



Northumberland County Council

Audit Committee

Wednesday, 29 November 2023

Corporate Risk Management Update

Report of Head of Internal Audit and Risk Management

1. **Link to Key Priorities of the Corporate Plan**

Effective risk management and the work of Audit Committee contributes to the achievement of all priorities in the Council's Corporate Plan. In particular, it supports the "Achieving Value for Money" priority of the Corporate Plan 2023-26.

2. **Purpose of report**

The purpose of this report is to provide Audit Committee with an update on the latest position of the corporate risks following review by Executive Team and Cabinet portfolio holders.

3. **Recommendations**

3.1 It is recommended that Audit Committee note the contents of the report.

4. **Background**

4.1 It is a statutory responsibility for local authorities to ensure that a sound system of internal control is in place, which includes effective arrangements for the management of risk (Accounts and Audit Regulations 2015). The Authority complies with this requirement and has a risk management process which was developed in accordance with best practice and consulted upon with Audit Committee. It is designed to ensure that risks to the Authority's business are properly identified, managed, and monitored by appropriate senior officers within the organisation.

4.2 As part of the County Council's corporate governance arrangements, there is an established approach to corporate risk management with an equivalent approach being cascaded through all levels of the risk management hierarchy. The risk management hierarchy identifies, monitors and manages risk at three key levels:

- a) Corporate level;
- b) Service Strategic level; and
- c) Service Operational level.

- 4.3 Corporate risks are agreed against the ‘exceptionality test’, i.e., risks that are exceptional in nature, or which could have a major impact on the whole organisation and are ‘owned’ and managed by a nominated officer from Executive Management Team and the designated Cabinet Member with relevant portfolio responsibility.
- 4.4 Following the senior management restructure, the opportunity has been taken to undertake a fundamental review of our corporate risks. Those risks proposed to be managed at a corporate level and owned by Executive Management Team officers and designated Cabinet Members are scheduled to be presented to Cabinet for agreement on 12 December 2023. Once agreed, a full updated corporate risk register will be presented to the next meeting of Audit Committee, scheduled for 31 January 2024.

5. Options and reasons for the recommendations

- 5.1 The following decision options are available for consideration by Audit Committee:

Option 1

Audit Committee notes the Corporate Risk Management Update provided.

Option 2

Audit Committee does not agree to note the Corporate Risk Management Update provided.

Option 1 is the recommended option. Audit Committee should receive and agree this report in accordance with its responsibility for monitoring the effective development and operation of risk management in the Council.

6. Implications

Policy	Effective risk management supports the effective implementation of all policy decisions.
Finance and value for money	Effective risk management will help ensure that the County Council is better able to manage its resources and deliver value for money.
Legal	The Accounts and Audit Regulations 2015 place a responsibility upon all local authorities to ensure that they have a sound system of internal control which includes effective arrangements for the management of risk.
Procurement	There are no specific procurement implications within this report.
Human resources	There are no specific human resources implications within this report.

Property	There are no specific property implications within this report.
The Equalities Act: is a full impact assessment required and attached?	No - no equalities issues identified Equality Impact Assessment not required.
Risk assessment	Embedding risk management will reduce the level of risks that may prevent the achievement of the County Council's objectives.
Crime and disorder	There are no specific crime and disorder implications within this report.
Customer considerations	There are no specific customer consideration implications within this report.
Carbon reduction	There are no specific carbon reduction implications within this report.
Health and wellbeing	There are no specific health and wellbeing implications within this report.
Wards	(All Wards);

7. Background papers

The Accounts and Audit Regulations 2015, April 2015.

8. Links to other key reports already published

None

9. Author and Contact Details

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