



Agenda Item No: AC62.25/26

CCHA Audit and Risk Committee

Meeting Date:

3rd December 2025

Report Title:

Strategic Risk and Assurance Update report – December 2025

Purpose of Report & Key Issues:

To provide a strategic risk and assurance update for Audit and Risk Committee (ARC) and Board.

Key issues:

Key issues that present a material risk to the business relate to:

- Continued control improvements regarding the Management of Asbestos across risks C2 tenant and C3 staff health and safety.
- Compliance with Welsh Housing Quality Standard (WHQS) 2.
- Cyber-attacks – captured in risk CS5; and
- Not effectively listening to tenants' voice and integrating this into decision making – captured in risk PP5

Background:

Focusing on strategic risk is important to ensure ARC and Board members are assured on how risks are being effectively managed. The review of risk informs key elements of the ARC terms of reference and overall Board reserved matters in this area.

Recommendations:

The Committee are asked to:

- Review and approve this report to be submitted to Board.
- Note the risk dashboard in appendix one
- Note the full risk register in appendix two; and
- Note the sector risks report in appendix three

Previous Approvals (e.g. other Boards or Committees and date of such approval(s)):

N/A

Further Approvals Required (if any):

Board



Individuals & Bodies Consulted/Advice Taken:

Executive Directors
Responsible Heads of Service and Managers
Internal Health and Safety Committee (Health and Safety Partnership)
Independent Asbestos Specialist Consultants

Corporate Strategy Area and Specific Strategy Applicable to this paper:

A Well Run, Sustainable, Financially Strong Business

Welsh Government Regulatory Standard:

RS1: The organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose and objectives

RS2: Robust risk management and assurance arrangements are in place

RS3: High quality services are delivered to tenants

Strategic Risk Impact:

- C5 - Implications arising from issuing electrical compliance against the Renting Homes Wales Act (RHWA)
- CS5 - Cyber Security Breach (including malware/hack/social engineering) leading to business continuity issues, loss of assets and financial fraud
- PP5 - Not effectively listening to the tenants' voice and integrating this into decision making
- C2 - Causing serious harm or neglect to a tenant, supplier or 3rd party
- F4 - Failure to achieve proposed Welsh Government WHQS2 and wider decarbonisation standards
- C3 - Causing serious harm or neglect to Staff
- DS1 - Significant disruption to development programmes impacting the delivery of the development strategy
- PR1 - Project Risk: Ineffective implementation of the Service Charge Review
- C1 - We fail to comply with our legal, regulatory and governance requirements, failing to maintain our current regulatory standing (for governance/services and financial viability which is 'standard/standard')
- F1 - Financial plans and assumptions are not fit for purpose leading to risk of golden rule and/or risk of loan covenant breaches and non-adherence of treasury management policies which has a negative impact on the delivery of the corporate strategy.
- BC1 - Inability to maintain core service delivery in the event of a serious disruption to activities incl. business continuity.



BUSINESS IMPACTS

<p><u>Finance</u> Is there a budget approved for the initiatives detailed within the paper and if not does the paper explain the financial implications of the initiative? How does the proposal deliver VFM?</p>	<p>There are no material finance issues to report.</p>
<p><u>Equality and Diversity</u> Does the content of this report require an Equality Impact Assessment and if so has this been completed and signed off? If 'no,' what has made you come to this decision?</p>	<p>N/A</p>
<p><u>Tenant impact</u> Does the decisions made in this paper impact tenants? If so, how</p>	<p>Yes, areas reflected in narrative and referenced in risk PP5.</p>

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1. Introduction

1.1 This paper sets out:

- Our current strategic risks.
- Risks proposed to be removed from the strategic register.
- A summary of all strategic risks are detailed via appendices
- Summary narrative is given within the report for risks scoring over tolerance and where negative movement has occurred; and
- An appended report from the English Social Housing Regulator which sets out the sector risks for 2025 in the absence of a Welsh Government regulator equivalent document.

