

## **WIRRAL COUNCIL**

### **AUDIT AND RISK MANAGEMENT COMMITTEE**

**29 NOVEMBER 2011**

<b>SUBJECT</b>	<b>CORPORATE RISK REGISTER</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>DIRECTOR OF FINANCE</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>COUNCILLOR STEVE FOULKES</b>
<b>KEY DECISION</b>	<b>YES</b>

#### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report summarises the process followed in undertaking the recent review of the Corporate Risk Register. The updated draft Register agreed by the Cabinet on 13 October 2011 is appended.

#### **2.0 RECOMMENDATION**

- 2.1 That the report be noted.

#### **3.0 REASON FOR RECOMMENDATION**

- 3.1 Approval of the risks and the monitoring process enables officers to focus resources on the most significant threats facing the organisation. The management and monitoring of the risks is key to the delivery of the aims of the Council as set out in the Corporate Plan.

#### **4.0 BACKGROUND AND KEY ISSUES**

##### **Corporate Risk Register**

- 4.1. The Register is a key element of the Risk Management Strategy. It summarises those areas of uncertainty which have greatest potential to prevent or frustrate delivery of the Corporate Plan and how the Authority is seeking to tackle them. In turn those actions influence the content of Departmental Service Plans and the allocation of resources. In that way they are closely aligned with the corporate planning process and so success in managing these risks is a key factor in overall performance.
- 4.2 The Register was approved by Cabinet on 13 October 2011. It will be reviewed each quarter and progress in managing the risks will be reported to Cabinet through the Risk Monitoring Summary which forms part of the quarterly Corporate Performance and Financial Review reports

- 4.3 Recently indicators have been developed for some of the risks which allow greater insight as to whether the action being taken to manage them is having a positive impact. These are also included in the Risk Monitoring Summary.

### **The Review Process**

- 4.4 Although the broad goals within the Corporate Plan 2011 – 2014 are similar to the previous Plan there have been changes in the relative importance of certain elements. In addition there have been, and continue to be, significant changes both within the Council and in the external environment. The review sought to take account of these changes.
- 4.5 The review was undertaken through a series of structured sessions with the Executive Team. Firstly the key internal and external factors underpinning delivery of the Corporate Plan were identified which included community engagement, agility of the workforce, government policy and dependencies on other stakeholders. The Executive Team then considered the main influences on those factors at present, and in the future, including changes in service delivery models, the level of public expectation and the health of the economy. This led to the identification of a number of potentially serious risk scenarios.
- 4.6 Draft descriptions of the nature of the uncertainties and the threats which they posed were composed and refined by the Executive Team so that they more accurately reflected the issues. A Lead Officer for each risk was identified and the existing, and further, controls in managing the risks were reviewed and the draft Risk Register at Appendix 1 was agreed by the Executive Team.

### **Next Steps**

- 4.7 The next stage will be to assess the risks and score them in accordance with the matrix within the Risk Management Strategy which has been reproduced at Appendix 2.
- 4.8 As part of the arrangements for the governance, delivery and monitoring of the Corporate Plan the Executive Team regularly review the effectiveness of the existing controls, the progress in implementing additional actions and consider any new risks of potential corporate significance. These reviews will continue to inform the Risk Monitoring element of the Corporate Performance and Financial Reviews reported to Cabinet.
- 4.9 The Risk Management Strategy report elsewhere on this agenda includes a plan for reviewing the overall approach to risk and uncertainty. This would encompass all risk management processes including that for determining the most significant threats and opportunities facing the organisation.

## **5.0 RELEVANT RISKS**

5.1 The issues contained in Appendix 1 are considered by the Executive Team to present the most significant risks to achievement of the goals contained in the Corporate Plan. If they are not managed effectively there could be severe implications for delivery of the Plan and the Executive Team has identified the existing, as well as further, controls to mitigate the impact.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1. There were none considered in respect of this report.

## **7.0 CONSULTATION**

7.1 The Risk Register has been considered by the Executive Team.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There are no implications arising directly from this report.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

9.1 Whilst there are no direct implications the effective management of the risks will help avoid losses with a financial impact, impact upon assets and injury to staff.

## **10.0 LEGAL IMPLICATIONS**

10.1 There are no implications arising directly from this report.

## **11.0 EQUALITIES IMPLICATIONS**

11.1 There are no equalities implications arising directly from this report.

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 There are no carbon usage implications arising directly from this report.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no direct planning implications. The effective management of the corporate risks will help assist with maintaining public safety.

FNCE/260/11

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## APPENDICES

Appendix 1 - Draft Corporate Risk Register.

