APPENDIX 1   <u>CORPORATE RISK REGISTER</u>

This register summarises the Council's most significant risks which align to one or more Corporate Priority. It sets out controls in place and identifies any further action needed to mitigate risks .   A
Actions are assigned to appropriate officers with target dates for implementation. The relevant Portfolio Holder for each risk category is also highlighted.

Level of risk: Likelihood vs. Impact on a scale of 1 (lowest) to 4 (highest)   **Content reviewed July 2018 by the Internal Audit Manager**
MAR JULY

PREV IOUS RAG	CUR RENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		1. If Health and Safety fails it could result in death or serious injury to staff /public and legal action against the Council, with associated reputational damage **(CLEAN & SAFE ENVIRONMENT)**	2	4	4	Approved Health and Safety Policy. Health and Safety at Work Regulations. SHE (Safety Health and Environment) system . Managers have a legal requirement to conduct regular risk assessments. Staff Induction training. Annual reminders to complete/update health and safety risk assessments (DSE, Homeworking, and Service). From January 2018, annual health and Safety checklist , activity and compliance programme for Managers. Health and Safety Champions . Personal Safety Training and Lone Worker protection process. IOSH training provision and Champions encouraged to attend.	*1i. Recommendations raised in an Internal Audit review of January 2017 are being pursued . There is scope to tighten up controls relating to training, procedures and the 2017 Management activity/compliance programme 1ii. The inspection process across the authority needs to made more robust - regular inspections/site monitoring to be carried out and consistently documented to ensure evidence is available. 1iii A project is due to be undertaken to enhance the efficiency of the SHE system (health and safety management).*	HSIRM/ SEHM/ MAT/ All Group Heads * **Cllr Boughtflo wer**	31 October 2018 *R Requires Monitoring	1i. **Partially Implemented & Progressing.** The new Health and Safety Officer is conducting training sessions for Safety Champions on the use of SHE and highlighting some key requirements under the Management compliance programme. In recent months 17 officers i.e. Safety Champions and Team Leads/Managers have recieved IOSH health and safety training on risk assessment and control; further training for additional officers is to be arranged. Further documentation and development of Health and Safety Procedures is ongoing. 1ii.**Partially Implemented/Ongoing** . The robustness of inspections and site monitoring to be periodically discussed at the Corporate Risk Management Group, enabling feedback . Appointment of a dedicated Health and Safety Officer within Neighbourhood Services is helping to develop monitoring systems, with inspections underway and evidenced for a number of areas. Planned restructuring of the parks team is intended to provide greater dedicated supervision and recording of inspections**. 1iii. Commenced** Some changes have been made to SHE to make it more user friendly. SHE user guidance notes are being written.
		2. If there was a major Disaster in the borough, e.g. flooding, this may result in significant strain on council services **(CLEAN & SAFE ENVIRONMENT)**	2	4	4	Performance monitoring by Commissioning and Transformation. Ongoing provision of Emergency Planning support is being reviewed. Corporate Emergency Plan (updated January 2016). Multi- agency flood plan reviewed January 2018. Membership of Local Resilience Forum (LRF). Regular testing of Emergency Assistance Centre plan. Borough Emergency Centre (BEC) Plans and staff training in 2017. Staff feedback considered in updates to (BEC) plan and equipment. Incident management and Multi-Agency training. Prevent Strategy training and awareness (March 2017).	*2i. Ongoing provision of Emergency Planning support is being reviewed with the Procurement Officer leading on the re-tendering process. (NEW)*	CX (DM)/ GH C & T* **Cllr Harman**	Completed/ Ongoing Monitoring	2. **Implemented**. A report has been issued to Cabinet for a proposed procurement of emergency planning / business continuity services, as the current contract period is due for review. A tender process has now been completed, including evaluation and formal appointment is imminent.
		3i. If performance at corporate and service level is not effectively managed then the authority could fail to deliver priorities, objectives and targets. 3ii. If there is failure to align service objectives to corporate priorities and objectives this could result in services not meeting residents /stakeholder needs. **(ALL PRIORITIES)**	2	3	3	Corporate Planning process incorporates a vision, priorities and targets. Monitoring by Members and Management Team. Service Planning and review process. Individual Service Plans should consider the Council's Corporate Priorities and statutory/other responsibilities (this is in the guidance). Service performance monitored by Management Team. Individual performance monitored through 1 to 1's and the appraisal process. Appraisal timetable. Priority Flagship project performance is reported regularly to Management Team and Members. Previous internal audit review of Performance Management.	*3i. Service Planning for 2018/19 is due to be undertaken.*	MAT / DCX LO/GH C & T /Group Heads * **Cllr Boughtflo wer**	Completed/ Ongoing Monitoring	3i. **Implemented.** The 2018/19 Service planning and performance review process for 2017/18 has taken place coordinated by the Group Head for Commissioning and Transformation. A Corporate Annual Report for 2017/18 has been produced and reported to Cabinet in July 2018.