2. Methodology on the assessment and identification of risk

- 2.1 Included in this report are appendices which outline the strategic risk register in summary dashboard and detail. This makes up elements of the broader Board Assurance Framework. This paper requires discussion and approval in advance of submission to the Board. The purpose of this report is to demonstrate that risks are identified, assessed, managed, and monitored in line with the Risk Framework.

3. Strategic Risk and Assurance Dashboard

3.1 During the reporting period we continue to:

- Have in place prudent business planning, risk and control framework; and
- Have in place detailed and robust stress testing against identified risks and combinations of risks across a range of scenarios. We continue to plan with appropriate mitigation strategies in place as a result. This was outlined in the stress testing which was applied to the 30-year plan.

- 3.2 The risk dashboard and registers are within the appendices of this report. Risks are ranked in order based on impact/likelihood score in the table below. A range of assurance sources are used to identify, categorise, and report on risks.



4. Presentation of Strategic Risk - Table One – Presentation of risk at review

Risk Code	Strategic Risk	Link to Welsh Government Sector Risks and Regulatory Standards 2022 & Corporate Plan	Nov - 25	Sept - 25	Jun - 25	Feb -25	Jan - 25	Nov - 24	Sept - 24	Jun - 24	May - 24	April - 24
C5	Proposed for removal Implications arising from issuing electrical compliance against the Renting Homes Wales Act (RHWA)	Governance and Leadership (RS1), Risk Management (RS2), (RS3) Financial Planning (RS7), High Quality Accommodation (RS9) A Well Run, Sustainable, Financially Strong Business, A Caring Landlord	20	20	20	20	20	20	20	20	15	15
CS5	Cyber Security Breach (including malware/hack/social engineering) leading to business continuity issues, loss of assets and financial fraud	Governance and Leadership (RS1), Risk Management and Business Continuity (RS2) A Well Run, Sustainable, Financially Strong Business, caring landlord	16	12	12	12	12	12	12	12	12	12
F4	Failure to achieve proposed Welsh Government WHQS2 and wider decarbonisation standards	Governance and Leadership (RS1), Risk Management (RS2), High Quality Services (RS3) Financial Planning (RS7), High Quality Accommodation (RS9) A Caring landlord, A Well Run, Sustainable, Financially Strong Business	15	15	9	9	9	9	9	9	6	6
C2	Causing serious harm or neglect to a tenant, supplier or 3rd party	Governance and Leadership (RS1), Risk Management (RS2), High Quality Services (RS3), Tenant Empowerment and Influence (RS4) High Quality Accommodation RS9) A Well Run, Sustainable, Financially Strong Business	10	15	15	10	8	8	8	8	8	8
C3	Causing serious harm or neglect to Staff	Governance and Leadership (RS1), Risk Management (RS2) Employer of choice, A Well Run, Sustainable, Financially Strong Business	10	15	15	8	8	8	12	12	8	8
PP5	Not effectively listening to the tenants' voice and integrating this into decision making	Governance and Leadership (RS1), Risk Management (RS2), High Quality Services (RS3), Tenant Empowerment and Influence (RS4), High Quality Accommodation (RS9) A Well Run, Sustainable, Financially Strong Business, A Caring landlord	10	10	10	10	10	10				
C1	We fail to comply with our legal, regulatory and governance requirements, failing to maintain our current regulatory standing (for governance/services and financial viability which is 'standard/standard')	Governance and Leadership (RS1), Risk Management (RS2), (RS3) Financial Planning (RS7), High Quality Accommodation (RS9) A Well Run, Sustainable, Financially Strong Business	9	9	9	2	2	2	2	2	2	10

[illegible]



