

**REPORT OF THE EXECUTIVE MANAGEMENT TEAM
TO THE AUDIT AND STANDARDS COMMITTEE**

09 November 2020

QUARTER 2 CORPORATE RISK MANAGEMENT REPORT 2020-21

Submitted by: Executive Management Team

Portfolio: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: All

Purpose of the Report

To inform Members of the progress made by the Council in enhancing and embedding risk management for the period July to September (Q2), including progress made in managing identified corporate risks.

To ask members to recognise that risk likelihood can be mitigated but the risk impact may not change.

Recommendations

The Committee is asked to:-

- (a) Note that there are no overdue risk reviews (point 2.1.1).**
- (b) Note that there were 5 risk level increases (point 2.2.1).**
- (c) Note that there were no new identified risks (point 2.2.2).**
- (d) Note the current position on the Brexit – No Trade Deal (point 2.2.3).**
- (e) Identify, as appropriate, individual risk profiles to be scrutinised in more detail at the next meeting of the Committee.**

Reasons

The risk management process adopted by the Council has been reviewed to incorporate changes in the way the Council works and to provide continuity and streamlined reporting of risks to allow the process to become further embedded at each level of the authority. This will also aid the identification of key risks that potentially threaten the delivery of the Council's corporate priorities. The Risk Management Strategy provides a formal and proportionate framework to manage these identified risks and thus reduce the Council's exposure.

1. Background

- 1.1 The Council monitors and manages all its risks through the various risk profiles contained within GRACE (Governance Risk and Control Environment) – the Council's software used to record and manage risks.

- 1.2 The Council currently reviews its high (red 9) risks at least monthly and its medium (amber) risks at least quarterly.
- 1.3 The last review of these risks (Q1 2020) was reported to the Council's Audit & Standards Committee in July 2020.
- 1.4 Risk owners are challenged by the Council's Risk Champions in respect of the controls, further actions, ratings and emerging risks related to their risks, and are also challenged on the reasons for inclusion or non-inclusion and amendment of these.
- 1.5 Projects are managed to a high level in relation to risk and are reviewed in accordance with the Risk Management Strategy (i.e. at least monthly).

2. Issues

- 2.1 Further to an Audit Assurance recommendation, your officer has been asked to report on overdue risk reviews that are 6 months out of date.
 - 2.1.1 At the time of running the report, there are no overdue risk reviews.
- 2.2 Following a previous meeting a brief point is now produced to show any risks where the risk level has increased to a Medium 7, 8 or High 9.
 - 2.2.1 Your officer can report that there were 5 risk level increases for reporting. These risks can be found from page 1 to 5 of Appendix A.
 - 2.2.2 There has been no reportable new risks identified for Q2 2020/21.
 - 2.2.3 From a previous meeting a request was made in respect of Brexit - No Trade Deal, and what risks may affect the Council. Your Officers can advise that the Brexit Working Group has been reformed, an initial meeting of the Staffordshire Resilience Forum (SRF) has taken place (the Borough Council were in attendance) and officers have now drafted the attached risk assessment, shown at Appendix B, which may be modified subject to further outcomes of the SRF (inclusion of risk ratings, risk owners etc.).
 - 2.2.3.1 A summary of the key points from partner work to date include:
 - Reformation of the Borough Council Brexit Working Group proactively supports internal services, local businesses and residents on and around the potential impacts of a Brexit – No Trade Deal.
 - Initial meeting of the SRF has taken place.
 - Local planning assumptions have been assessed.
 - Key consequences have been identified and are the risks shown in Appendix B. Some of these risks however are outside of Newcastle Borough Council's control, however we can support partners and local businesses to access other areas/streams of support should the need arise.
 - 2.2.4 Should there have been any changes or increases during October to December 2020 these will be fully reported to the next relevant meeting of the Committee.

3. Options Considered

3.1 Following the comprehensive review of risk profiles taking place across the council, the only risks to be reported are those from the Corporate Risk Register, unless there are any significant occurrences or increases in other profiles.

4. Proposal – Corporate, Strategic, Operational, Project and Partnership Risk Registers (Appendices)

4.1 The Council regularly reviews and refreshes its risk registers in accordance with the Risk Management Strategy.

4.2 These reviews are co-ordinated by the Strategic Risk Champion who works closely with Directors, Operational Risk Champions and Risk Owners.

4.3 The measure of the ratings for the impact and likelihood are shown below, for ease of use.

Impact Measures

	High (red)	Medium (amber)	Low (green)
Health & Safety	Death, abuse, life threatening <u>OR</u> permanent disability	Serious injury <u>OR</u> long-term absence from work (over 7 days)	Minor injury <u>OR</u> short-term absence from work (less than 7 days)
Cost	More than £300k	Between £50-£300k	Between £20-£50k
Reputation	National media attention, potential public interest report, third party intervention	Sustained local media attention, Executive Director reporting, Member interest	Short term local media attention, Wider Management Team reporting
Service Delivery	Serious service failure directly affecting partners, stakeholders (more than 1 month)	Service failure but not directly affecting partners or stakeholders (up to 1 month)	Service disruption (between 1 day to 2 weeks)
Project Delivery	Project failure impacting on council's priorities and performance	Project failure impacting on Directorate's performance and priorities	Project delay impacting on service performance and priorities
Legal implications	Statutory body, partner or enforcement agency	Member and Executive Management Team	Wider Management Team

Likelihood Measures

	High (red)	Medium (amber)	Low (green)
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Timescale	Highly likely to occur (90%+ chance)	Likely to happen (50-89% chance)	Possible (1-49% chance)
	An incident has occurred in the past year <u>OR</u> is highly likely to occur in the next year	An incident has occurred in the past 2-5 years <u>OR</u> is likely to occur in the next 2-5 years	An incident has occurred in the past 6+ years <u>OR</u> is likely to occur in the next 6+ years

L I K E L I H O O D	High	7 Amber	8 Amber	9 High Red
	Medium	4 Green	5 Amber	6 Amber
	Low	1 Green	2 Green	3 Amber
		Low	Medium	High
I M P A C T				

5. Reasons for Preferred Solution

5.1 To offer a continual review process to minimise and mitigate risks.

6. Outcomes Linked to Corporate and Sustainable Community Priorities

6.1 Good risk management is a key part of the overall delivery of the Council's four corporate priorities of:

- Local Services that Work for Local People.
- Growing our People and Places.
- A Healthy, Active and Safe Borough.
- A Town Centre for all.

7. Legal and Statutory Implications

7.1 The Accounts and Audit (England) Regulations 2015, state that:

*“The relevant body **is** responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk”.*

8. Equality Impact Assessment

8.1 There are no differential equality impact issues in relation to this report.

9. Financial and Resource Implications

9.1 None where actions are to be taken in order to mitigate the risks as these will be met from within existing budgets. Where this is not possible, further reports will be submitted to Members of relevant Committees.

10. Major Risks

10.1 As highlighted in Appendix A.

10.2 As highlighted in Appendix B.

11. Sustainability and Climate Change Implications

11.1 Officers assess sustainability and climate change implications as part of their local services.

12. Key Decision Information

12.1 This report is for information and there are no key decision requirements pertaining to the information contained within the report.

13. Earlier Cabinet/Committee Resolutions

13.1 Previous Minutes from Committee meeting held on 9th March 2020.

14. List of Appendices

14.1 Appendix A – Risks with increased ratings and heat map.

14.2 Appendix B – Risk Assessment for Brexit - No Trade Deal.

15. Background Papers

15.1 Previous Minutes and reports have been circulated to relevant Members and Officers.