

# Audit Committee

22 June 2017



<b>Title</b>	Corporate Risk Management		
<b>Purpose of the report</b>	To note		
<b>Report Author</b>	Internal Audit Manager, Punita Talwar		
<b>Cabinet Member</b>	Councillor Howard Williams	<b>Confidential</b>	No
<b>Corporate Priority</b>	Financial Sustainability		
<b>Recommendations</b>	<b>The Audit Committee notes the Corporate Risk Management report.</b>		
<b>Reason for Recommendation</b>	<b>Not applicable</b>		

## 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) **Corporate Health and Safety (1)** - The Health and Safety Policy has been updated and is due to go to Cabinet for approval and adoption on 21 June 2017. To ensure delivery of the annual rolling management activity programme, Health and Safety Champions have been identified in each Service area. The inspection process across the authority requires strengthening to ensure inspections are routinely conducted (where necessary) and consistently evidenced. This required action has been highlighted before on the Corporate Risk Register and discussed many times at Corporate Risk Management Group.
  - (b) **Information Governance (7a)** – Mandatory Data Protection training has been organised for staff in June and July 2017 to highlight the implications of the new General Data Protection Regulations (GDPR). To ensure compliance with statutory obligations the Information Governance Officer has highlighted the need for information flows to be mapped and Information Asset Owners identified as well as mandatory Freedom of Information (FOI) training (see two new risk mitigating actions).
  - (c) **ICT Security (8)** – Spelthorne achieved Public Sector Network (PSN) compliance certification in March 2017. In light of the increased risks for

any organisation posed by cybercrime, an Internal Audit review is scheduled for July 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 ICT SIG group have highlighted the requirement to proceed with a network refresh which has become overdue (new action). Management team are encouraging ICT to develop solutions which are flexible in view of the political leadership having expressed a preference to redevelop the Knowle Green site rather than relocate the council offices. The ICT strategy also requires presentation to and approval by Management Team, followed by implementation.

- (d) **Failure in service delivery (10)** – Human Resources have reviewed development needs for recently appointed Group Heads and Deputies and presented information to the DCX'S. DCX's and Group Heads have agreed that one of the priority training needs is improving resilience with respect to skills relating to disciplinary and grievance processes and HR have commissioned training. The Human Resources Manager or Group Head for Commissioning and Transformation will be attending 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 (as requested). In view of the imminent departure of Spelthorne's Chief Executive from September, the Audit Committee have requested assurance that the recruitment process is underway and on target (new action). The Leader rather than Management Team is overseeing this process.
- (e) **Code of Corporate Governance (13)** – Review of this code remains outstanding. This is important to promote high standards of conduct and behaviour.
- (f) **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.
- (g) **Housing (15)** - Management Team to continue to monitor the pressures facing the Housing Service arising from statutory changes and external factors.
- (h) **Safeguarding (19)** - The operational side of making referrals to Surrey Children Services is considered difficult by the Joint Heads of Community Wellbeing. In some instances the response is inadequate and Spelthorne staff are being asked to convey messages to children and young people which they themselves feel very uncomfortable with. Meetings with Senior Social Services staff to try to address the working relationship between Spelthorne Safeguarding Officers and Children's

Services took place in May 2017. This area requires ongoing monitoring and review.

- (i) **Debt Recovery (23 & 15)** – Corporate Debt Group meetings have reconvened and are held regularly, chaired by the Deputy Chief Executive (Terry Collier). It is considered timely therefore to review and refresh the terms of reference for the Corporate Debt Group and to progress internal audit recommendations through this group, in particular actions relating to the monitoring and recovery of outstanding aged debt and the governance of the recovery process (new action).

## **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

