

<b>Signed off by</b>	Head of Corporate Policy, Projects and Performance
<b>Author</b>	Luke Harvey, Project & Performance Team Leader Ross Tanner, Performance Officer
<b>Telephone</b>	Tel: 01737 276519, 01737 276 022
<b>Email</b>	Luke.Harvey@reigate-banstead.gov.uk, Ross.Tanner@reigate-banstead.gov.uk
<b>To</b>	Executive Committee
<b>Date</b>	Executive: Thursday, 22 June 2023
<b>Executive Member</b>	Portfolio Holder for Corporate Policy and Resources

<b>Key Decision Required</b>	N
<b>Wards Affected</b>	(All Wards);

<b>Subject</b>	Risk management - Q4 2022/23
----------------	------------------------------

<b>Recommendations</b>
<p><b>That the Executive:</b></p> <p>(i) <b>Notes the Q4 2022/23 update on risk management provided by the report and associated annexes, and agrees to consider any observations made by the Audit Committee at the Executive Meeting in September 2023.</b></p>
<b>Reasons for Recommendations</b>
The Executive's constitutional responsibilities require the regular receipt of updates on risk management.
<b>Executive Summary</b>
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 Executive 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**

#### **Q4 2022/23 risk management update**

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

#### **Red rated operational risk**

15. In Q4 there was one RED rated operational risk, the detail of which is set out in the part 2 exempt annex.
16. The full risk registers, as well as the Council's risk management strategy, are made available to all members via the ModernGov document library.
17. 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.

#### **Consideration of Q4 2022/23 risks by the Audit Committee**

18. Due to the timing of the start of the new municipal year and changes to the membership of the Audit Committee it has not been possible for the Audit Committee to consider the strategic risk register attached at annex 1 or the red operational risk in the part 2 exempt annex in advance of this Executive meeting.
19. Executive members are therefore asked to note the update on risk management at this meeting. The Q4 risk management update will then be considered by the Audit Committee at their next meeting, which is anticipated to be in July. Should the Audit Committee make any observations, these will be presented to the Executive meeting in September for members' consideration.

#### **Options**

20. The Executive has two options:
  - Option 1: note this report and agree to consider any observations made by the Audit Committee at the Executive meeting in September. This is the recommended option
  - Option 2: do not note the report and agree to consider any Audit Committee observations at a future meeting. This is not recommended as it does not provide a mechanism for any observations from the Audit Committee to be considered by the Executive.

#### **Legal Implications**

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

#### **Financial Implications**

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

<b>Equalities Implications</b>
24. There are no equalities implications arising from this report.
<b>Communication Implications</b>
25. The Council's risk registers inform the development of the annual risk based internal audit plan.
26. The Council's approach to managing risk is a core component of the Code of Corporate Governance.
<b>Environmental Sustainability Implications</b>
27. There are no Environmental Sustainability implications arising from this report.
<b>Risk Management Considerations</b>
28. 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.
29. The Council's approach to managing risk is a core component of the Code of Corporate Governance.
<b>Other Implications</b>
30. There are no other implications arising from this report.
<b>Consultation</b>
31. The contents of this report have been considered by the Council's Corporate Governance Group.
<b>Policy Framework</b>
32. The Council's risk management strategy and methodology provides additional information on how the council manages risk
<b>Background Powers</b>
33. Risk Management Strategy: <a href="https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management">https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management</a>