



# Northumberland County Council

This report is on the public agenda, but the committee will be advised to consider a resolution excluding the public from the meeting while they are considering some additional information about the issue.

Audit Committee

Wednesday, 31 January 2024

## Corporate Risk Management Update

**Report of Councillor(s)** Cllr. Richard Wearmouth, Deputy Leader and Cabinet Member for Corporate Resources

**Responsible Officer(s):** Jan Willis, Executive Director for Resources & Transformation (S151)

### 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 risk register following review by Executive Management Team and Cabinet.

### 3. **Recommendations**

- 3.1 It is recommended that Audit Committee receive and note the contents of the report presented to and agreed by Cabinet in December 2023.

### 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 Council 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 Council's business are properly identified, managed, and monitored by appropriate senior officers within the organisation.

4.2 As part of the 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 was taken to undertake a fundamental review of our corporate risks. The full updated corporate risk register was agreed by Cabinet on 12 December 2023. The report to Cabinet is attached as **Appendix 1**. A summary of each corporate risk, and information relating to changes in the corporate risks as a result of reviews undertaken was appended to the report to Cabinet and this is attached as **Appendix 2**. The detailed risk register is attached as a confidential (part 2) exempt appendix at **Appendix 3**.

## 5. Options open to the Council and reasons for the recommendations

Not applicable.

## 6. Implications

<b>Policy</b>	Effective risk management supports the effective implementation of all policy decisions.
<b>Finance and value for money</b>	Effective risk management will help ensure that the County Council is better able to manage its resources and deliver value for money.
<b>Legal</b>	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.
<b>Procurement</b>	There are no specific procurement implications within this report.
<b>Human resources</b>	There are no specific human resources implications within this report.

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

**7. Background papers**

Accounts and Audit Regulations 2015, April 2015

**8. Links to other key reports already published**

Corporate Risk Management Update, report to Cabinet 12 December 2023

**9. Author and Contact Details**

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