5. Risks proposed to be deleted for additional assurance due to scores

5.1 C5 - Implications arising from issuing electrical compliance against the Renting Homes Wales Act (RHWA)

5.2 Risk summary

Four T's – Transfer, Tolerate, Treat, or Terminate.	<p>Treat – Actions identified within the register as an individual organisation together with wider sector actions in partnership with Community Housing Cymru (CHC).</p> <p>Transfer – We have transferred some of the risk regarding lenders covenant breaches with carve out agreements. These were for £7.2M in 2023/24 and £4M in 2024/25. This does not include minor works which are still under review on whether they are in scope against this legislation.</p>
Risk Tolerance	We have no control over this risk regarding the current challenge to legislation in this area.
Risk Appetite	<p>Regulatory Compliance – Balanced - A preference for safe options that have a low degree of inherent risk and may only have limited potential for reward.</p> <p>Legal – Balanced - Preference for safe options that have a low degree of inherent risk and may only have limited potential for reward.</p> <p>Finance and Treasury Management - Golden Rules and Covenant Compliance – Open - Willing to consider all options and choose the one that is more likely to result in successful delivery while providing an acceptable level of reward.</p> <p>Reputation and Publicity – Open - Willing to consider all options and choose the one that is more likely to result in successful delivery while providing an acceptable level of reward.</p>
Independent Sources of Assurance	Legal advice – Devonshires LLP, Counsel Centrus Treasury Advisors
Risk Impact Summary	Loss of income, breach of statutory requirements, reputational damage, potential litigation, loss of confidence in us from our tenants and key stakeholders, regulatory intervention. Lender covenant breach mitigated with carve out and waiver letters.



- 5.3 This risk is proposed to be removed from the strategic risk register due to the conclusion of the judgement. The High Court ruled in favor of housing associations in the second stage of a test case related to the Renting Homes (Wales) Act and regulations requiring landlords to provide Electrical Condition Reports (ECRs) to tenants by December 2023. In summary:

Context

- Under the Renting Homes (Wales) Act 2016, landlords must provide tenants with Electrical Condition Reports (ECRs).
- Failure to provide ECRs renders properties ‘unfit for human habitation,’ suspending rent obligations during non-compliance.
- Deadline for compliance: 15 December 2023.

Previous Position

- Coastal Housing Group v Mitchell (Nov 2024) confirmed rent is not payable during periods of non-compliance.
- Rent becomes payable again once landlords comply.

Outcome of the Judgment (Oct 2025)

- Court dismissed tenants’ counterclaims for repayment of rent paid during non-compliance.

Key Findings

- Mistake of Law: No causative mistake; restitution denied.
- Unjust Enrichment: Landlords enriched but not unfairly; tenants received safe housing.
- Subsisting Contracts: Restitution claims would override contractual risk allocation.
- Set-Off Claims: Attempts to withhold rent rejected.
- Human Rights: No breach of landlords’ property rights under ECHR.

Implications

- Rent paid during non-compliance need not be refunded if ECRs later provided and tenants remain in occupation.
- Tenants face significant hurdles reclaiming rent.
- Compliance remains critical—technical breaches still trigger rent suspension during non-compliance.

Sector Impact

- Reduces landlords’ financial exposure; risk confined to unpaid rent during non-compliance.
- Welsh Government welcomed clarity; homes were safe and issue was technical.



- 5.4 With regard to financial risks, any arrears impacted by the specific time period in the judgement, have been fully provided for as part of our normal bad debt provision policy. Ongoing checks will ensure that we continue to remain in compliance with this ruling now clear legal precedent for how treatment of non-compliance will be treated in law. On this basis, we recommend that this risk is removed from the register as ongoing compliance will become business as usual.