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		4. If there are inadequate project management arrangements (including lack of resources and relevant expertise or skills), then outcomes are unlikely to meet community/ service needs or projects fail to be delivered on time/ to budget. If projects do not incorporate sufficient governance standards, then this could result in poor decision making and unclear justification for actions, resulting in potential challenge **(ALL PRIORITIES)**	2	3	3	Project governance framework/methodology is held including processes for project initiation, resource planning, risk assessment, and progress reporting processes. Corporate Project Register updated as necessary. Corporate Project resource is in place but ownership for ensuring that project documentation is completed, resource implications assessed and necessary control processes are applied rests with Project Managers and Sponsors. Priority Flagship project performance is reported weekly to Management Team and includes asset acquisitions and development projects. On a quarterly basis a report goes to MAT, Cabinet Briefing and Overview and Scrutiny committee outlining progress made with projects and the work of the corporate project team.	*4 i Management team to consider limited capacity and revenue implications prior to approving additional / new projects. (Ongoing) 4ii . Whilst the Council has a proportionate project governance framework, consistent with 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 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. (NEW)*	MAT/GH C&T /Group Heads* **Cllr Boughtflower**	31 October 2018 * O Requires Monitoring	4i. **Ongoing.** Approx. 35 projects are currently being tracked through the Project Office . Resourcing of projects remains an ongoing challenge as officers are often balancing several work tasks. Through the root and branch review of Services, the Commissioning and Transformation team will continue to identify projects and resources required but also improve processes and systems to assist the organisation's capacity and resilience. (This also links in with risk categories 8 & 9 below). 4ii. **Commenced** - The Group Head for C & T has advised that amendments to project documentation have been completed and are to be rolled out to assist in any start up process and project monitoring.
		5a. Information Governance risks relating to organisational measures. Non compliance with data protection legislation. Information could be processed inappropriately resulting in breaches of the DP legislation, Information Commissioner fines, reputational damage. and loss of public confidence. Potential to breach Freedom of Information (FOI) Act resulting in disclosure of personal data or commercial sensitive data, and ICO enforcement. **(ALL PRIORITIES)**	4	4	4	Mandatory data protection online training. Information Governance Group. Information Governance Officer (trained and experienced) provides ongoing guidance on the Data Protection Act (2018). GDPR is recognised as a step up from the DP Act of 1998. (Legislation effective from May 2018). Staff training for GDPR and DPA Act continues. Information Governance structure agreed by MAT and made available on Spelnet; this identifies the Senior Information Risk Owner (SIRO) and lines of responsibility for Information Assets. The Information Governance Officer is now also the Data Protection Officer. FOI requests: FOI online training, FOI process flowchart.	*5i. Information Governance Group to pursue action plan to ensure information assets are identified and managed. 5ii. Raise awareness of Information Governance and the requirements of the DP legislation amongst staff and members. Identification of detailed training requirements in services. (SEE ALSO FURTHER ACTIONS BELOW)*	GH C & T */IGO * **All Portfolio Holders**	31 October 2018* R Requires Monitoring	5i. **Partially implemented** - The Information Governance Officer has produced a detailed work plan to work towards GDPR compliance. There is considerable work to be done in many Service Lines. A data protection plan for services has been produced and is being reviewed prior to circulation. These plans need to be reviewed in conjunction with the recommendation raised in the audit review (project plan). As the level of data protection awareness in the Council increases the demands on the IGO's time increases which has inevitably impacted on the IG Groups action plan. Employment of a temporary assistant has helped to alleviate this. 5ii. **Implemented & Ongoing :** The Information Governance area available on Spelnet continues to be developed. More appropriate online DP training, designed for anyone who has access to council information has been identified. Overview training on GDPR has been delivered to staff and a session completed for Councillors at Full Council (Feb 18). In house (more specific) training for staff continues as requested by services; supplemented by external training.
		See above (Continuation of risk category 5a).				See above (Continuation of risk category 5a).	*See above (Continuation of risk category 5a). 5iii. Information flows to be mapped and Information Asset Owners to be identified. 5iv. Management Team have requested periodical progress reports on preparedness for the GDPR 5v. An Internal Audit review of GDPR preparedness was undertaken in April 2018 highlighting the position and recommending improvement actions. In particular there are lessons around resource planning and application of corporate project processes, which are currently being considered by Management (NEW) 5vi. Implement mandatory FOI training and raise awareness of Public Sector Information Regulations.*			5iii. **Partially implemented** - Significant progress has been made on Information Asset Registers (IARs) for customer data collections across all services, accelerated by the employment of a temporary assistant. The majority of these IARs have been reviewed by IG staff and areas requiring action have been identified. It remains ongoing and represents a large piece of work. 5iv **Implemented** - Periodical progress reports are issued to Management team so these should highlight areas requiring attention. MAT agreed the Information Governance Officer formally becomes the Data Protection Officer for the Council. 5vi . **Partially implemented**; an online FOI module, a process map for FOI and templates for response text are available. FOI has been given a lower priority than data protection due to GDPR. However, responses to FOI's in a timely fashion is now exceeding target. The Information Governance Officer advises on FOI requests as requested. The Feb 2017 version of the Local Public Services Data Handling Guidelines is available on Spelnet.

