

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

Date 07 September 2022

1. **REPORT TITLE** Quarter 4 2021/22 & Q1 2022/23 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 January to March 2022 (Q4 (2021/22)) and April to June 2022 (Q1 (2022/23)) 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 the issue and work completed at point 2.1.
- (b) Note Appendix A – Sustainable Environment profile linking service objectives with corporate priorities (2.1.4).
- (c) Note that there are 19 overdue risk reviews during Q4 & Q1 (point 2.2.1).
- (d) Note Appendix B – 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 (Q3 2021/22) was reported to the Council's Audit & Standards Committee on 07 February 2022.
 - 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 Following the last meeting in April 2022 when the Risk Management Policy and Strategy was approved, Risk Management received the report for its Audit report, with an overall rating of Satisfactory.
 - 2.1.1 There were recommendations – 1 medium and 8 low.
 - 2.1.2 Work has been completed on some quick fixes and further development started on those recommendations where they may take longer.
 - 2.1.3 The one medium recommendation related to the auditors view that *"in the absence of clear objectives, officers may consider and respond to irrelevant risks that have no impact of the services they provide"*. The findings included that an enhancement be made to the corporate risk register – that risks are clearly mapped to the Council's corporate priorities. This work has been started in that functionality is available to link.
 - 2.1.4 This work is further progressing in that with the restructuring taking place and the writing of the new, or revising current service plans throughout, the objectives identified in them, along with other information, is linked to the corporate priorities. An example of one completed area can be seen at Appendix A, where work has been started on Sustainable Environment service.
 - 2.2 A previous Audit Assurance recommendation is to report on overdue risk reviews that are 6 months out of date.
 - 2.2.1 At the time of running the report, there are a total of 19 overdue risk reviews from Q4 and Q1.
 - 2.2.2 In relation to these overdue risks, as the restructuring of services throughout the Council takes place, these should reduce when risk owners are identified and risks reviewed as part of their responsibility changes. This will also affect their service plans and linking those risks, aims and key indicators.
 - 2.2.3 In line with the risk management strategy the escalation process will be followed, until such time that involvement of this Committee is required.
 - 2.3 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.

2.3.1 At this time with the restructuring taking place, it has been decided that this will be put on hold until a full review can take place.

2.3.2 Appendix B highlights the corporate risks following a review on 15 July 2022.

3. **Proposal**

3.1 To accept the recommendations.

3.2 To accept Appendix A.

3.3 To accept Appendix B.

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 08 November 2021.

13. **List of Appendices**

13.1 Appendix A – Sustainable Environment profile with heat map showing link back to corporate priorities.

13.2 Appendix B - Corporate risks with heat map.

14. **Background Papers**

14.1 None.