

Signed off by	Head of Corporate Policy, Projects and Performance
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To	Audit Committee
Date	Wednesday, 19 July 2023
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk management - Q4 2022/23
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Recommendations
<p>That the Audit Committee:</p> <p>(i) Notes the Q4 2022/23 update on risk management provided in the report and associated annexes and make any observations to the Executive Meeting in September 2023.</p>
Reasons for Recommendations
The Audit Committee's constitutional responsibilities require the regular receipt of updates on risk management.
Executive Summary
This report provides an update on risk management in Q4 2022/23. Additional detail is provided in the report as well as in the supporting annexes.
The Audit Committee has the authority to approve the recommendations.

Statutory Powers

1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for, and is used economically and effectively.
2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs.
3. The discharge of this responsibility includes arrangements for managing risk.
4. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

Background

5. Reigate & Banstead Borough Council has a proactive approach to risk management. It is an integral part of the Council's corporate governance arrangements and is built into management processes.
6. The Council operates a two-tiered risk management process to address the dynamic and interdependent nature of risk categorisation. The risk categories are strategic and operational risks.
7. Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and Medium-Term Financial Plan (MTFP).
8. Members of the Management Team and Executive Members have shared responsibility for strategic risks. It is the responsibility of the Executive to formally endorse the strategic risks for each financial year.
9. Operational risks are short term risks that are encountered in the course of the day-to-day delivery by services. However, if the operational risk cannot be fully managed within the service or it has a wider organisational impact, then it will be considered for inclusion in the operational risk register. Heads of Service have responsibility for operational risks. The Audit Committee and Executive receive updates on any red rated operational risks as part of quarterly risk management reporting.
10. The Audit Committee has a constitutional responsibility to provide independent assurance to the Council of the adequacy of the risk management framework and internal control environment. It provides independent review of Reigate and Banstead Borough Council's governance, risk management and control frameworks. A key component of fulfilling this responsibility is to regularly receive and review the Council's risks.
11. The new risk management strategy was agreed by Full Council in March 2023 and is planned to be implemented (and reflected in reporting) commencing from Q1 2023/24 onwards.

Key Information

Audit and Executive Meeting Timings:

12. Due to the timing of the start of the new municipal year and changes to the membership of the Audit Committee, the 14 June Audit Committee was dedicated to the induction of new members. With this change in normal timings, the Q4 risks have already been noted by the Executive on 22 June. Should the Audit Committee make any observations at this July meeting, these will be presented to the Executive meeting in September for members' consideration.

Q4 2022/23 risk management update

13. The full strategic risk register is available at annex 1 of this report.
14. In Q4 there were no new strategic risks identified.
15. In Q4 there were no strategic risks recommended for closure.

Red rated operational risk

16. In Q4 there was one RED rated operational risk, the detail of which is set out in the part 2 exempt annex.
17. The full risk registers, as well as the Council's risk management strategy, are made available to all members via the ModernGov document library.
18. Please note, that although the updates provided in this document and the associated annexes relate to Q4 2022/23, we have updated the Portfolio Holder responsibilities to align with the upcoming arrangements for the 2023/24 year.

Options

19. The Audit Committee has two options:
- Option 1: note this report and make any observations to the Executive.
 - Option 2: note this report and make no observations to the Executive.

Legal Implications

20. There are no legal implications arising from this report.

Financial Implications

21. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget, and Capital Programme each year.
22. There are no additional financial implications arising from this report.

Equalities Implications

23. There are no equalities implications arising from this report.

Communication Implications

24. The Council's risk registers inform the development of the annual risk based internal audit plan.
25. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Environmental Sustainability Implications

26. There are no Environmental Sustainability implications arising from this report.

Risk Management Considerations

27. The Council's risk registers inform the development of the annual risk based internal audit plan, progress against which is reported separately to the Audit Committee.

28. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Other Implications

29. There are no other implications arising from this report.

Consultation

30. The contents of this report have been considered by the Council's Corporate Governance Group.

Policy Framework

31. The Council's risk management strategy and methodology provides additional information on how the council manages risk

Background Powers

32. Risk Management Strategy: https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management