

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	Y	09/10/25
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	Y	11/10/25
Relevant Group Head review		
MAT+ review (to have been circulated at least 5 working days before Stage 2)	Y	29/09/25
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments	TC	07/10/25
Risk comments	LO	03/10/25
Legal comments	LH	03/10/25
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	03/10/25
S151 Officer commentary – at least 5 working days before MAT	T Collier	7/10/25
Confirm final report cleared by MAT	L O'Neil	14/10/25

Audit Committee

Date of meeting: 21 October 2025

Title	Corporate Risk Register (Corporate Risk Management)
Purpose of the report	To inform and assure
Report Author	Lee O'Neil, Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	Committee is asked to: Consider the significant strategic risks and issues highlighted in this report and present these to the Corporate Policy and Resources Committee, ensuring continued wider reporting of the Corporate Risk Register and actions across other Committees.
Reason for Recommendation	The Corporate Risk Register must continue to ensure that the Council's most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported. Continued visibility and ownership of the risks and issues raised in this report is recommended across the Council due to the significant and wide-reaching implications. This will support improved coordination in implementing risk management strategies.

1. Executive summary of the report

What is the situation	Why we want to do something
The Corporate Risk Register (the Register) continues to ensure that the Council's most significant strategic level risks in relation to achievement of corporate priorities and objectives are regularly identified, managed, monitored, and reported. The current reporting frequency coincides with the Audit Committee cycle and work programme	Exposure to wider externalities and other unprecedented pressures continue to present challenges to the Council and to the delivery of its corporate priorities. The approaches taken to proactively manage identified risks and mitigate their impact are referred to in the Register.

This is what we want to do about it	These are the next steps
The Corporate Risk Register and related processes provide a mechanism for regularly reviewing risks to ensure any threats to the Council and its services can be addressed/minimised.	<p>The corporate management team and lead Committee hold collective ownership and accountability for ensuring these strategic corporate risks are effectively managed. In doing so they are supported by designated lead officers (at Group Head level) who are responsible for overseeing the day-to-day management of these risks and ensuring future risk management strategies are progressed/implemented.</p> <p>The Council is currently in the process of developing a governance assurance approach to risk management which will be reflected in the next version of the register presented to the Audit Committee.</p>

2. Key issues

- 2.1 This report highlights significant strategic risks in delivering the Council's priorities (CARES) and objectives, current strategies to manage risks (defined as current controls and current mitigations) as well as any future strategies to manage associated risks.
- 2.2 The Council continues to encounter a range of external and internal challenges in delivering its corporate priorities including:
- (a) Inflationary pressures.
 - (b) Ongoing demands for housing.
 - (c) Increased workloads in specific areas, including responding to high levels of service requests relating to Houses in Multiple Occupation.
 - (d) Difficulties recruiting to some professional areas, such as Environmental Health, Building Control and ICT.
 - (e) External work pressures which affect the Borough, including responding to planned expansion of Heathrow Airport.
 - (f) Plans for Local Government Reorganisation (with Surrey in the first wave of authorities to be involved), the result of which will mean that Spelthorne will no longer exist as a sovereign authority from April 2027.
- 2.3 The Register also reflects the latest position with regards to the Council's ongoing response to External Audit Reports and Best Value Inspection, including the development of an Improvement and Recovery Plan following intervention by Government appointed Commissioners to address the Directions issued by the Minister of Housing, Communities and Local Government.
- The approaches taken to proactively manage identified risks and mitigate their impact are referred to in the appendices to this report.

- 2.4 The updated Corporate Risk Register is shown in **Appendix A** and reflects any changes in the risks outlined at the time the report was written.
- Appendix B** – Outlines the current and previous risk scores and how they have been calculated from the assessment of the likelihood of a risk occurring against the impact this could have.
- 2.5 Further changes may be necessary in the future to add new key risks and remove any subject areas where risks are eliminated or reduced to an acceptable level.
- 2.6 The Council is currently in the process of moving to a governance assurance approach to risk management and the Council's Risk Management Framework, Policy and associated risk registers will be amended to reflect this new approach. Further information is provided in Sections 2.10 – 2.13.

Changes in risk scores and other key updates

- 2.7 As referenced in the previous report to this Committee a new Risk Subject Area 10 has been added covering **Contract Management**.
- 2.8 The updated risk RAG/scores for:
- (a) **3 - Financial Resilience and Commercial Assets - Commercial investment portfolio** – **Now Red RAG** (previously amber) - risk score increased from 9 to 12, and
 - (b) **4 - Financial Resilience and Supporting Communities - Reducing debt** - **Now Red RAG** (previously amber) - risk score increased from 9 to 16

reflect ongoing work with the Commissioners to agree a comprehensive Improvement and Recovery Plan and associated asset disposal/debt reduction programme to be considered and approved by Council on 23 October 2025.

- 2.9 All other risk scores remain the same, although updates have been made to the information contained within each category where appropriate.

Planned changes to the Council's Risk Management Framework and Policy

- 2.10 As part of planned improvements to the way the Council deals with risk management, the Council's Risk Management Framework and Policy will be reviewed and redrafted using a governance assurance approach to managing risks. This will also be aligned to deliver the requirements of the Council's Improvement and Recovery Plan.
- 2.11 This approach will have less focus on risk scores, which are inherently subjective, and have a greater focus on the effectiveness of the Council's governance and control arrangements ensuring that this authority can deliver its objectives and corporate and service responsibilities in a more positive way, and that stakeholders receive sufficient assurance that appropriate arrangements are in place.
- 2.12 The way the Risk Register is presented and the information contained within it will be amended to reflect that approach. This is therefore likely to be the last time the Register will be presented to this Committee in its current format.

