

Agenda Item No: 6

Report To: Audit Committee

Date of Meeting: 19 March 2019

Report Title: Corporate Risk Register – update March 2019

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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.

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: **NO**

Background Papers: **Risk Management Framework**

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Report Title: Corporate Risk Management – update report March 2019

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 are also reported to this Committee. Since the last update, services have reviewed risk registers as part of the service planning process for 2019/20.
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 above the risk appetite levels set.
4. Set out at Appendix A are details of the risks included 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.

Strategic Risks

Increased risk profile

6. The likelihood of a recession has increased since the last update in light of recent available data and uncertainties around Brexit, bringing the risk onto the Corporate Register for the first time. Whilst the impact is potentially high, controls are in place around collection and risk reserves reducing the overall potential impact to the council.
7. The likelihood of a successful cyberattack has also been raised to a level that brings it onto the register. Currently 80% of all emails coming into the council are being blocked as spam or phishing emails and the council has also passed its code of compliance demonstrating the strong technological measures that are in place to prevent a cyberattack. However, the volume of attempted attacks on council systems means that the risk of a successful attack is high. Robust plans and procedures continue to be developed as the cyber landscape evolves which combined with staff training on cyber awareness means the council is in a strong position to respond in the event of a successful attack.
8. Both the impact and likelihood of increasing disparity between rents and the Local Housing Allowance have increased. External factors that have heightened the risk are the continuing welfare reform/Universal Credit rollout with limited means to control the level of rent payments and deal with tenancy conduct/difficulties on rent accounts. Additionally the Tenant Fees Bill is about to be implemented which restricts the amount of fees that estate agents/landlords have previously been able to levy. There is an expectation that market rent levels will rise as a result as these fees get “passed on”.
9. There are increased risks around the completion of Phase 1a of Ashford College in light of the Further Education Commissioner investigating the College’s financial position. Consequently, the risk profile has been raised.
10. **Emerging risk**

Due to a number of new corporate work programmes emerging, combined with a number of key vacancies in teams that support projects, the Management Team have considered that a new strategic risk related to resourcing should be included on the register for closer oversight.

Financial Risks

11. There have been no significant changes to the profiles of the financial risks on the register.

Compliance Risk

Reduced risk profile

12. The risk of non-compliance with the General Data Protection Regulation has reduced in likelihood with the refreshed Data Protection Policy being submitted to the 14 March 2019 Cabinet for approval.
13. The risk of having insufficient resources to deliver statutory health duties has been removed from the register. Environmental Health resources remain stable and there are no vacant posts.

Emerging risks

14. In order to reflect the risks associated with the council's Health and Safety duties, a new risk has been included on the compliance with the Health and Safety Act and Regulations which will be monitored going forward.

Conclusion

15. 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 current risks to the organisation.
16. The 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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