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		5b Information Governance risks relating to technological measures. If security breaches occurred this may cause system failure, non compliance with various information legislation which might lead to Information Commissioner fines/enforcement and reputational damage, with loss of public confidence. **(ALL PRIORITIES)**	2	4	3	Data Back up and continuity arrangements managed by ICT and tested by Managers. ICT security policies. Personal Commitment statement required from staff on appointment. ICT security group assess ongoing risks. Series of Security Awareness updates conducted in October 2017 for all staff. Information Governance Group. Information Governance Officer in post. Further ICT Disaster Recovery test conducted in November 2017 (successful).	*NONE*	GH C & T*/DHICT * **Cllr Boughtflower**	Completed/Ongoing Monitoring	N/A
		6. Failure to meet the minimum security requirements of the Government's Public service Network resulting in termination of connection to any other government sites/data; unavailability of ICT systems impacts service provision; unauthorised creation & amendment of records for fraudulent purposes; inadequate measures to combat cyber security attacks or respond effectively resulting in reputational damage and financial losses **(ALL PRIORITIES)**	2	3	3	National Cyber Security Strategy. A review group assesses compliance with security requirements - Public Service Network (PSN). Successful certification of the Public Service Network (PSN) compliance. Security measures include firewalls, encryption, eggress, black-listing of memory stick,CD's and DVD'S, and universal serial bus (USB) ports locked down. Dual factor authentication on all laptops. All Baseline Personnel Security Standard checks completed. Annual health check and security penetration test . Mimecast e-mail filtering software in place. Disaster Recovery plan for ICT developed alongside Applied Resilience. ICT Strategy consistent with the core objectives of the Council. Network refresh undertaken. System Administrators are currently assigned for each key application system, with privileged access rights to undertake relevant duties.	*6i. The annual health check and security penetration test are currently being carried out (February 18), with ICT addressing any critical and high risk issues (should they be highlighted) .* *6ii.As System Administrators also have operational and processing roles within the associated service area, this lack of segregation of duties (between operations and administration) increases associated risks of fraud or error. This is a longstanding issue and will be considered further as part of the review of the ICT function. (NEW)*	DHICT *Cllr Boughtflower**	Completed/Ongoing Monitoring	6i. **Implemented.** The annual health check was completed on 23rd February 2018 with all risks now addressed, PSN was submitted and Spelthorne have passed. 6ii. **To Commence.** The role of system administrators and where they should sit is to be reviewed as part of a "root and branch" review in early 2018-19 of ICT arrangements.
		7. Ineffective business continuity planning to cover loss of building, equipment, ICT or staff could lead to loss of service or disruption in a real scenario **(CLEAN & SAFE ENVIRONMENT)**	2	3	3	Performance monitoring by Commissioning and Transformation. Business Continuity (BC) Policy . Corporate Business Continuity Plan and Service Level plans. The BC Forum oversees progress of BC planning. Business Impact Assessments . Emergency protocols for loss of building access/loss of power/loss of ICT are being developed. Emergency messaging system for staff. Telephony resilience. Key responders - Incident Management Team and recovery team.	*7i. Management Team are keen to undertake a fire evacuation procedure combined with a scenario where re-entering the building is not possible. 7ii. Management Team have highlighted that bomb awareness procedures require updating 7iii. Ongoing provision of Business Continuity Planning support is being reviewed with the Procurement Officer leading on the re-tendering process. (NEW)*	GH C & T* * Requires monitoring	31 May 2018 R	7i Outstanding. 7ii. In progress. 7iii. **Implemented** - A report has been issued to Cabinet for a proposed procurement of emergency planning / business continuity services, as the current contract period is due for review. (See action at risk category 2 above). A tender process has now been completed, including evaluation and formal appointment is imminent.
		8. If there is over reliance on individual officers then in the event of absence or departure this may cause a gap in technical/systems knowledge and expertise, with subsequent failings in delivery of functions/ services **(ALL PRIORITIES)**	3	3	3	Business continuity arrangements to cover loss of key staff. Critical procedures should be documented and staff appropriately trained. Any weaknesses in resilience arrangements should be highlighted in the service planning process. In some service areas greater resilience is being built into teams with some individuals taking on a variety of roles. (An example of this is the Project Officer/Committee Manager within the Commissioning and Transformation team)	*Management Team to keep resilience arrangements under review.*	MAT/ Group Heads/ GH C & T * **All Portfolio Holders**	Completed/Ongoing Monitoring	8. **Commenced.** Resilience will be one of the issues considered as part of the root and branch service reviews being undertaken in 2018/19.

