

Agenda Item No: 6
Report To: Audit Committee
Date of Meeting: 1 October 2019
Report Title: Corporate Risk Register – update October 2019
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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: **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. Services are currently reviewing their risks as part of the service planning process for 2020/21.
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. The risk appetite statement will be reviewed in light of the council's Corporate Plan for 2020 which is currently being developed.
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

6. As reported at previous meetings of the Audit Committee, there is no separate risk on the Corporate Risk Register relating to Brexit, risks such as commercial property rents and the economic down turn have been scored to include the impact of exiting the European Union. The council's Management Team continue to monitor a specific risk register relating to Brexit to ensure potential risks are identified and contingency plans made. For example, the impact on our contractors, transport and workforce. The potential impact of Brexit remains a dynamic risk environment.

Increased risk profile

7. The risk of having insufficient resources to respond to the Homelessness Reduction Act has been raised in light of current vacant posts within the Housing Options Team. In response the structure of the team has been reviewed and proposals are being taken to the council's Management Team.

Reduced risk profile

8. The Ashford Spurs project involves works to platforms 3 and 4 to ensure trains can access the station and implementation of KVN signaling. The project programme is on target for delivery by the end of December 2019. In light of the progress made, the project has moved back within the council's risk appetite since the last update and has therefore been removed from the Corporate Risk Register this quarter. The risk of not delivering this project has reduced to within the council's risk appetite and therefore doesn't feature on the risk register this time.
9. This risk of having insufficient resources to support projects has reduced to within tolerated levels since the last quarter with further resilience being created through recruitment to key posts. It has therefore been removed from the Register this time. The council's Programme Management Group and Service Planning arrangements continue to assess resourcing requirements of existing and new projects.

Financial Risks

Increased risk profile

10. A number of the council's financial risks have moved outside of the risk appetite over this period. These include pressures to parking income, the council's commercial investment portfolio and the costs associated with the repair and maintenance of the council's assets. The budget monitoring report to Cabinet of 12 September 2019 sets out in detail the range of measures the council is implementing in response to these budget pressures.

Compliance Risk

Reduced risk profile

11. The memorial headstone inspection programme has been removed from the register. Following a two-year programme, the inspections have been completed and a rolling programme of recorded inspections is co-ordinated by the council's Cemeteries Officer.
12. The risk of failing to implement new warding arrangements arising from the ward boundary review has been removed from the register. The warding arrangements were implemented successfully at the May 2019 local elections.

Conclusion

13. 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.
14. 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.

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