6. Exemption scores that require exception reporting

7. **CS5 - Cyber Security Breach (including malware/hack/social engineering) leading to business continuity issues, loss of assets and financial fraud.**

7.1 Risk summary

Four T's – Transfer, Tolerate, Treat, or Terminate.	<p>Tolerate - The risk here is considered acceptable or the ability to do anything about the risk is limited, or the cost of taking action may be disproportionate to the potential benefit gained. Risk should be monitored and reevaluated regularly.</p> <p>Transfer – We have a standalone cyber security policy. Insured up to £5M for major response costs. We have also transferred risk of monitoring 24/7 coverage of cyber security to our retained advisors Pure Cyber.</p>
Risk Appetite	Balanced – A preference for safe options that have a low degree of inherent risk and may only have limited potential for reward. Actions are in line with Board approved risk appetite in this area.
Independent sources of Assurance	Cyber Essentials Plus – June 2025 AC15.23/24 - Independent Third Party Assurance on Cyber Security Controls by Pure Cyber
Risk Impact Summary	Loss of assets (data), reputational damage, regulatory intervention (ICO and other), Business continuity and service disruption, potential litigation, fines.

- 7.2 This score has increased since the last review.
- 7.3 Cybersecurity remains the top most cited risks for business in the UK for 2025. This has been driven by sophisticated attacks, regulatory scrutiny, and severe financial and reputational consequences. Boards face increased accountability for cyber oversight.
- 7.4 Ransomware continues to evolve, with Ransomware-as-a-Service (RaaS) models and double extortion tactics becoming common. AI-driven attacks are increasing, leveraging automation for phishing and reconnaissance. Supply chain risks remain significant, accounting for nearly 60% of breaches. This is a pattern that we have continued to see in 2025.



- 7.5 This risk has increased due to the presentation of our current data retention position with data exfiltration risks (our data being stolen as part of an attack). Data exfiltration has become one of the most critical cybersecurity challenges for businesses today. Unlike ransomware attacks, which are often immediately visible, exfiltration incidents tend to be stealthy and prolonged. Attackers frequently infiltrate systems and siphon sensitive information over weeks or even months without detection, making these breaches particularly damaging. The reason this threat is so significant is that the data targeted is often highly valuable most commonly personally identifiable information (PII) and financial. When such data is stolen, organisations can face severe regulatory exposure. Under frameworks like GDPR, breaches involving personal data trigger mandatory reporting and can lead to fines. Beyond regulatory penalties, the reputational damage can also be significant with customers and partners losing trust when confidential data is leaked.
- 7.6 Small businesses are particularly vulnerable, with 71% of breaches in 2025 targeting firms with fewer than 250 employees. This risk has increased due to the continued presentation of our data retention position. We continue to hold data that we have limited legitimate interest to hold and that increases the risk impact if we were subject to a cyber attack where data exfiltration actions crystalise.
- 7.7 This risk is also linked to risk C1 regarding legal, regulatory and data governance requirements with data retention. Whilst we continue to be non-compliant with data retention under existing legislation regulations, the risks of this being stolen via exfiltration significantly increase where we note increased cyber security attacks in the sector, small businesses under 250 employees and wider increases in the UK in 2025. This risk has increased as we have yet to delete the current unlimited time periods for email retention which is due to go down to two years after the 31st March 2026. Further actions continue to be overdue regarding the full review of all of our electronically held data to asset tag (to confirm retention periods to delete) and then have an automated programme of deletions going forward. There are currently no controls to review and tag our data for deletion. A further example of this where systems are restricting data retention is historic housing waiting lists still kept on Capita which have not been in use for more than 15 years.
- 7.8 Mitigation actions will be along two lines:
- Completion of the business transformation project, particularly where data will be reviewed, filtered and where appropriate, deleted before transferring to the new system, in addition new system will be more secure; and
 - Wider data retention project completion for all data held.
- 7.9 Cyber security continues to be one of the principle material risks for us. We continue to enhance our preparedness for cyber security incidents with changes to how we deal with business continuity issues. We are now amending our procedures to follow a 'play book' approach which will contain more information to help staff in the event of an incident. Our incident



preparedness response will need to be retested in 2026. We need to review the data we hold linked to exfiltration risks. The broader project for data retention is currently being reviewed due to resource implications and further assurance will be provided to ARC and Board on this area.