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(green)		9. If increased service demands coincide with a lack of staff resources/capacity to deliver then this may result in reduced morale, high staff stress levels, delays and errors, increased turnover, with subsequent failings in delivery of services **(ALL PRIORITIES)**	2	3	3	Short term reductions in capacity are accommodated by prioritisation and reallocating work . Longer term impacts and changes to demand may be more difficult to address. Employment arrangements and staff support mechanisms. Market supplements/allowances to assist with recruitment and retention. Training and development. (Recent training for Managers on Practical Workplace Mediation Skills and Mental Health Awareness for Employers) Performance management systems, (appraisals, one to one's). Regular staff meetings. Stress audits (risk assessments) can be arranged if necessary. Human Resources reporting to MAT. Significant investment was built into the 2017-18 & 2018-19 budget to address resourcing.	*Management Team to keep resourcing levels under review.*	MAT ***Cllr Boughtflower**	Completed/Ongoing monitoring	9. **Partially Implemented**. Additional staffing resource has been recently approved for some service areas (HR, Legal, Independent Living). The Council is considering a move to local arrangements for deciding pay awards and to local terms and conditions of employment rather than continuing with the current nationally agreed pay awards and conditions. This is subject to a consultation process . Root and branch review of services have commenced in order to identify efficiencies and capacity issues which can be resolved to improve organisational performance and resilience .
(orange)		10. If there are prolonged staff vacancies due to inability to recruit, then this may result in a failure in service delivery **(ALL PRIORITIES)**	3	4	4	Market supplements awarded to certain roles when recruiting. Recruitment and retention allowances. Posts advertised with Surrey Jobs as well as a wider network of job sites. Specialist websites are also used to advertise posts where necessary. Annual report summarising staff recruitment and turnover. National apprenticeship scheme.	*11i. Members and Management Team will need to keep resourcing levels under review, particularly the impact of new projects and any statutory obligations on service/project delivery.* *11ii. Implementation of requirements relating to the national apprenticeship scheme.* *11iii. Human Resources to monitor the effectiveness of measures taken to improve recruitment and retention across the authority , in collaboration with Services.*	MAT/Group Heads/ /GH C & T/HRM * **Cllr Boughtflower**	31 October 2018 R * Requires monitoring	11i. **Ongoing** 11ii. **Partially Implemented** - A decision was made by Management Team that the Apprenticeship Levy would be spent on upskilling internal employees mainly. There will be some recruitment of new apprenticeships under the levy, and progress is being made. (No further updates have been reported) 11iii. **Ongoing**. Group Head for Commissioning and Transformation provided an update report to the March 2018 Audit Committee to advise on the latest position .
(orange)		11a. Procurement - If governance arrangements are weak with a lack of transparency, this could result in any of the following: financial penalties for non-compliance with legislative requirements; contractual disputes and claims through poor specifications; contractors/partners failing to deliver expected outcomes; reputational damage, challenge and poor VFM. **(This section links also with section 4 above - Project Management) (ALL PRIORITIES)**	3	3	3	Contract Standing Orders (April 2016). Contract guidelines with compliance checklist. Requirement for declaration of interests (Officers and Members). Corporate Procurement training last provided in October 2014. E-procurement system in place and contracts sourced with this solution. Procurement strategy and action plan to facilitate monitoring. Developing improved reporting systems. Procurement Officer in post providing support, advice and steer for procurement processes.	*14i. Full compliance with the Local Government Transparency Code is required and should be confirmed once achieved.* *14ii. To ensure there is an ongoing reference for officers involved in procurement activity, Procurement and Contract Management guidelines need to be updated and publicised to reflect regulatory changes of 2015.* *14iii. Implement a programme of training for contract managers where the principles of Contract Standing Orders and Contract Check list form the core element of the learning.* *14iv. The future of the Procurement Board to be considered as part of a review of all boards across the authority. 14v. Enhanced monitoring arrangements for key suppliers is being implemented*	MAT DCX (TC)/ Group Head C & T*Cllr **Boughtflower**	31 October 2018 R * Requires monitoring	Group Head for Commissioning and Transformation and the Procurement Officer provided an update to the March 2018 Audit Committee. The updated procurement strategy/action plan has been reported to March Cabinet. Compiling a central contract register. Specific Actions progress: 14i, 14ii &14iii . **Partially Implemented.** Proposed actions are being taken forward and implemented. Compliance with the transparency code is being addressed through the purchase of a procurement and contract management system used by 27 local authorities. Documentary evidence of procurement processes followed and performance monitoring is now being addressed. The Group Head for C & T envisages further improvements with the support of the Procurement Officer and a service level monitoring officer at the Depot . 14iv. **Partially implemented.** A decision as to whether the board continues has been incorporated into the Action Plan and this will also be considered through the Project Governance process and liaison with service areas. 14v. **Implemented.** Key suppliers now added to the S&P Watch list to enable concerns to be picked up pro-actively.

