



Signed off by	Head of Corporate Policy, Projects and Performance
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To	Audit Committee Executive
Date	Audit Committee: Wednesday, 13 March 2024 Executive: Thursday, 21 March 2024
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk Management - Quarter 3 2023/24
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Recommendations
<p>That the Audit Committee:</p> <p>(i) Notes the Q3 2023/24 update on risk management provided in the report and associated annexes and make any observations to the Executive.</p> <p>That the Executive:</p> <p>(ii) Notes the Q3 2023/24 update on risk management provided by the report and associated annexes.</p>
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 Q3 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.
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. The risk management strategy and methodology sets out the full detail behind how risk is managed at the Council.
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 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.
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.
11. In so doing, the Committee receives quarterly updates on risk management. The Committee receives the strategic risk register and any red rated operational risks.

Key Information

Q3 2023/24 risk management update

12. The Q3 strategic risk register is available at annex 1 of this report.
13. In summary, in Q3 no new strategic risks have been identified and no strategic risks are recommended for closure.

Red rated operational risk

14. In Q3 there were no red rated operational risks.
15. The operational risk that was reported as red in previous quarters is no longer red rated - a further update is provided in the part 2 exempt annex 2.

Audit Committee observations to the Executive

16. 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

17. 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.
18. 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

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

Financial Implications

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

Equalities Implications

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

Communication Implications

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

Environmental Sustainability Implications

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

Risk Management Considerations

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

Procurement/Contract Management and Subsidy Considerations

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

Other Implications

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

Consultation

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

Policy Framework

30. 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.reigatebanstead.gov.uk/info/20090/council_policy/929/risk_management