

Report To: Audit Committee

Date of Meeting: Thursday, 12 January 2022

Report Title: Risk Registers

Report By: Tom Davies, Chief Auditor

Key Decision: N

Classification: Open

Purpose of Report

The purpose of the report is to inform the Audit Committee of the Strategic Risks and countermeasures in place for the council.

Recommendation(s)

1. **To review the Strategic Risks and comment as appropriate.**

Reasons for Recommendations

As part of the Corporate Risk Management Strategy agreed by Cabinet, the Risk Registers are to be reviewed by the Audit Committee each year.

Introduction

1. The Risk Registers, both Operational and Strategic are in SmartSheet and online. The latest Strategic Risk Register showing all open Strategic Risks is attached at appendix A.

Explanatory notes

2. Unfortunately, the reader will need to magnify the attached document in order to be able to read it properly. **We are looking to find a way of cutting the full version down which will reduce detail but enable it to be easily read.** If still in any difficulty, please contact the author of this report.
3. In the fast changing world, there will a small number of old references, for example, of government departments, but it is correct leave those where they were the body in question at the time. Similarly, please do not be caught out under the column for 'author' of the risk as several of these officers have now left the council. The relevant column is the one to the right of it and is to who the risk is assigned to.
4. The main Covid19 risks have passed but there is still some resurgence and effects of long term Covid.

Risk Mapping to Objectives

5. It is good practice to map risks to objectives. This has been done by cross referencing the Corporate Objective number in the far right hand side column to the Corporate Objective.

Corporate Objective	Reference No.
Tackling homelessness, poverty and ensuring quality housing	1
Keeping Hastings clean and safe	2
Making best use of our land, buildings, public realm and cultural assets	3
Minimising environment and climate harm in all that we do	4
Delivery of our major regeneration schemes	5
Ensuring the council can survive and thrive into the future	6

All Red Risks (Not listed in any particular order)

- Russian/Ukraine war
- Systems audit - Risks of not identifying key weaknesses, or threats in a constantly changing risk environment
- CHART Insufficient project expenditure to enable forecasted M&A costs to be recovered (M&A budget max 25% of programme costs).
- CHART: Accountable body unable to claim back cash flowed fund/pay back received payments from Managing Authority due to project ineligible expenditure/outcomes. This is now appearing in our MA claim checks and some project irregularities.
- Changes in Central Government policy and legislation e.g. new environmental legislation
- Treasury Management - Loss of money
- Income streams
- Government Funding - Continued lower levels of funding with potentially even more reductions in the years ahead.
- Impact of economic climate , Covid-19, on Income and Expenditure levels
- 'Brexit' implications
- Corporate Governance - Financial Information, Transparency, Effective Financial Management and controls.

Non Compliance with Financial Management Code of Practice as a Council and ensuring proper management of the Council's financial affairs

- ERP contract renewal / Potential change to Working arrangements with Rother DC
- Increased demand for council services (e.g. Housing, Homelessness and associated risks around rough sleeping and Community Safety) because of economic/social deprivation as a consequence of the economic situation, constraints on Public Spending and changes in welfare benefit systems.
- Failure to secure affordable housing solutions to prevent rising numbers of homeless households.
- Loss of key staff within the Organisation and People Customer and Business Support service:
 - Turnover
 - Redundancy/retirement
 - Re-structure(failure to take a strategic approach to workforce planning puts key services at risk)

- **Property, Planning & Contracts:**
Instructions - lack of full, precise and timely instructions from client departments

Failure to follow procurement rules

Not enough attention paid to specification of contracts
- **Severe Business Disruption**
- **Insufficient organisational capacity to deliver existing commitments set out in the corporate plan alongside implementing required changes to meet the challenge of the council's budget deficit.**
- **No resilience in the organisation.**
- **Deterioration of the Council's assets i.e. those that create tourism public safety issues e.g. cliffs & sea front**
- **Bathing Water Quality**
- **Bathing water fails to meet annual European Union standard**
- **Flood Risk Management & Coastal Protection Impact of severe weather.**
Failure of defences.
Loss of Government Funding.
- **Failure to meet collection targets in respect of council tax & business rates**

Summary

6. The main risk groupings are around the national economic situation including uncertainty over government funding, the impact of loss of key staff and experience and to a lesser extent the effect of extreme weather.
7. The Risk Registers are reviewed monthly by Corporate Management Group who would bring forward the Register to the Audit Committee if any of the risks were to unexpectedly rise.
8. The Operational Risk Register will be presented to the Audit Committee at the meeting on 16 March 2023.
9. Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Ensure Risk Registers are easily readable for publication.	Next meeting-	16 March 2023	Chief Auditor

Wards Affected

(None);

Policy Implications

Reading Ease Score: 43.1

Have you used relevant project tools?: n/a

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	N
Crime and Fear of Crime (Section 17)	N
Risk Management	Y
Environmental Issues & Climate Change	N
Economic/Financial Implications	N
Human Rights Act	N
Organisational Consequences	N
Local People's Views	N
Anti-Poverty	N
Legal	N

Additional Information

Appendix A – Strategic Risk Register (All open Strategic Risks)

Officer to Contact

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