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		11b. Major Procurement - A lack of ongoing forward planning in preparation for the expiry of existing Leisure Centre arrangements in 2021 may result in delays in delivery of key project milestones and provision of leisure facilities to the community. If the project is not effectively managed, this could result in overspends, delays and significant ongoing strain on the Council's financial resources. **(This section links also with section 4 above - Project Management)**	3	3	3	Current Leisure centre operator contract ends 2021. "Leisure Centre Needs Analysis" submitted to MAT in 2014 and updated in 2017, which endorsed the recommendation to carry out a feasibility study. A high level discussion document was presented to Cabinet in October 2016 and a project team formed. Project Sponsors and Project Managers identified. Project related documentation. Risk Register. Councillors and staff kept informed of key progress milestones, requirements and timeframes . Feasibility study completed March 2018 by specialist Advisors, design brief signed off and public consultation underway to help inform design and build phase.	*14bi The tender for the appointment of specialist advisors to assist with the development of the feasibility study and financial business plan is due to be published by 30th September 2017. 14bii. A final decision on the site for the new leisure centre is under consideration. 14biii. A Cabinet report was submitted in February 2018 requesting delegated authority to commission a design project team to progress to the next stage i.e. a PM, QS, Architect etc. 14biv. An internal audit review was conducted in April 2018 and Management are considering findings and recommendations. In particular there may be scope to enhance governance arrangements to support the decision making process. (NEW)*	Dcex (LO)/ Group Head CW* **Cllr Attewell**	31 October 2018 R * Requires monitoring	Current completion of the project is estimated mid-2021, based on an assumption that Planning Permission will be granted late 2018. July 2018 - **Awaiting further status update on the following areas:** 14bi Previously reported - The feasibility study will form the basis of a Cabinet report in April 2018 outlining the preferred facilities mix and a high level cost plan including capital and revenue expectations. The Cabinet report will request authorisation to proceed with the next phase of the project (design and build). - *Feasibility study report completed March 2018. Please confirm the April Cabinet report has been actioned/approved.* 14bii. **Pending.** This will be based on an environmental report which has been commissioned by Asset Management.. *Please confirm the report has been fully completed/considered.* 14b iii. **Some Progress**. Procurement of a design team to progress the project will be pursued (once agreed by Cabinet). *Please confirm this has been fully actioned.*
		12. External factors including national housing shortage , insufficient affordable properties, London Boroughs increased use of Spelthorne properties and welfare reforms such as Universal Credit may all increase pressures on the Housing Service, resulting in staff retention issues. Ongoing uncertainty over recovery of outstanding Housing Benefit debt. (**HOUSING**)	3	3	3	Group Heads/ MAT/Members are aware of ongoing risks in this area. Staff recruitment and retention allowances applied in 2017. Universal Credit expected end of 2018. Housing Benefit overpayment debt being recovered, albeit repayments are often small due to Housing Benefit regulations. Discretionary housing payments, Corporate Debt Group and Strategic Housing Group. Officers and A2D continue to work with families affected by the benefit cap. Close working with private landlords. Landlord guarantee scheme. Various projects underway to ensure strategies are followed. Knowle Green Estates (subsidiary) set up in May 2016 focusing on Housing Delivery. Implementation of legislative changes arising from the Homelessness Reduction Act of April 2018 (e.g. project team meetings, recruitment of new housing options staff , an operational sub-group focussing on implementation , exploration of products and solutions to address significant system changes anticipated).	*12i. Management Team to continue to monitor the ongoing pressures facing the Housing Service (including impact of County Council cuts and statutory changes). 12ii. A high level internal audit review was completed in March 2018 considering the authority's readiness for the homelessness legislative changes (HRA). The recommendations were agreed by Management and relate to enhancing project governance arrangements (REVISED)*	MAT / Joint Group Heads CW * **Cllr Francis**	31 October 2018 R * Requires monitoring	12i. Ongoing 12ii. Management will be providing status updates on recommendations raised in the Internal Audit review.
		13a. Uncertainty over economic growth and supplier failure could impact on: • Delivery of contracts and services • Business Rate income collected/retained , thereby affecting the Council's overall finances. (**ECONOMIC DEVELOPMENT & FINANCIAL SUSTAINABILITY)**	2	3	3	Financial Services monitor the financial media in relation to larger companies and critical commercial partners. Enhanced Monitoring arrangements implemented as key suppliers now added to the S&P Watch list . Aim to maximise Business Rate collection/minimise losses for the Council. Additional quarterly monitoring of collection and projected outturn retention to be implemented by end of quarter 1 2018-19 . Additional counter fraud resource is available to identify and investigate potential tax avoidance and evasion cases, which can be translated into cashable savings for the authority. (Being pursued under Corporate Counter Fraud work).	*17i. Impact of Business Rate arrangements on Council finances is under ongoing review. 17ii. Spelthorne are participating in the 100% retention of business rates pilot for 2018/19 providing further incentive to maximise income collection*	DCX (TC)/Acting Group Head CR * **Cllr Barnard & Cllr Williams**	Completed/ Ongoing Monitoring	17i. **Implemented and ongoing**

