

WIRRAL COUNCIL

CABINET

24 SEPTEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

RISK MANAGEMENT STRATEGY

1. EXECUTIVE SUMMARY

- 1.1 This is the annual update of the Risk Management Strategy which was last agreed by Cabinet on 23 July 2008. There are only minor revisions to the Strategy.

2. BACKGROUND

- 2.1 The effective management of risk is recognised as an essential feature of a well-run organisation. It is particularly important at a time when the Authority is making substantial changes in the drive to improve services.
- 2.2 The current approach to managing risks is defined in the Strategy approved by Cabinet on 23 July 2008. As part of the annual review the Risk & Insurance Team has referred to the Annual Governance Statement, the Audit Commission Use of Resources assessment and Action Plan and the Risk Management Strategy recently published by NHS Wirral.
- 2.3 The risk management arrangements were rated as 3 star (performing well) by the Audit Commission as part of the Use of Resources assessment 2008.
- 2.4 The approach adopted in identifying, managing and reporting risks to the priorities of the Wirral Local Strategic Partnership devised by the Risk & Insurance Team and the Partnership Performance Officers has placed Wirral ahead of other areas in the region.

3. THE RISK MANAGEMENT STRATEGY

- 3.1 Given that a major review was carried out in 2007 and a refresh undertaken in 2008 the main objective of the current review was to bring the Strategy up to date as regards changes in Authority arrangements and address any new areas for improvement. The principal amendments proposed are as follows

(i) **Executive Summary**

There is a more substantive paragraph which explains the purpose of the Strategy and demonstrates the commitment to risk management and definitions of the terms 'risk' and 'risk management'.

- (ii) **Roles and Responsibilities**
The Strategy proposes that Chief Officers work together with Members to identify the corporate risks.
- (iii) **Risk Categories**
Specific reference is now included to risks associated with not responding well to issues of equality and diversity.
- (iv) **Risk Management Process**
The strategy now contains the same definition of what constitutes a partnership as that contained in the Wirral Council Partnership Governance Framework and Toolkit.
- (v) **Embedding**
Specific reference is made to the inclusion in reports to Cabinet of information on the risks and opportunities associated with decisions.
- (vii) **Priority and Action Table**
The Strategy indicates what broad action needs to be taken in relation to risks of differing levels of significance.

3.2. In accordance with the governance arrangements a draft of the revised Strategy was shared with the Corporate Improvement Group and their comments taken into account.

4. ACTION PLAN

4.1 The revised Strategy sets the intentions and provides a broad framework. However successful implementation is dependent on the individual activities which underpin the approach.

4.2. Some of the actions planned over the next twelve months are described in greater detail below:

- (i) **Corporate Risk Register**
Further review of the key corporate risks to be undertaken by Chief Officers and Members in the Autumn following confirmation of the 2010/11 Priorities for Improvement. The Corporate Improvement Group will continue to review the Corporate Risk Register each quarter.
- (ii) **Departmental Risks**
The Risk & Insurance Officer and Corporate Performance Manager are planning a series of visit to departmental management teams to ensure both consistency in the approach to identifying key departmental risks and the linkages between the Corporate Risks and actions in Departmental Service Plans.

(iii) **Inclusion of Risk Information in Committee Reports**

Guidance on improving the clarity and consistency of information on the risks and opportunities associated with key decisions has recently been approved by both the Corporate Improvement Group and Chief Officers. This will be implemented during the autumn with risk paragraphs included within reports involving Key Decisions.

5. FUTURE PROPOSALS

5.1 With the favourable evaluation of existing arrangements by the Audit Commission it is also clear that peer local authorities are also making great progress and that risk management as a discipline has developed substantially in recent years with the newly introduced BS 31100:2008 for risk management an example.

5.2 In order to ensure that the Wirral approach strives towards best practice and, more importantly, to ensure that arrangements add value to the Authority and the wider community a more fundamental review of the entire approach is needed in the longer term. Delivering substantial improvements is likely to require cultural change and possibly additional resources and initially the Risk & Insurance Team will produce a gap analysis and put forward comprehensive recommendations for consideration by Chief Officers and Members. It is unlikely that this exercise will be concluded before Summer 2010.

6. FINANCIAL AND STAFFING IMPLICATIONS

6.1 Improvements in managing risks will have a financial impact in areas such as the cost of staff absence and insurance.

7. EQUAL OPPORTUNITY IMPLICATIONS

7.1 There are none arising directly from this report.

8. COMMUNITY SAFETY IMPLICATIONS

8.1 Specific risk control actions should improve community safety.

9. HUMAN RIGHTS IMPLICATIONS

9.1 There are none arising directly from this report.

10. LOCAL AGENDA 21 IMPLICATIONS

10.1 There are none arising directly from this report.

11. PLANNING IMPLICATIONS

11.1 Risk implications will form part of planning strategy.

12. MEMBER SUPPORT IMPLICATIONS

12.1. There are none arising directly from this report.

13. BACKGROUND PAPERS

13.1 Risk Management Strategy - July 2008.

13.2 Annual Governance Statement - April 2009.

13.3 Audit Commission Use of Resources Assessment 2008.

14. RECOMMENDATIONS

14.1 That the revised Risk Management Strategy be approved.

14.2 That a further report containing recommendations for longer term improvements to risk management arrangements be provided by Summer 2010.

IAN COLEMAN
DIRECTOR OF FINANCE

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