7.10 **Summary and plans to meet target score** - There are material risks here. Narrative and response as set out. Wider actions regarding retention are set out in the register for risk C1. Further assurance will be provided in this area.

8. **F4 - Failure to achieve proposed Welsh Government WHQS2 and wider decarbonisation standards**

8.1 **Risk Summary**

Four T's – Transfer, Tolerate, Treat, or Terminate.	Treat – Actions are identified within the risk register
Risk Appetite	Regulatory Compliance Balanced - Corrective actions required with moderate or more consequences to finances, stakeholders, management resources and reputation. Governance or Financial Viability references made in discussions with regulator.
Independent sources of Assurance	Internal audits - Strategic Asset Management (2016/17) green RAG rated.
Risk Impact Summary	<ul style="list-style-type: none"> • Unaffordable homes due to high utility costs • Increase in void turnover/no. of void properties • Poor Regulatory Judgement • Impact on financial viability • Not meeting Welsh Government decarbonisation standards in the future

8.2 A reminder of the requirements under this new regulatory standard:

Key Features of WHQS 2

Under WHQS 2, all social housing must:

- Be in a good state of repair, safe, and secure.
- Be affordable to heat and have minimal environmental impact.
- Include modern kitchens and bathrooms.
- Promote comfort and wellbeing, including noise reduction and ventilation.
- Provide suitable outdoor space and biodiversity features.

The standard also introduces new elements such as:

- **Water efficiency measures.**
- **Flooring standards** at change of tenancy.



- **Active travel provisions**, such as secure cycle storage.
- **Noise mitigation** and improved ventilation systems.

Decarbonisation Requirements

Decarbonisation is at the heart of WHQS 2. The Welsh Government has set ambitious targets:

- Energy Performance Certificate (EPC) Band C by 2029 for all social homes.
- Progress towards EPC Band A and net zero carbon by 2033–2034.
- Landlords must develop Targeted Energy Pathways (TEPs) for their stock, outlining how each property will move towards these goals.
- A “fabric-first” approach is mandated, prioritising insulation and airtightness before introducing low-carbon heating systems.
- Integration of renewable energy generation and storage solutions by 2031.
- Whole-stock assessments to balance carbon emissions across portfolios.

The Optimised Retrofit Programme (ORP) supports these goals by funding and testing innovative retrofit solutions. Welsh Government has allocated £70 million per year for retrofit and decarbonisation, but sector estimates suggest a £2.7 billion funding gap to achieve EPC A across social housing by 2030.

8.3 Key timescales for Housing Associations:

- **By March 2025:** Landlords must assess stock condition and prepare improvement plans.
- **By March 2027:** Develop and publish Targeted Energy Pathways.
- **By March 2029:** Achieve EPC Band C across all homes.
- **By March 2034:** Full compliance with WHQS 2, including decarbonisation and wellbeing measures.

8.4 A update on our position was reported to the Development and Asset Management Committee in November 2025 (see paper DC 37. 25/26). In summary:

Compliance Position

- **Properties Assessed:** 3,071
- **Elements Reported:** 122,824
- **Pass Rate:** 64.5%
- **Fail Rate:** 3%
- **Temporary Fails:** 6%
- **Property-Level Analysis:**
 - 3% have no fails
 - 83% have one fail (mostly due to missing whole-house energy assessment)
 - 14% have two or more fails

Strategic Risks

- **Fire Safety:** LD2 systems across all homes by March 2030.



- **Energy Efficiency:** Complete whole-house assessments by March 2027; achieve SAP targets.
- **Data Integrity:** Address gaps and reconcile discrepancies.
- **Programme Delivery:** Align works with business plan and grant funding.

Next Steps

- Submit **version 3** of WHQS data to Welsh Government by **2 December 2025**.
- Investigate current fails (repairs vs. surveyor error).
- Undertake data reconciliation and integrity checks.
- Provide additional training for surveyors on WHQS changes.

8.5 This risk continues to present materiality regarding the implementation of the standards without further guarantees of grant to achieve the standards.