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		13b. If the Economic Development Strategy fails to be implemented, this could impact on growth **(ECONOMIC DEVELOPMENT)**	2	3	3	Regular reporting to Members. A 5 year economic assessment & development strategy for 2017 - 2022 (previous audit recommendations were taken into account). Economic Development Strategy is reviewed every three years. Annual review of the strategy including targets. A Business Improvement District for Staines-upon-Thames with charges applied. Identification of Spelthorne's top 20 businesses.	*13bi. Economic development is a Council priority and growth will impact on business rate income - this is under ongoing review. 13bii. Through the EDEG 5 areas have been identified as the most important areas of delivery within the strategy and will be reported on every 6 months to the group to strengthen performance monitoring.*	DCX (TC) */GH R & G*/ EDM* **Cllr Barnard**	Completed/ Ongoing Monitoring	13bi & ii. Implemented and ongoing review. Annual review of the Economic development strategy is complete and was recently issued to the Economic Development Engagement Group on 12 June 2018. Prioritisation of projects to benefit from business rates retention complete.
		14. If there was failure to comply with statutory duty / adhere to Safeguarding Policy, (including failure by County to address Spelthorne referrals), this could lead to death or injury to a child or vulnerable adult, resulting in legal action and reputational damage. **(CLEAN & SAFE ENVIRONMENT)**	2	4	4	Council has statutory responsibility for safeguarding children and Adults. Approved and publicised Safeguarding policies and procedures. Staff and Member training. All referrals to Surrey County Council should be reported to a nominated Spelthorne Officer. Regular liaison with the Head of the MASH team, Surrey County Council and the Surrey Safeguarding Children's Board (SSCB). Annual Section 11 audit. Escalation of any cross border referrals/ issues to the senior safeguarding managers. Liaison with Human Resources for training purposes and DBS checks. Online safeguarding training module and cascade training. Procedure to deal with the Multi Agency Safeguarding Hub (MASH) enquiries. Spelthorne is represented on the new Early Help Advisory Board by the Deputy Chief Executive.	*NONE*	DCX (TC)/LSM/I LM/Joint Group Heads - CW * **Cllr Attewell**	Completed/ong oing monitoring	14. **Implemented and ongoing. July 2018 :** The Leisure Services Manager has confirmed there are no further updates or concerns to report in this area.

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		15. In light of ongoing reduction in Central Government funding, if opportunities for significant income generation and investments are missed, then this will impact on the Council's ability to close the budget gap and deliver vital services. If weak governance arrangements prevail, this may contribute to poor investment outcomes and increase exposure to financial risk including loss of anticipated rental income and poor investment returns. (**FINANCIAL SUSTAINABILITY**)	3	4	4	Long term strategic/financial planning. Corporate Plan / priorities reviewed.Member engagement. The Council is applying innovative ways to fund services and create new revenue streams through significant commercial asset acquisitions and investments. Since September 2016 an additional ongoing annual net income of £7.5m has been generated from commercial asset acquisitions. This has enabled a balance budget to be set for 2018-19 and to make revenue contributions towards capital to put capital programme financing on a more sustainable basis. Investment Asset Strategic Parameters approved by Council in December 2017. Advice is sought from the Treasury Management advisors as appropriate. Thorough due diligence undertaken with respect to leases and acquisitions and with respect to evaluating strength of covenant of tenants- now using S&P to evaluate. A robust governance framework is being developed and continues to support property acquisitions and investment processes, to include 1. Asset Governance framework and action plan; 2. Property Investment Strategy; 3.Development and Investment Group meet weekly to track project progress plus a Councillor led Investment and Development Committee; 4. Revised regulatory investment guidance (Feb 18) requires LA'S to develop quantitative indicators to assess a local authority's total risk exposure as a result of its investment decisions. Planned reporting on these Prudential indicators from March 2018; 5. Presentation by the Portfolio Holder for Finance and DCX (TC) to O & S on the council's approach to management of risk with respect to commercial property acquisitions; 6. Robust Treasury Management Strategy; 7. Weekly update to MAT on status of Priority Flagship projects(incl. commercial asset acquisitions).	15i.. A robust governance framework continues to be developed to support property acquisitions and investment processes. 15ii. Robust and effective systems need to be in place to record and recover significant rental income due to SBC from it's increased property portfolio. (REVISED)	MAT/GH R & G* **Cllr Williams**	31 October 2018 R * Requires monitoring	**15i. Implemented/ Ongoing . Has planned reporting of prudential indicators taken place ?** **15ii. Some Progress.** The Property Development Managers and additional resource within the PDU are involved in setting up and implementing such systems, in close collaboration with other Services such as Corporate Governance, Customer Services and Finance. Work is underway to deliver a Property Management System that enables the Asset Manager to effectively manage Spelthorne's property portfolio (investment, community, commercial and residential properties). It is intended that any such system covers asset management, recording and collection of rental income due, debt management and supplier management processes. A high level business requirements document has been prepared. Process Mapping workshops have also been held with a view to assigning roles and responsibilities which is being considered further at as part of the Root and Branch review.
		16. If there is reduced service capacity then this may result in greater instances of error, loss, fraud, theft , irregularity, all representing a loss of internal control. (**ALL PRIORITIES**)	3	3	3	Management as the first line of defence in the overall assurance framework are responsible for maintaining key services and internal controls. Reduced resource levels in some areas are likely to impact on the ability to operate an adequate level of controls. For example segregation of duties is not always possible and there may be fewer management checks. In such cases compensating controls are required which is promoted by Internal Audit where deemed appropriate. In some areas additional resources have been provided and key governance roles have also been introduced such as a Procurement Officer and Information Governance Officer.	16i. A recurring theme across some service areas is resourcing constraints often combined with weak resilience arrangements. These are often highlighted as reasons for controls and governance processes being compromised within functions/corporate systems and processes. Associated with this is a lower level of assurance and therefore MAT need to keep this area under review. (REVISED) 16ii. Effective reconciliation exercises between key financial systems represent a fundamental financial control and need to be carried out regularly to enable prompt identification and investigation of discrepancies, errors and potential fraud. Adequate staff contingency arrangements need to be built into the process. (NEW)	Group Heads/ MAT **All Portfolio Holders**	31 October 2018 O * Requires monitoring	16. i. **Some progress**- Additional growth to provide additional resources in HR, Accountancy, Legal and Property was built into the 2018-19 and recruitment processes are underway. Resilience will be one of the issues considered as part of the root and branch service reviews being undertaken in 2018/19. 16ii. **In progress** - This has been acknowledged by the Accountancy team with additional resource now in place to support such tasks.

