

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
AUDIT & STANDARDS COMMITTEE**

Date 08 November 2021

1. **REPORT TITLE** Quarter 2 2021/22 Corporate Risk Management Report
- 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 2021 (Q2 (2021/22)) 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.

Recommendation

The Committee is asked to:-

- (a) Note that there are 3 overdue risk reviews during Q2 (point 2.1.1).
- (b) Note that there was 1 risk level increase during Q2 (point 2.2.1).
- (c) Note that there were 6 new risks identified during Q2 (point 2.2.2).
- (d) Note Appendix A – update on the Corporate risks (point 2.2.3)
- (e) Identify, as appropriate, individual risk profiles to be scrutinised in more details at the next meeting of the Committee

Reason

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 (Q4 2020/21 & Q1 2021/22) was reported to the Council's Audit & Standards Committee on 26 July 2021.

- 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 risk profiles, and are also challenged on the reasons for inclusion or non-inclusion and amendments 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). Any specific projects, where required can also have their risks monitored, maintained and managed in the Project Board meetings, in line with whichever risk management process they wish to use – this will stop 'double reporting' and enable officers to manage the project risks accordingly, but escalating any requirements via the process in the Risk Management Strategy.

2. **Issues**

- 2.1 Further to an Audit Assurance recommendation your officers have 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 3 overdue risk reviews in Q2 (2021/22). One is in the Asset Services risk profile; and the other two are in Community Centres;
 - 2.1.2 In line with the risk management strategy the escalation process will be followed, until such time that involvement of this Committee is required.
- 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 was 1 risk level increase during Q2 (2021/22).
 - The risk identified in Balances and Contingencies profile in respect of the Council becoming liable to pay compensation or legal fees or other unforeseen commitments arise, has changed from a Medium 6 to a High 9.
 - 2.2.2 There were 6 new identified risks for Q2 (2021/22). These are in relation to
 - Managing skill sets and resources in a Legislative Resource Team in Asset Services (Medium Amber 6);
 - Walleys Quarry Financial Costs in the Balances and Contingencies profile (Medium Amber 6);
 - Two risks added in Benefit Services in relation to Breach of Personal information (Low Green 4) and Failing to retain key staff (Low Green 2);
 - Two risks in Revenue Services in relation to Breach of Personal Information (Low Green 4) and Failing to retain key staff (Low Green 2);
 - These profiles and risks are managed day to day at Officer level, and escalated where required.
 - 2.2.3 Appendix A highlights the Corporate risks following a review on 1 October 2021.

3. **Proposal**

- 3.1 To accept the recommendations.
- 3.2 To accept Appendix A.

4. **Reasons for Preferred Solution**

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

5. **Options Considered**

5.1 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 increased in other profiles.

6. **Legal and Statutory Implications**

6.1 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”.*

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

8.1 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.

9. **Major Risks**

9.1 Insufficient risk profiles may expose the council to non-compliance with its Legal and Statutory obligations.

10. **UN Sustainable Development Goals and Climate Change Implications**

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



11. **Key Decision Information**

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

12. **Earlier Cabinet/Committee Resolutions**

12.1 Previous Minutes from Committee meeting held on 26 July 2021.

13. **List of Appendices**

13.1 Appendix A – Corporate risks with heat map.

14. **Background Papers**

14.1 None.