



<b>Signed off by</b>	Head of Corporate Policy, Projects and Performance
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<b>To</b>	Audit Committee Executive
<b>Date</b>	Audit Committee: Wednesday, 6 December 2023 Executive: Thursday, 14 December 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 - Q2 2023/24
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<b>Recommendations</b>
<p><b>That the Audit Committee:</b></p> <p>(i) <b>Note the Q2 2023/24 update on risk management provided in the report and make any observations to the Executive.</b></p> <p><b>That the Executive:</b></p> <p>(i) <b>Notes the Q2 2023/24 update on risk management provided in the report.</b></p>
<b>Reasons for Recommendations</b>
The Audit Committee and 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 Q2 2023/24. Additional detail is provided in the report as well as in the supporting annexes.

**The Audit Committee and Executive have the authority to approve their respective 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. The discharge of this responsibility includes arrangements for managing risk.
3. 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**

4. Reigate and Banstead Borough Council recognises that risk management is of fundamental importance to effective corporate governance, leadership and the direction, control and management of the organisation. Effective risk management is an integral part of all Council activities and the Council is committed to ensuring that risk is considered in all aspects of informed decision making.
5. The risk management strategy sets out how the Council identifies, assesses, manages and reports on the risks that it faces in delivering its objectives.
6. The Council maintains two corporate level risk registers: strategic and operational risks. Strategic risks are risks that, should they materialise, could have a negative impact on the Council's medium to long term objectives and priorities as set out in the Corporate Plan or other corporate level policies and strategies, including the Medium-Term Financial Plan (MTFP).
7. Operational risks are risks that are encountered in the delivery of services and which affect service objectives. These risks are ordinarily managed as part of the usual course of management. However, if the operational risk cannot be managed within the service or if it is outside of the Council's risk appetite, then it should be considered for inclusion in the operational risk register.
8. The Audit Committee has a constitutional responsibility to provide independent assurance to the Council on the adequacy of the risk management framework and internal control environment.
9. In so doing, the Committee receives quarterly updates on risk management. The Committee reviews the strategic risk register and any red rated operational risks.

### **Key Information**

#### **Q2 2023/24 risk management update**

10. The Q2 strategic risk register is available at annex 1 of this report.

11. In summary, in Q2 no new strategic risks have been identified and no strategic risks are recommended for closure. Strategic risk scores remain as per Q1.

### **Red rated operational risk**

12. In Q2 there was one RED rated operational risk, the detail of which is set out in the part 2 exempt annex, available at annex 2.

### **Audit Committee observations to the Executive**

13. As the agenda for the meeting where the Executive considers risk management is published before the Audit Committee meets, any observations made by the Audit Committee will be tabled at the meeting of the Executive.

### **Options**

14. 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.

15. The Executive has one option:

- Option 1 – note this report, consider any observations made by the Audit Committee and, if necessary, make any observations to the Head of Corporate Policy, Projects and Performance.

### **Legal Implications**

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

### **Financial Implications**

17. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget, and Capital Programme each year.

18. There are no additional financial implications arising from this report.

### **Equalities Implications**

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

### **Communication Implications**

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

### **Environmental Sustainability Implications**

21. There are no environmental sustainability implications arising from this report.

### **Risk Management Considerations**

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

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

#### **Procurement/Contract Management and Subsidy Considerations**

24. There are no procurement, contract management and/or subsidy considerations arising from this report.

#### **Other Implications**

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

#### **Consultation**

26. The risk registers have been considered by the Council's Corporate Governance Group as part of its governance role.

#### **Policy Framework**

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

#### **Background Papers**

1. Risk management strategy: [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)