

**AUDIT AND RISK MANAGEMENT COMMITTEE****Monday, 16 November 2020**

<b>REPORT TITLE:</b>	<b>CORPORATE RISK MANAGEMENT UPDATE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

**REPORT SUMMARY**

This report provides an update on work in progress to review the Council's Corporate Risk Register and highlight areas of risk management work in the coming year.

This matter affects all Wards within the Borough. It is not a key decision.

**RECOMMENDATION**

That the report be noted.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To enable the committee to understand the Authority's most significant risks, the associated mitigating controls and the risk management framework in order to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Updates on the Council's risk management arrangements have been regularly reported to Audit and Risk Management Committee (ARMC) following the changes to the Risk Management Policy approved by the Committee in September 2017 and the significant refresh of the Corporate Risk Register in 2018/19.
- 3.2 In March 2020 it was reported to the Committee that the Corporate Risk Register would undergo a detailed review and alignment to the Wirral Plan 2025 ahead of a discussion at a Member Risk workshop and reporting to the next ARMC
- 3.3 In light of events since March it is recognised that many of the controls may no longer be effective or have changed over the past 6-8 months. Similarly actions previously identified may have been superseded or no longer be relevant therefore a more in-depth review is required.

#### **Corporate Risk Register (CRR)**

- 3.4 Due to COVID-19 the Wirral Plan 2025 is currently being refreshed to reflect the current situation and emerging Recovery Plans. This has led to the associated alignment of the Corporate Risk Register to the Wirral Plan being affected and delayed slightly.
- 3.5 A Member Risk workshop was able to take place over the summer and the comments and suggestions from this session have been presented to the Senior Leadership Team (SLT).
- 3.6 The Senior Leadership Team has recently been debating the content of the Corporate Risk Register, looking at the existing risks and new ones which have materialised over the past 9 months. The key question considered by officers is what has the possibility of affecting the Council in achieving its priorities and objectives over the coming years? Time is being taken to consider the appropriate risks to be included with thought being given to both threats and opportunities
- 3.7 To develop this further SLT have been asked to consider the following four questions:

- a) Are these risks that SLT are most worried about and want to monitor and gain assurance that they are being well managed?
- b) Do the risk descriptions accurately reflect what is going on?
- c) Are the risks listed the right risks for inclusion at this level or can any risks be demoted to a DRR and monitored at Directorate level?
- d) Is anything missing? Horizon scan and thinking a little further ahead into 2021 and beyond.

3.8 Attached at Appendix 1 is the draft working version of the Corporate Risk Register following initial deliberations.

3.9 There are currently over 20 identified risks for inclusion in the Corporate Risk Register. By their inclusion and very nature the risks listed are considered to be of a high impact and medium or high likelihood. It is anticipated that due to their level of impact it may be more appropriate for some of these risks to be demoted to the Directorate Risk Registers for management and regular monitoring at that lower level. In addition, some risks may only reside on the CRR for a short period of time before dropping down or off the risk register.

3.10 Many of the risks featured have been present on the CRR for several years. This is to be expected. Several new risks have been identified in relation to the response to COVID-19 and the past 9 months.

#### **Next Steps for the Corporate Risk Register**

3.11 Further work is to be undertaken by officers to refine the risks, confirm the mitigating controls and add any further planned actions, over and above those summarised in the attached document.

3.12 Scoring of the risks will also be undertaken by SLT to consider the likelihood and possible impact of the risks should they occur.

3.13 Upon completion a revised version will be brought back to a future meeting of the Committee for consideration as well as a Member Risk Workshop to allow Members time for active engagement and reflection on the risks and the associated mitigation measures.

#### **Directorate Risk Registers and Performance Management**

3.14 At the same time Directorate Risk Registers are being developed, again in line with the Wirral Plan 2025, which will allow the linkage between the different levels of risks and assist with the monitoring, performance management and support the re-prioritisation and re-design of how our services are delivered and operated.

3.15 As the Council Plan is currently being refreshed a new Performance Management Framework (PMF) is also being developed to align with the refreshed plan. The PMF will be aligned to the Council's risk management strategy and both will be regularly reviewed as part of corporate management processes

#### **Other Risk Management Activity**

3.16 The current Risk Management Strategy is in need of refreshment to reflect the changes in the Council's decision-making structure; the new form of governance and to ensure the risk management framework allows for the individual policy and service

committees to have sufficient oversight and information of the risks in their respective areas of interest.

- 3.17 This revision will also capture enhancements to the project and programme management processes used for the management of the Council's major projects such as introducing dedicated risk workshops for significant work programmes and major regeneration projects as well as linkages to other key areas of risk management for example health and safety and information governance.
- 3.18 Risk management training for members of this committee will also be made available to enable Members to develop their understanding of the Council's risk management framework. It is also proposed to continue to hold regular risk workshops to provide time for an in depth ongoing review of the revised Corporate Risk Register.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no immediate financial implications arising directly from this report.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are no immediate legal implications arising directly from this report.
- 5.2 The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven new core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no resource implications arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 Without robust risk management procedures in place there is a danger that the Council will fail to identify, understand, and monitor key strategic and operational risks. An ineffective and poorly established risk management framework prevents the optimisation and balanced approach between risk taking and control, leading to ineffective assurance and missed opportunities. The consequence of both is that risks are not considered in decision-making which could have serious financial, reputation and resource implications.
- 7.2 Risk management arrangements for the Council form part of the key controls for the Corporate Risk 20 – Effective Governance.

## 8.0 ENGAGEMENT/CONSULTATION

8.1 No specific consultation has been undertaken with regards to this report.

## 9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity. No equality issues arising from this report.

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to:

- Have no impact on emissions of Greenhouse Gases

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## APPENDICES

Appendix 1 – Draft Corporate Risk Register Summary

## BACKGROUND PAPERS

Risk Management Policy

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
<b>Audit &amp; Risk Management Committee</b>	
Improvements to the Corporate Risk Management Framework	23 July 2018
Development of the Revised Corporate Risk Register	24 September 2018
Development of the Revised Corporate Risk Register	19 November 2018
Development of the Revised Corporate Risk Register	28 January 2019
Development of the Revised Corporate Risk Register	11 March 2019
Update of the Corporate Risk Register	22 July 2019
Update of the Corporate Risk Register	23 September 2019
Update of the Corporate Risk Management Arrangements	18th November 2019
Corporate Risk Management Update	27th January 2020
Risk Management Update	10 <sup>th</sup> March 2020