Audit Committee

17 October 2017

Title	Corporate Risk Management
Purpose of the report	To note
Report Author	Internal Audit Manager, Punita Talwar
Cabinet Member	Councillor Howard Williams	**Confidential**	No
Corporate Priority	Financial Sustainability
Recommendations	**The Committee is asked to note the report and recommend the Corporate Risk Register to Cabinet for approval.**
Reason for Recommendation	**Cabinet has oversight of the Council's management of risk.**

1. Key issues

1.1 The Corporate Risk Register ensures key risks are identified, managed and monitored. Management Team has reviewed the Corporate Risk Register (**Appendix 1**).

1.2 There are a number of significant issues to report as follows:

(a) **Information Governance (7a)** – The Information Governance Officer has produced a detailed work plan to ensure General Data Protection Regulation (GDPR) compliance by May 2018. Mandatory Data Protection training has been provided for the majority of staff (225) to highlight the implications of these new regulations, with the remaining staff to receive training by October 2017. The Information Governance Group reconvened in July to address outstanding actions which have been reassigned with expected deadlines.

(b) **ICT Security (8) –**In light of the increased risks for any organisation posed by cybercrime, a planned Internal Audit review recently commenced to consider measures being taken to protect the authority from Cyber Security threats as well as an assessment of the adequacy of the authority's planned response to any such attacks. The findings will be discussed and issued in due course. A network refresh is underway whilst implementation of the ICT strategy requires progressing.

(c) **Failure in service delivery (10 & 11)** – Spelthorne's new Chief Executive took up post from September 2017 with handover from the former Chief Executive. The Group Head for Commissioning and Transformation attended the June Audit Committee to provide an update

on measures being taken to address a number of personnel issues such as succession planning and resilience arrangements, recruitment and retention, training and support. A further update is due to be provided to the October Audit Committee on these areas. Following review of development needs for recently appointed Group Heads and Deputies, training has since been provided.

(d) **Code of Corporate Governance (13)** – This code is important to promote high standards of conduct and behaviour. The Head of Corporate Governance has recommended that review of this code which has become overdue be incorporated into the work programme of Overview and Scrutiny Committee.

(e) **Procurement (14a) –** A number of recommendations have been raised as part of an Internal Audit Review conducted in January 2017. In particular, full compliance with the Local Government Transparency Code is required (we are only partially compliant), Procurement and Contract Management guidelines need updating to reflect regulatory requirements , which should be followed by staff training/awareness sessions. It is envisaged that with the appointment of the new Procurement Officer from September these actions can be taken forward. The Group Head for Commissioning and Transformation will be providing an update to the October Audit Committee.

(f) **Housing (15)** - Management Team to continue to monitor the pressures facing the Housing Service arising from statutory changes and external factors. In particular, implementation of legislative changes arising from the Homelessness Reduction Act (due to take effect from January 2018) and assessing the likely impact on the Housing team.

(g) **Business Rates Income (17)** - Local Authorities have been invited to participate in a second round of 100% business rates retention pilots as pools across economic areas for 2018/19. Submission of a bid to the DCLG for this pilot is being pursued by the Deputy CX (Terry Collier) in close liaison with Surrey Treasurers. Whilst this may generate some additional income for the Council the pilot may potentially only be for one year and a proportion would need to be ringfenced to fund initiatives designed to stimulate economic growth. Therefore it cannot be assumed that this will significantly help close the Budget Gap for the Council.

(h) **Acquisitions and Investments (20)** – In light of the Council's ongoing asset acquisitions and investments, effective systems need to be in place to record, recover and monitor significant rental income due to Spelthorne. A robust governance framework is being developed to support all property acquisitions and investment processes (new action).

(i) **Debt Recovery (23)** – A review and refresh of the terms of reference for the Corporate Debt Group is scheduled and internal audit recommendations will be progressed through this group, in particular actions relating to the monitoring and recovery of outstanding aged debt and the governance of the recovery process. The sundry debt recovery policy is being reviewed with a view to speeding up the recovery timetable process. In order to improve efficiency further, there is scope

for Customer Services to take greater control over the persual of all sundry debts (two new actions).

2.   Options analysis and proposal

Either:

i.   To note and accept the contents of the Corporate Risk Register. The revised register is considered to be an accurate reflection of the high level risks affecting the Authority, as well as the progress made on actions previously proposed, based on our assessment of risk and controls in operation. (Preferred option)

Or:

ii.   To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

3.   Financial implications

3.1   Resources required (staff time) to implement actions proposed in the Corporate Risk Register should be contained within existing budgets as far as possible. There may however be some areas where additional resource /time/management support is required in order to implement risk mitigating actions.

4.   Other considerations

4.1   The Corporate Risk Register covers a wide range of risks and associated consequences including failure to deliver corporate objectives, failure in service delivery, financial losses, poor value for money, health and safety incidents, legal challenges and reputational damage. The three most significant risks identified as part of this review include potential failure in Service Delivery, Procurement/Contract Management and Safeguarding. Management Team may therefore need to assess if these areas require further resource/time and support.

5.   Timetable for implementation

5.1   The Corporate Risk Register shows officers responsible for progressing actions, together with target timescales for implementation. The register is reviewed and updated three times a year by Audit Services.

Background papers: There are none.

Appendices: Appendix 1 – Corporate Risk Register