

WIRRAL COUNCIL

COUNCIL EXCELLENCE OVERVIEW AND SCRUTINY COMMITTEE

19 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

CORPORATE RISK REGISTER

1. EXECUTIVE SUMMARY

1.1 This report summarises the review of the issues contained within the Corporate Risk Register. It was approved by the Cabinet on 3 September 2009. It was then presented to the Audit and Risk Management Committee on 23 September 2009 which recommended that it be referred to this Committee.

2. BACKGROUND

2.1 The Corporate Risk Register is a key element of the Risk Management Strategy. It contains those issues that have the greatest potential to prevent or frustrate the achievement of the Strategic Objectives as set out in the Corporate Plan. These issues are reflected in Departmental Service Plans and so are closely aligned with the Corporate Planning process as success in managing the risks is a key factor in overall performance. The achievement of the objectives is supported by the implementation of the control actions identified to mitigate the impact of the risks.

2.2 The existing Risk Management Strategy defines the following roles in relation to the Register.

- Chief Officers identify and evaluate the Corporate Risks.
- Cabinet scrutinise the risks put forward by Chief Officers.
- Corporate Improvement Group assists Chief Officers with the ongoing maintenance of the Risk Register in keeping it as a 'live' document.

3. THE EXISTING REGISTER

3.1. The Register has been developed over time with the last version approved by Cabinet on 10 December 2008. It contained 31 risks made up of three elements:-

- (i) Broad medium term issues. These are a combination of individual risks which would have a significant corporate impact if they materialised, and risks which individually are perhaps of less importance but which pose a threat as they potentially impact on many or all departments.
- (ii) A further set of risks identified by the Corporate Improvement Group through examination of departmental service plans.

(iii) 'Short term' risks added by Corporate Improvement Group following evaluation of issues escalated upwards by individual departments.

3.2. As many of the specific risks are in reality aspects of some of the broader risks and others could be more clearly defined a review of the Register has been undertaken.

4. THE REVIEW

4.1 The aim of the review was to rationalise the risks in order to produce a more easily understandable and manageable Risk Register. This included consideration of the approaches by other local authorities and particularly those regarded as demonstrating 'best practice' in risk management.

4.2 The analysis undertaken showed that there was little consistency as to the number of risks featuring in local authority Corporate Risk Registers nor whether the risks themselves were defined in broad or more specific terms.

4.3 Each of the risks was considered in turn in relation to the following points:

- Is the threat which it poses covered by another risk?
- Does the risk remain a significant threat (or has it become less critical)?
- Could the description be more meaningful and more easily understood?
- Does the description truly describe a threat to a Corporate Objective?

4.4 The main changes made to the Register are as follows:-

- Through rationalisation the number of risks included is now 14.
- Risks have been ordered so as to place together those which have a degree of relevance to each other.
- An indicator has been included showing how the risks relate to the Corporate Plan objectives.
- Information on the controls for each risk has been reduced to reflect solely those which are considered key to mitigating the risk.
- Additional control actions relate directly to activity planned for the current year which should further mitigate the risk.

4.5 It is important to remember that the Register describes critical potential threats and that the inclusion of a particular issue does not mean that the event or situation described is a current problem, rather that it would be significant if it was not managed effectively. The revised Register which is appended represents the views of officers on the key challenges faced in delivering the Strategic Objectives.

5. FUTURE DEVELOPMENTS

5.1. The review focused on rationalising the issues contained in the Register and updating information on key controls. A re-evaluation of the scores for each risk will be undertaken prior to the next update.

- 5.2 Progress against the risks on the Register will continue to be provided as part of the quarterly Performance and Financial Monitoring Report.
- 5.3 Cabinet on 3 September 2009 agreed that an improvement to current processes would be to involve Members more directly and at an earlier stage in reviewing key corporate risks. This could form part of the annual refresh of the Corporate Plan priorities which could be extended to include an assessment of the resource implications and risks associated with achieving the priorities.

6. FINANCIAL IMPLICATIONS

- 6.1. Whilst there are no direct financial implications arising from this report, effective management of those risks with a financial impact will help improve value for money.

7. STAFFING IMPLICATIONS

- 7.1 There are no direct staffing implications. However some of the corporate risks directly concern human resources issues.

8. EQUAL OPPORTUNITIES IMPLICATIONS

- 8.1. Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1 Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

10. LOCAL AGENDA 21 IMPLICATIONS

- 10.1. Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

11. HUMAN RIGHTS IMPLICATIONS

- 11.1 Effective management of the corporate risks will contribute to the achievement of all corporate objectives.

12. PLANNING IMPLICATIONS

- 12.1 There are none arising from this report.

13. LOCAL MEMBER SUPPORT IMPLICATIONS

- 13.1. There are no specific implications for any Members or wards.

14. BACKGROUND PAPERS

14.1 Risk Management Strategy - July 2008.

14.2 Corporate Risk Register - December 2008.

15. RECOMMENDATIONS

15.1. That Members note the revised Corporate Risk Register.

15.2 That progress in managing the corporate risks continues to be included in the quarterly Performance and Financial Monitoring Report.

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DIRECTOR OF FINANCE

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