PREV IOUS RAG	CUR RENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		17. In light of the changing political landscape & Brexit, this represents many potential uncertainties of a staffing, financial and regulatory nature arising from currency devaluation/volatility, trade, investments, relocation of Partners/Suppliers, changing access to EU funds, level of compliance with EU regulations , workers rights (EU Nationals). These could all impact on existing policies, procedures, and processes. **ALL PRIORITIES**	3	3	3	A discussion paper setting out potential staffing implications and uncertainties associated with Brexit has been prepared by the Human Resources Manager (March 2017). A verbal update has been provided with regards the potential financial implications, risks and opportunities .	*22i. MAT to periodically consider potential Brexit uncertainties for Spelthorne and have a plan in place to address.*	MAT **All Portfolio Holders**	31 October 2018 R * Requires monitoring	**July 2018:** There are no further developments to report. This area requires ongoing review .
		18. If the Council receives a poor return on long term investments and/or investments become insecure in the current climate, then this will have an adverse impact on the Council's financial position. (**FINANCIAL SUSTAINABILITY)**	2	3	3	Treasury Management Strategy approved annually by Members. Aim to select counter parties of the highest credit quality; credit ratings monitored closely and apply criteria recommended by Arlingclose. Council's investments managed internally in consultation with Arlingclose. Roles and responsibilities assigned within Accountancy. Deputy Chief Executive and Portfolio Holder are involved in key decisions. Regular monitoring ,reporting of investment portfolio and returns achieved. CIPFA Code of Practice and Prudential Code being applied with new recommended indicators for measuring investment performance.	*NONE*	DCX (TC) * **Cllr Williams**	Ongoing monitoring	**18. Completed/Ongoing review.** The team continues to explore options for diversifying the portfolio. The portfolio continues to deliver good rates of return - on core pooled funds achieved average rate of return of 4.79 %. As well as investments the Council now has considerable debt (fixed rate) as a result of the asset acquisitions.
		19. If there is a failure to collect/recover income due, this will result in financial losses to the authority. (**FINANCIAL SUSTAINABILITY)**	3	3	3	Corporate Debt Group monitor the more material items on the aged debt analysis and also coordinate action to tackle debt that is unlikely to be recovered. The Chief Finance Officer reviews a monthly status report of higher value aged debts over 6 months old for reasonableness. A review of the terms of reference for the Corporate Debt Group has been carried out which includes reference to the Group's remit in monitoring outstanding internal audit recommendations (in particular actions relating to the monitoring and recovery of outstanding aged debt and the governance of the recovery process). A progress review of audit recommendations is discussed at each Corporate Debt Group meeting. Corporate Recovery Policy. Recovery policies also exist for specific areas such as Council Tax, NNDR, Sundry Debts etc. Debt collection statistics produced and analysed. Budget Monitoring identifies any anticipated shortfall in income. Accountancy report to Management Team and Members on significant variances and comparisons with previous year.	*19i. The sundry debt recovery policy is being reviewed with a view to speeding up the recovery timetable process.* *19ii. In order to improve efficiency, there is scope for Customer Services to take greater control over the persual of all sundry debts.* *19iii. The Corporate Debt Group monitor developments in recovering Community Infrastructure Levy (CIL) with particular focus on larger sums due. (NEW)*	MAT/ DCX, TC/AGH CR/ Group Heads **Cllr Williams**	31 October 2018 * R Requires Monitoring	19i. Progress/status being reviewed at the July Corporate Debt Group meeting . 19ii. Some analysis has been undertaken to identify and address historic debts which are not cost effective to pursue or with low probability of recovery, and therefore require write off. Progress/status of Customer Services lead in the persual of debts is being reviewed at the July Corporate Debt Group meeting 19iii. **Implemented and ongoing.** The enforcement process for CIL has been developped by the Planning team , taking into consideration advice from the Corporate Debt Group.

