



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

Signed off by	Head of Corporate Policy
Author	Luke Harvey, Project & Performance Team Leader
Telephone	Tel: 01737 276519
Email	Luke.Harvey@reigate-banstead.gov.uk
To	Audit Committee Executive
Date	Audit Committee: Tuesday, 14 June 2022 Executive: Thursday, 23 June 2022
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk management - Q4 2021/22
----------------	------------------------------

Recommendations
<p>That the Audit Committee:</p> <p>(i) Note the Q4 2021/22 update on risk management provided by the report and make any observations to the Executive.</p> <p>That the Executive:</p> <p>(ii) Note the Q4 2021/22 update on risk management provided by the report.</p> <p>(iii) Approve the closure of the following strategic risks in accordance with the reasoning set out in the report and in annex 1:</p> <ul style="list-style-type: none">• SR6 – ‘Reliance on the welfare system’• SR9 – ‘Markefield Way’
Reasons for Recommendations
The Audit Committee and Executive’s constitutional responsibilities require the regular receipt of updates on risk management.

Executive Summary

This report provides an update on risk management in Q4 2021/22. In Q4 no new strategic risks were identified. At the end of the year two strategic risks have been recommended for closure, consistent with the Executive's earlier approval of the 2022/23 strategic risks.

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 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.
5. 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.
6. 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).
7. Members of the Management Team and Executive Members have shared responsibility for strategic risks. Strategic risks are reported quarterly to senior officers via Corporate Governance Group, as well as to the Audit Committee and Executive. The Executive approves key changes to the strategic risk register, such as the identification of new risks as well as closing risks.
8. 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. Operational risks are reported to senior officers via Corporate Governance Group. The Audit Committee and Executive receive updates on any red rated operational risks as part of quarterly risk management reporting.
9. 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 and make any observations to the Executive.

Key Information

Q4 2021/22 risk management update

10. The full strategic risk register is available at annex 1 of this report.
11. In Q4 there were no new strategic risks identified.
12. In Q4 reporting two strategic risks are recommended for closure as they are no longer regarded as being strategic risks. This also brings the risk register into line with the 2022/23 strategic risks approved by the Executive at its meeting on 24 March 2022.
13. The risks recommended for closure are:
 - SR6 – 'Reliance on the welfare system'. As previously approved by the Executive in March 2022, this risk is recommended for closure as the nature of the risk has evolved such that there is now close alignment with the current risk on 'Economic prosperity' (SR5).

Further to the Audit Committee's review of the proposed strategic risks for 2022/23 at its March 2022 meeting, the title of the economic prosperity risk for 2022/23 has been updated to 'Challenging economic conditions for residents and businesses'.
 - SR9 – 'Marketfield Way'. This risk is recommended for closure due to good progress being made on site and in securing lettings, leaving the residual risk to be managed under business as usual arrangements.
14. In Q4 there was one red rated operational risk, the detail of which is set out in the part 2 exempt annex.
15. The full risk registers, as well as the Council's risk management framework, are made available to all members via the ModernGov document library.

Options

16. 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.
17. The Executive has two options:
 - Option 1: note this report and approve the closure of SR6 – 'Reliance on the welfare system' and SR9 'Marketfield Way'. This is the recommended option.
 - Option 2: note this report and do not approve the closure of SR6 – 'Reliance on the welfare system' and SR9 'Marketfield Way'.

Legal Implications

18. Any legal implications of particular risks are addressed as required as part of their control and mitigation.

19. There are no other legal implications arising from this report.

Financial Implications

20. Financial risks are taken into account when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget and Capital Programme each year.

Equalities Implications

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

Communication Implications

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

Environmental Sustainability Implications

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

Risk Management Considerations

24. 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.

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

Other Implications

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

Consultation

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

Policy Framework

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

Background Papers

Risk management strategy:

https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management