9. C2 - Causing serious harm or neglect to a tenant, supplier or 3rd party & C3 Causing serious harm or neglect to Staff

9.1 Risk Summary

Four T's – Transfer, Tolerate, Treat, or Terminate.	<p>Treat – Actions are identified within the risk register</p> <p>Transfer – Public liability and property owners liability insurance in place up to policy limits in the event of serious injury or death. We also hold Directors and Officers (D&O) insurance which contains limits for defense costs in the event of some injuries and fatalities.</p>
Risk Appetite	<p>Asset (Property) Health and Safety Compliance and Legal</p> <p>Balanced – A preference for safe options that have a low degree of inherent risk and may only have limited potential for reward. Actions are in line with Board approved risk appetite in this area.</p>
Independent sources of Assurance	<ul style="list-style-type: none"> • Internal audits - Lift Safety May 2023, green RAG rated. Damp and Mould Audit Aug 23, Yellow RAG rated. KCHC, June 2023 (Landlord H&S), Green RAG Rated. Data Integrity, Feb 2024, Green RAG rated. KCHC (Landlord H&S), March 2024, Green RAG Rated; KCHC (Landlord H&S), June 2024, Green RAG rated; Lift Safety July 2024, Green RAG rated; Data Integrity, Feb 2025, Amber/Green RAG Rated; Gas Safety, July 2025 Green RAG rated. CORGI independent check on gas and electrics. • No independent assurance on management of Radon as set out in risk register. • No independent assessment of assurance in relation to CDM management for decarbonisation related works.



Risk Impact Summary	<ul style="list-style-type: none"> • Loss of or injury to life. • Regulatory action. • Legal action against CCHA, individuals / board. • Reputational damage. <p>Financial impact e.g. from HSE sanctions in the event of an incident, legal claims, increase in insurance premiums.</p>
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9.2 These risks continue to present higher than risk appetite. Actions as set on the risk register aim to bring appetite and compliance within this area back to expectations. Both risks increased materially due to findings from an internal second line deep dive audit into broad management of asbestos. A separate paper on progress against the responding action plan was presented to the October 2025 ARC meeting. We continue to await completion of those actions with a follow up second line of assurance audit to ensure all measures are in place and effective. A closure report will then be reported to ARC to close this risk that was escalated from the internal health and safety committee (partnership).

9.3 The long outstanding Radon actions have been completed with a separate statement of compliance to be reported to the December ARC Committee. This compliance statement now evidences our compliance with requirements. Actions have been completed, and operational risk scores reduced in this area, however this linked strategic risk continues to remain above tolerance due to wider linked areas as set out above.

9.4 Long standing overdue medium remedial fire actions for higher risk buildings have been completed in the period and removed from the register which has also reduced the underlying score linked to this area. There are 12 remaining outstanding fire door replacements via grant funding at Aquila which are due to be completed at the end of January 2026. The Committee will also note that outstanding remedial medium actions for legionella have now been completed and removed from the register.

9.5 Summary and plans to meet target score – There continues to be material risk here. The continued elevated score are linked to actions identified within the asbestos management deep dive. Broader actions are expected to bring scores back to tolerance levels once a second line audit of completed actions can evidence their effective implementation. Wider linked risks associated with these risks are set out on the register with actions.

10. PP5 - Not effectively listening to the tenants' voice and integrating this into decision making

10.1 Risk Summary

Four T's – Transfer, Tolerate, Treat, or Terminate.	Treat – Actions identified within the risk register aim to reduce this risk in line with target score.
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Risk Appetite	Being a caring Landlord and Customer Services Open – Willing to consider all options and choose the one that is more likely to result in successful delivery while providing an acceptable level of reward.
Independent sources of Assurance	STAR Survey results 2023. Internal Audit - Complaints Audit 2025 - Moderate (no actions identified within TOR relating to Tenants Voice and complaints learning Welsh Government Standard/Standard Regulatory Judgement
Risk Impact Summary	Inability to hear the tenants' voice and take appropriate action / design services appropriately. Governance failure. Service failure. Cause serious harm and or neglect to tenants and third parties Poor satisfaction and perception Reputational damage Loss of confidence and trust in us from our tenants / key stakeholders. Disengagement of tenants Regulatory intervention Housing Ombudsman intervention Community decline Increasing complaints Increasing subject access requests Increasing litigation Negative financial impact