PREVIOUS RAG	CURRENT RAG	RISK / IMPACT (WITH REFERENCE TO CORPORATE PRIORITY)	LIKELIHOOD OF RISK	IMPACT OF RISK	LEVEL OF RISK (to evaluate)	CONTROLS	OUTSTANDING ACTIONS	RISK OWNERSHIP	TARGET DATE	PROGRESS /REASONS WHERE NOT IMPLEMENTED
		20. If there is an Increased risk of fraud / theft due to the economic climate, this will resulting in financial losses and reputational damage. Housing tenancy fraud reduces availability of social housing impacting on the Housing register. Business Rates Avoidance and Evasion results in loss of income. **(FINANCIAL SUSTAINABILITY & HOUSING)**	3	3	3	Various corporate Policies including Confidential Reporting Code (Whistle blowing), Anti-fraud, Bribery and Corruption Strategy, Proceeds of Crime and Anti-Money Laundering, Code of Conduct, Financial Regulations and Contract Standing Orders. Management checks, segregation of duties, reconciliation processes for financial systems and IT Security measures. An internal fraud referral process/system has been implemented within Housing. Specialist Fraud groups with Surrey Partners enable sharing of skills, knowledge and approaches. Internal Fraud Overview Group. Fraud alerts circulated. Additional Corporate Counter Fraud resource procured from Reigate and Banstead Council, in accordance with a pre-defined specification. This contractual arrangement is monitored by the Internal Audit Manager including consideration of financial payback. Member reporting - a joint report of January 2018 issued to Overview and Scrutiny Committee highlighting measures being taken by Spelthorne to address business rates tax avoidance and evasion, along with further initiatives to explore.	*26i. Monitor financial payback from Counter Fraud work.* *26ii. To arrange refresher Fraud and anti-bribery and corruption training for all staff and Members.*	Group Heads/ MAT/IAM **Cllr Williams & Cllr Francis**	31 October 2018 * R Requires Monitoring	26i. **Implemented/Ongoing**. Counter fraud work continues with non-benefit fraud returns being collated quarterly, focusing on housing and business rates (evasion and avoidance). At 31.3.18 the cumulative return for Spelthorne (since the start of the Surrey Fraud Partnership in January 2015) exceeds £1.5m in terms of savings to the public purse, with estimated cashable savings for Spelthorne of £327k. In addition there are wider benefits being realised from this counter fraud work . Collaborative working with Reigate and Banstead's Counter Fraud team has continued to produce positive outcomes and impressive financial returns, particularly in Housing with the introduction of enhanced verification checks for new claims. 26ii. **Some Progress.** Consideration of suitable external trainers is underway.

*KEY TO RAG RATING

Actions Overdue & Outstanding
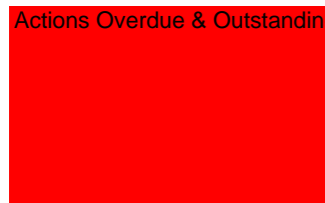
Partially Actioned

Completed/Ongoing Monitoring

Note that previous RAG ratings are included to illustrate the Direction of Travel for recommended actions

*KEY TO TARGET DATES   *** N = New Action**   ***R = Revised target date for assigned action**   ***O = Original target date for assigned action**

*KEY TO OFFICERS

MAT - Management Team
CX, - Daniel Mouawad
Head of CG – Head of Corporate Governance, Michael Graham
Deputy Head of ICT – Alistair Corkish
DCX (TC) – Terry Collier
HSIRM - Health and Safety, Insurance and Risk Manager – Stuart Mann
GH C & T - Group Head - Commissioning and Transformation, Sandy Muirhead
GH - NS - Group Head - Neighbourhood Services- Jackie Taylor
DCX (LO) – Lee O'Neil
SEHM - Senior Environmental Health Manager, Tracey Wilmott-French
PS - Principal Solicitor, Victoria Statham
 AGH CR - Acting Group Head for Customer Relations, Roy Tilbury

GH R & G - Group Head - Regeneration and Growth, Heather Morgan
IGO - Information Governance Officer, Clare Williams
HRM – Human Resources Manager, Debbie O'Sullivan
CM- Contract Managers
Joint Group Heads of CW – Joint Group Heads for Community Wellbeing, Deborah Ashman and Karen Sinclair
LSM - Leisure Services Manager, Lisa Stonehouse
RRO – Risk and Resilience Officer, Nick Moon
EDM – Economic Development Manager, Keith McGroary
IAM - Internal Audit Manager, Punita Talwar

PORTFOLIO HOLDERS - recorded under risk ownership column