

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

Date 07 February 2022

1. **REPORT TITLE** Quarter 3 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 October to December 2021 (Q3 (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 9 overdue risk reviews during Q3 (point 2.1.1 & 2.1.2).**
- (b) Note that there were no risk level increases during Q3 (point 2.2.1).**
- (c) Note that there were 3 new risk profiles identified during Q3 (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 (Q2 2021/22) was reported to the Council's Audit & Standards Committee on 8 November 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 9 overdue risk reviews in Q3 (2021/22). One is in the Asset Services risk profile; and two are in Community Centres – these were reported to the last meeting and have been reported to the relevant Executive Director.
 - 2.1.2 The other overdue reviews are as follows: one in Castle House profile; two in the Carbon Reduction Plan; one in Commercial Development; one in the Asset Management Strategy; and the final one in The Midway.
 - 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 were no risk level increases during Q3 (2021/22).
 - 2.2.2 There were however, new identified risks for Q3 (2021/22). These are in relation to
 - New Risk Profile for Future High Street Fund
 - New Risk Profile for Newcastle Town Deal
 - New Risk profile for Kidsgrove Town Deal
 - 2.2.3 The new risk profiles above are regularly monitored by the relevant project boards and reported accordingly to Officers and Member Committees where required.
 - 2.2.4 Appendix A highlights the Corporate risks following a review on 17 December 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 8 November 2021.

13. **List of Appendices**

13.1 Appendix A – Corporate risks with heat map.

14. **Background Papers**

14.1 None.