10.2 A confidential staffing paper was brought to the Board meeting on 5th November 2025 outlining how a new structure would ensure that more time, resource and strategic thinking is given to tenant voice structures. The key results from the upcoming piece of work will be;

- Tenant voice sitting within the OMT structure with a clear set of KPIs which will track progress
- Additional resources within the team to ensure that CCHA is able to evidence tenant voice within assets and WHQS related works
- Complaints sit within the customer experience team remit so quantitative data is dovetailed with learning actions and service improvement; and
- Additional focus on how service improvement and tenant voice can be evidenced due to strategic oversight and resources.

9.2 Additionally PACE committee will review the information that comes from the Tenant Improvement Panel (TIP), with an opportunity for a TIP representative to attend the committee. Reporting on key areas such as STAR surveys, and other transactional data will be able to show progress and trends. Having tenant voice directly sitting in OMT will enable better use of the LEARNT framework and



other continuous improvement tools.

10.3 We are looking at our wider engagement structures, both within the communications team and the communities team with a view to ensure that we gain maximum impact across all our communities and customers, as opposed to a select few. This piece of work will be assessed in order for the community centre strategy to come to Board in 2026. In addition, this work will be driven by the new Customer Experience strategy, the Communications Strategy and the People Strategy.

10.4 **Summary and plans to meet target score** - There are material risks here. A broader review of tenants voice arrangements to be completed by March 2026 will aim to provide clarity on how we can manage this risk and wider regulatory expectations in this area.

11. Broader risk register

11.1 Remaining risks are set out within the risk register with actions set out if required to meet target score. There has been no material movement within the remaining risk register with actions as set out. Full coverage of the strategic risk register is set out in supporting appendices.

12. Summary

12.1 The principal risk that has been mitigated with the conclusion of the legal judgment relating to the EICR/RHWA risk has now been completed. As set out we propose to remove this risk as actions to ensure we operate within the judgment are now business as usual and operational. All financial risks (relating to rent unpaid from the relevant period) that have been identified from the judgement are fully provided for and do not present any material financial concerns.

12.2 Health and safety concerns raised under risk C2 and C3 continue to present and predominantly form around the management of asbestos. Actions to complete long standing actions with Radon are now removed, and progress is noted with outstanding legionella and fire actions.

12.3 WHQS2 and decarbonization related risks have increased as set out now we have formal compliance reporting. Further assurance will be reported to the newly formed Development and Asset Management Committee with any concerns raised to ARC if required. This risk will continue to be dynamic as standards remain in discussion with Welsh Government.

12.2 Tenant voice continues to be an area of focus with further plans set out.

12.3 ARC and Board have been historically briefed on the risks posed to cyber security. Ongoing delays in addressing data retention has increased the risks



of data exfiltration if we were subject to a cyber attack. This risk is linked to wider control improvements with data protection and data retention. Revised plans and associated resources in this area will be presented via the wider business transformation project.

12.4 The Committee are asked to note the sector risks appended to this report. A verbal presentation on this document will be given at the Committee.

12.5 ARC will note that we have included as requested the new risk relating to the business transformation risk. This will be tracked as 'Project Risk: Business Transformation Project (PR3)' on the strategic risk register. Note that this risk does not require in depth narrative with its current score.

13. Recommendation

13.1 The Committee are asked to:

- Review and approve this report to be submitted to Board.
- Note the risk dashboard in appendix one
- Note the full risk register in appendix two; and
- Note the sector risks report in appendix three