



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

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<b>TO</b>	Audit Committee
<b>DATE</b>	Thursday, 16 July 2020

<b>KEY DECISION REQUIRED</b>	No
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Risk management – 2020/21
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<b>RECOMMENDATIONS</b>
<p>(i) That the Audit Committee note the strategic risks for 2020/21 as detailed in annex 1 of this report and make any observations to the Executive;</p> <p>(ii) That the Committee note the risk management reporting arrangements for 2020/21.</p>
<b>REASONS FOR RECOMMENDATIONS</b>
The Audit Committee's risk management responsibilities require it to receive regular updates on the Council's risk management arrangements.
<b>EXECUTIVE SUMMARY</b>
This report details the Council's strategic risks for 2020/21 as well as the arrangements for risk management reporting. The Council's strategic risks have been fundamentally updated given the change in the risk environment that the COVID-19 pandemic has brought. The Committee will receive regular updates on the risks throughout the year so that assurance is given that action is being taken to mitigate the risks identified.
<b>The Committee has the authority to approve the above recommendations.</b>

<b>STATUTORY POWERS</b>
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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 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.
5. The Audit Committee has constitutional responsibilities in the area of risk management, including to:
  - Consider the effectiveness of the authority's risk management arrangements, the control framework and seek assurance that action is being taken to mitigate those risks identified; and,
  - Monitor the effective development and operation of risk management in the Council.

## **BACKGROUND**

6. Reigate and 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.
7. The Council operates a two-tiered risk management process to address the dynamic and inter-dependent nature of risk categorisation. The risk categories are strategic and operational risks.
8. 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 in conjunction with the Five-Year Medium-Term Financial Plan.
9. Members of the Management Team and Executive Members have shared responsibility for strategic risks. It is the responsibility of the Executive to formally endorse any new risks for inclusion on the strategic risk register.
10. As such, the strategic risks as detailed in annex 1 were approved by the Executive on 25 June 2020.
11. 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.

## **KEY INFORMATION**

12. The strategic risks for 2020/21 are available for the committee to note at annex 1.
13. The risks have been fundamentally updated given the change in the risk environment that the COVID-19 pandemic has brought.

14. In terms of ongoing updates, all risks are updated and reviewed on a quarterly basis. New risks are similarly considered for inclusion on the risk registers at the end of every quarter.
15. An update on the strategic risks will be reported to the Audit Committee on a quarterly basis before being considered by the Executive. This report will also include and newly identified strategic risks.
16. The Committee will also receive an update on any RED rated operational risks at the end of every quarter. A definition of the risk ratings that the Council employs is provided in annex 1.
17. The full risk registers are made available to all members via the ModGov document library. Risk registers from previous years are available via the eMembers portal.

#### **OPTIONS**

18. The Committee has two options open to it:
19. Option 1: note this report, the strategic risks and reporting arrangements for 2020/21 and make no observations;
20. Option 2: note this report, the strategic risks and reporting arrangements for 2020/21 and make any observations to the Executive.

#### **LEGAL IMPLICATIONS**

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

#### **FINANCIAL IMPLICATIONS**

22. There are no financial implications arising from this report.

#### **EQUALITIES IMPLICATIONS**

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

#### **COMMUNICATION IMPLICATIONS**

24. There are no communications implications arising from this report

#### **RISK MANAGEMENT CONSIDERATIONS**

25. The Council's risks inform the development of the annual risk based internal audit plan.
26. There are no other risk management implications arising from this report.

#### **OTHER IMPLICATIONS**

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

#### **CONSULTATION**

28. The strategic risks for 2020/21 have been developed alongside Executive Members, the Management Team and Heads of Service, as well as the Council's Corporate Governance Group.

**POLICY FRAMEWORK**

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

**BACKGROUND PAPERS**

None