

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

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

**Date 06 February 2023**

<b><u>REPORT TITLE</u></b>	Corporate Risk Management Report
<b><u>Submitted by:</u></b>	Executive Management Team
<b><u>Portfolio:</u></b>	Corporate and Service Improvement, People and Partnerships
<b><u>Ward(s) affected:</u></b>	All

**Purpose of the Report**

To update Members on the current position in respect of risk management controls and identified corporate risks.

**Recommendation**

**That the Audit & Standards Committee:-**

- 1.Note that there currently 9 risks that are more than 6 months overdue for a review (Appendix A)**
- 2.Note the risks on the Corporate Risk profile (Appendix B)**
- 3.Advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting**
- 4.Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change**

**Reason**

To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium 7/8 or high 9 or are new risks.

**Background**

- 1.1 The Council's Risk Management Strategy (RMS) sets out how it identifies, records, manages and reports on risk. It uses the GRACE software (Governance Risk and Control Environment) to monitor and manage all of its risks by creating individual risk profiles which rank risk based on likely occurrence and impact, after applying relevant mitigation measures. The system allows for the creation and monitoring of mitigation action plans and the assignment of risk owners.
- 1.2 The system allows risks to be managed in this way at service and directorate level and, where warranted, corporately through the Executive Management Team and this committee. The RMS describes how risks are escalated and reported through that hierarchy depending on the

nature of the risk, and in light of any delays in reviewing risk profiles or applying mitigation measures.

- 1.3 The Council currently reviews its high (red 9) risks at least monthly and its medium (amber) risks at least quarterly. The RMS and good audit practice requires that amber 7/8 and red 9 risks are reported to this committee, along with the Corporate Risk Register any risk profiles that are overdue for review by 6 months or more. This set of measures was last reported to this Committee on 07 September 2022.
- 1.4 GRACE automatically prompts Risk Owners to review their risk profiles at the required intervals, and will escalate overdue reviews. The review process involves the Council's Risk Champion challenging Risk Owners in respect of the controls, further actions, ratings and emerging risks related to their risk profiles. They are also challenged on the reasons for inclusion or non-inclusion of risks and amendments made to profiles. The Risk Champion has a direct reporting line to the Monitoring Officer and into the Executive Management Team.
- 1.5 Project specific risks are managed to a high level in project specific risk registers and are reviewed in accordance with the RMS at least monthly. Any specific projects can, where required, also have their risks monitored, maintained and managed in the Project Board meetings, but remain subject to the escalation requirements in the RMS.

### **Issues**

- 2.1 At the time of this report, there are 9 overdue risk reviews. These are still overdue due to officers work priorities being diverted in to the Walley's Quarry investigations; the re-alignment of services from restructure, and decisions still being required on where these specific risks may remain. Please see APPENDIX A for the list of risks.
- 2.2 There are risk level changes – increasing to either a medium 7/8 or high 9. These are listed as follows:
  - Civil Emergency – Animal Disease raised from Low 4 to Medium 7, due to the increase of Avian Flu within the Borough and close proximity to other council areas.
- 2.3 APPENDIX B is the current Corporate Risk profile. There has been no movement in these risks in the past 6 months.

### **Proposal**

- 3.1 Note that there currently 9 risks that are more than 6 months overdue for a review (Appendix A)
- 3.2 Note the risks on the Corporate Risk profile (Appendix B)
- 3.3 Advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting
- 3.4 Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change

### **Reasons for Preferred Solution**

- 4.1 To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium 7/8 or high 9 or are new risks.

### **Options Considered**

- 5.1 N/A. Reporting is undertaken in accordance with the RMS.

### **Legal and Statutory Implications**

- 6.1 It is considered that the RMS and the procedures it sets out, including the escalation of risks and reporting to this committee satisfies the requirements of the Accounts and Audit (England) Regulations 2015 which 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”.*

### **Equality Impact Assessment**

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

### **Financial and Resource Implications**

- 8.1 There are no resource implications in respect of the management and reporting of risk, outside of usual establishment provision for the costs of delivering that service. Finance and resource implications arising from particular risks are identified and managed as part of the risk profile in question.

### **Major Risks**

- 9.1 Inadequate resource and/or expertise to comply with the processes in the RMS leaves the council unable to appropriately identify and manage a potentially significant wide range of risks.
- 9.2 That could lead to a wide range of organisational governance and service or project delivery failures. Impacts could be profound in financial and health and wellbeing terms for the organisation, its employees and partners and the people and organisations it delivers services to. It would mean the Council is unable to comply with the legal requirements set out above in respect of the management of risk.

### **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.



### **Key Decision Information**

11.1 N/A.

### **Earlier Cabinet/Committee Resolutions**

12.1 Previous Minutes from Committee meeting held on 07 September 2022.

### **List of Appendices**

13.1 Appendix A – Overdue risk reviews

13.3 Appendix B - Corporate risks with heat map.

### **Background Papers**

14.1 None.