- 2.13 Under the new governance assurance arrangements risk owners will be required to regularly provide updates to their appropriate service committees on any key risks relating to their overview areas.

3. Options appraisal and proposal

- 3.1 The revised register and related appendices reflect the high-level significant risks affecting this authority at the time the Register was updated, based on consultation with managers and assessment of risk and controls in operation.
- 3.2 **Option 1 (preferred option)** – To consider the contents of the Corporate Risk Register including any revised/consolidated risk categories, any further risk categories that can be consolidated or removed, residual risks highlighted, current risk management strategies (current control actions, current mitigating actions) and future risk management strategies.
- 3.3 **Option 2** - To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

4. Risk implications

- 4.1 The Council's corporate and strategic risks impacting the effective achievement of corporate priorities, represent the most significant risks facing the authority. The register contains broad strategic risk categories, comprising specific risk subject areas that align to the broader category. Risk descriptions and consequences are identified and articulated, as well as the current controls and current mitigation measures in place to manage these risks. Current controls are those actions intended to reduce the likelihood of occurrence of the risk event, whilst current mitigations are those actions intended to reduce the impact of a risk event should it occur. Taken together, current controls and current mitigating actions represent current risk management strategies. Future risk management strategies are also included in the register documentation.

5. Financial implications

- 5.1 The risk scores within the register continue to be influenced by a number of key underlying themes around financial risk due to:
- (a) Approving the Improvement and Recovery Plan to address the statutory Best Value Directions, and the workstream actions making up the IRP.
 - (b) Ongoing funding challenges for local authorities, particularly in light of Fair Funding reform.
 - (c) Increased demands on services, particularly in the area of housing.
 - (d) Risks associated with managing the accumulated capital costs of £10-15m arising from the suspension of direct delivery of the Council's Housing Development programme and the significant annual holding costs for Council-owned development sites, and
 - (e) Continuing high cost of debt, despite recent reductions in inflation.

6. Legal comments

- 6.1 In accordance with regulation 3(c) of The Accounts and Audit Regulations 2015 the Council is required to have a system of internal control which “includes effective arrangements for the management of risk”.
- 6.2 Identification and consideration of corporate risks and maintenance of the corporate risk register assist the Council in discharging this obligation.

Corporate implications

7. S151 Officer comments

- 7.1 The S151 recognises the key importance to effective governance of having an appropriate corporate risk register in place. The S151 confirms that the Register has focused on key financial risks.

8. Monitoring Officer comments

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9. Procurement comments

- 9.1 There are no procurement implications arising directly from this report.

10. Equality and Diversity

- 10.1 The Corporate Risk Register incorporates Equality, Diversity and Inclusion as a specific strategic risk category and sets out current controls and current mitigation measures in place, as well as future risk management strategies.

11. Sustainability/Climate Change Implications

- 11.1 There are none separate to those in the Register.

12. Other considerations

- 12.1 Whilst not currently referred to as a specific risk category on the Corporate Risk Register, the challenges facing the external audit sector have continued to present risks across the local government sector in terms of significant ongoing delays and backlogs in external audit assurance provision relating to prior year accounts, and the subsequent limitations regarding audit coverage and opinions. The backlog issues were addressed for years 2018-19 to 2022-23 for Statement of Accounts at an extraordinary meeting of the Audit Committee on 4th December ahead of the national cut-off date of 13th December 2024. The Value for Money opinions for 2018-19 to 2022-23 were received by the Audit Committee on 25th September 2025. The external audit review process relating to 2024/25 for Spelthorne is now well underway with the draft Statement of Accounts published on 16th September and the audit due to finish by Christmas, and the draft Value for Money opinion for 2024-25 appearing on the agenda for this Committee.
- 12.2 It should be noted that there could be further developments under any of the risk categories between the report being drafted and this being reported to the

Committee. Any significant changes would therefore be reported verbally at the Committee as necessary.

13. Timetable for implementation

- 13.1 Future risk management strategies show Council officer 'Risk Owners' responsible for progressing actions, together with target timescales for implementation. The Register content is reviewed and updated at least quarterly in consultation with the corporate Management Team, Group Heads and managers. It is coordinated, analysed, and reported by the Deputy Chief Executive, which includes identifying new risk descriptions, high level review of relevance of control and mitigation actions being reported in context of risk area, and proposing new risk management strategies in consultation with managers, where deemed appropriate.

14. Contact

- 14.1 Lee O'Neil – Deputy Chief Executive (l.o'neil@spelthorne.gov.uk)
- 14.2 Please also refer to contact names provided for Risk owners/accountable officers as well as lead Officers who hold responsibility for implementing systems of internal control and mitigating actions to manage and alleviate the risks identified against each broad risk category and risk subject area.

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices:

Appendix A - Corporate Risk Register – this includes related narrative content as well as (i) level of assessed risk i.e., Red/Amber/Green - RAG status of each risk category (ii) Numerical Risk score and Future Risk Score.

Appendix B – Risk scoring matrix summary (incorporating consolidated Risk Subject Areas) – level of assessed risks in the register.