update report June 2018

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. Since the last update, the Cabinet has approved a refreshed Risk Management Framework which was developed in conjunction with the Mid-Kent Audit Partnership. The Audit Committee received a presentation on the new Framework at its last meeting in March 2018.
3. 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 are also reported to this Committee.
4. The Corporate Risk Register is linked to the risk appetite statement which is contained in 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 above the risk appetite levels set.
5. Set out at Appendix A are details of the risks including the current Corporate Risk Register which provides details of individual risks and an explain the current position or any further action that may need to be taken to manage the risk.

This report highlights any changes to the risk profiles since they were originally gathered during the service planning process and 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.

Strategic Risks

Increased risk profiles

6. Whilst the Ashford International Signalling project completed to project timescales and the new service launched, the service had to be suspended due to a technical issue which provides an increased risk of trains not being able to access the station.
7. The risk of a successful cyber attack has increased slightly to reflect central government and law enforcement agencies response to increased threats from Russia and recent events. Safeguards are in place including regular external auditing of out IT systems and their vulnerabilities. The council's information security policies are also to be reviewed to ensure they reflect the latest practices.
- 8.

Reduced risk profiles

9. The delivery of Junction 10a had originally been identified by the service as a high risk but this has now reduced as the project is being delivered on the ground. As the risk is now within tolerated levels it does not feature on the register this time.
10. Similarly, the risk of delays to the Local Plan being adopted has reduced as the examination phase as commenced so this has also been demoted from the Corporate Register.

Financial Risks

Reduced risk profiles

11. The changes to accounting standards which required the council to record all losses through income and expenditure would have had potential for temporary losses to be show affecting the council's investment decisions. However, the likelihood of this occurring has now reduced as. Following a consultation it is now expected that a statutory override will be implemented along with the changes which will allow the council to continue with current arrangements.

Compliance Risk

Reduced risk profiles

12. No significant vulnerabilities were found during the recent IT health checks so the risk of not achieving the annual Public Service Network Code of Compliance has reduced. There have also been no vulnerabilities found during the recent tests on our IT systems to ensure payment card details are handled correctly so this risk has also reduced.

13. The memorial headstone inspection programme has made significant progress and mitigations have been put in place which has lowered this potentially high impact risk.

Emerging risks

14. Whilst the Business Continuity and Emergency Planning functions maintain their own risk registers, their overarching risk profiles have now been included on the risk register for corporate oversight.
15. A new risk has been included to reflect work that is underway to implement the new warding arrangements at the local elections in 2019 as this is time critical. Electoral Services and Members Services are working closely to ensure this work is complete in good time by October 2018.

Conclusion

16. Risk owners have reviewed and reassessed the risks and controls within their specific areas and are satisfied that this report and attached Appendix represent an accurate picture of the of the current risks to the organisation.
17. The new Corporate Risks 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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