

Audit Committee

26 July 2018



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 Audit Committee notes the Corporate Risk Management report.		
Reason for Recommendation	Not applicable		

1. Key issues

- 1.1 The Corporate Risk Register ensures significant potential risks are identified, managed and monitored. A risk is the chance of something happening or not happening that will have an influence upon the achievement of an organisations objectives. Risks may include failure to not seek positive opportunities. As part of this review, alignment between corporate risks and corporate priorities has been highlighted, and at the request of the Portfolio Holder for Financial Sustainability, reference has also been made to the Portfolio Holders for each risk category to facilitate overview and monitoring (see Risk Ownership column). Some risk categories have been removed or amalgamated in an attempt to streamline the process and promote accessibility, whilst other categories have remained to enable ongoing visibility. The register continues to highlight the direction of travel in implementing risk mitigating actions and the narrative in the 'Progress' column supports this as well as providing further detail on the status of actions. There are several areas where positive progress has been made. Management Team has reviewed the Corporate Risk Register (**Appendix 1**).
- 1.2 The most significant risks to be highlighted at this review for consideration by Management Team and Audit Committee are set out at 1.2 (a) to 1.2 (d) below:
 - (a) **Project Management (4)** A new action has been added to the register acknowledging that whilst the Council has a proportionate project governance framework, consistent and proportionate application of

project governance arrangements are required to contribute to the likely success of projects whilst reducing potential risks of delays and overspend. Effective project governance should incorporate the necessary structures and processes to support key decisions and approvals, promote the need for robust project plans, monitor progress of the project against pre-determined plans and milestones, and include regular effective reporting to the appropriate monitoring board/committee. It is reassuring that the Group Head for Commissioning and Transformation has reported some recent amendments to project documentation to assist in any start up process and project monitoring going forward.

- (b) **Information Governance (5a – Organisational Measures)** – Further overview training on GDPR has been delivered to staff and Members. Regular progress reports are submitted to Management Team and the additional resource has helped to accelerate the production of information asset registers across service areas. Whilst the Information Governance Officer has a detailed work plan for the General Data Protection Regulation (GDPR), there is scope to consider further the need for a detailed project plan to highlight timeframes and dependencies. It is noted that Management are considering and pursuing all recommendations raised in the internal audit review of April. The Senior Information Risk Owner has provided management assurance that an amber RAG rating seems appropriate for this risk category.
- (c) **Resilience, Resources and Capacity (8, 9 &16)** In light of the issues highlighted under these risk categories (including a lower level of assurance), Management Team will need to keep resourcing levels, capacity issues and resilience arrangements under ongoing review. The root and branch review of Services during 2018/19 aims to identify scope for process improvements and efficiencies whilst recognising capacity issues, with a view to improving organisational performance and resilience. It is acknowledged that additional staffing resource has been recently approved for some service areas for 2018/19 and significant investment was also built into last year's budget.
- (d) **Acquisitions and Investments (Rental Income) (15)** – A robust governance framework continues to be developed to support all property acquisitions and investment processes with various policies, strategies, action plans and reporting mechanisms in place. In light of the Council's ongoing commercial asset acquisitions and investments, effective systems and processes need to be in place to record, recover and monitor significant rental income due to Spelthorne. The Group Head for Regeneration and Growth has organised several Process Mapping workshops to move this forward and it is also being considered as part of the root and branch review. Coinciding with this, work is underway to procure and deliver a Property Management System that enables the Asset Manager to effectively manage Spelthorne's complete property portfolio. It is intended that any such system covers asset management, recording and collection of rental income due, debt management and supplier management processes.

- (e) A number of new risk mitigating actions underway have been included in this review, relating to Emergency and Business Continuity Planning– risk categories 2 and 7, System Administrator roles – risk category 6, Spelthorne Leisure Centre – risk category 11b , financial reconciliation exercises – risk category 16 and monitoring of CIL income – risk category 19.

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

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 four most significant risks identified as part of this review include Project Management, Information Governance (GDPR), Resourcing/Resilience/Capacity issues and commercial asset acquisitions and investments (systems to recover and monitor rental income due). Management Team may therefore need to assess if these areas are being adequately managed or 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 the Internal Audit Manager.

Background papers: There are none.

Appendices: Appendix 1 – Corporate Risk Register