Appendix 2 - Risk Scoring Model

### SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Cabinet	13 October 2011
Cabinet	3 September 2009
Cabinet	10 December 2008
Cabinet	13 March 2008

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
If we do not manage health and safety effectively then death or serious injury could result to service users, employees or members of the public	<b>Chief Executive</b> Jim Wilkie	<ul style="list-style-type: none"> <li>• Register of corporate H&amp;S risks</li> <li>• Corporate and departmental H&amp;S policy specifies roles / responsibilities</li> <li>• Legislative Compliance Audit programme of all Council premises</li> <li>• Programme of auditing H&amp;S management systems</li> <li>• Delivery of essential emergency training for fire and first aid</li> <li>• Investigation of all significant accidents &amp; incidents by H&amp;S Officers</li> <li>• Training delivered for significant hazardous work activities</li> <li>• Health surveillance arrangements implemented for occupational health risks</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver Institute Of Safety and Health (IOSH) Managing Safely training to all Managers and Supervisors below Head of Service</li> <li>• Review and develop H&amp;S arrangements</li> <li>• Continuing audits of H&amp;S arrangements</li> <li>• Implement health surveillance arrangements for occupational health risks re hearing loss and HAV/CT</li> </ul>
If safeguarding arrangements are inadequate children might be exposed to greater risk of abuse or exploitation.	<b>Acting Director of Children's Services</b> David Armstrong	<ul style="list-style-type: none"> <li>• Local Safeguarding Children Board monitors serious case review action plans</li> <li>• Weekly performance monitoring of changes to contact and referral taking in CADT</li> <li>• VCI reporting to the Chief Executive</li> <li>• Lead Member Briefing following each LSCB</li> <li>• National Notification of Serious Child Care Incidents to OFSTED</li> <li>• Continuing programme for disseminating learning from serious child care incidents</li> <li>• Child Death Overview Panels</li> <li>• Continuing review of S118 IRO applications</li> </ul>	<ul style="list-style-type: none"> <li>• Implement revised 'Working Together to Safeguard Children</li> <li>• Comprehensive review of services / outcomes for children (on a multi agency basis) to be initiated following the Governments response to Professor Munro's review of Child Protection services; leading to implementation proposals</li> <li>• Recruit to outstanding vacant social work posts</li> </ul>

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
<p>If safeguarding arrangements are inadequate vulnerable adults could be exposed to greater risk of abuse or exploitation.</p>	<p><b>Interim Director of Adult Social Services</b> Howard Cooper</p>	<ul style="list-style-type: none"> <li>• Whole system review of safeguarding completed &amp; recommendations have been implemented including revised safeguarding procedures</li> <li>• Training rolled out across agencies</li> <li>• Regular monitoring reports to DASS strategic leadership team, project board and safeguarding adults partnership board</li> <li>• Self assessment undertaken as part of service inspection</li> <li>• Weekly monitoring of performance with key social work team members</li> <li>• Safeguarding is a core project in the Corporate Plan</li> <li>• Wirral Adult Safeguarding Board and Wirral Local Safeguarding Children's Board jointly administered</li> <li>• Safeguarding Social Worker located in CADT to better deal with potential safeguarding alerts</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to implement recommendations from DASS Improvement Plan</li> <li>• Joint Head of Safeguarding (CYPD and DASS) post to be established</li> <li>• Additional safeguarding posts created and to be filled following a restructure</li> </ul>
<p>Not having plans in place could compromise delivery of essential services in the event of a major public emergency</p>	<p><b>Director of Technical Services</b> David Green</p>	<ul style="list-style-type: none"> <li>• Dedicated team provides support and guidance</li> <li>• IT disaster recovery planning audit</li> <li>• External suppliers identified and position statement complied as to their arrangements</li> <li>• Awareness sessions delivered</li> <li>• Exercises conducted to test efficiency of plans</li> <li>• Departmental business continuity plans finalised</li> <li>• Wirral Business Continuity Plan finalised</li> <li>• Wirral Flood and Water Management Partnership formed</li> <li>• Review of winter maintenance arrangements conducted.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure external agencies have cohesive continuity arrangements</li> <li>• Conduct exercise to test the efficiency of critical service area business continuity plans</li> </ul>

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
If the Council does not maintain the trust and confidence of citizens in the conduct of its duties this could result in significant damage to the authority's reputation and undermine the level of engagement with residents.	<b>Head of Communications and Community Engagement</b> Emma Degg	<ul style="list-style-type: none"> <li>• Consultation and engagement activities</li> </ul>	
A serious failure in corporate governance could result in breaches of legislation and/or significant damage to the authority's reputation.	<b>Chief Executive</b> Jim Wilkie	<ul style="list-style-type: none"> <li>• Constitution regularly reviewed, reported to Members and officers</li> <li>• Risk-based internal audit programme</li> <li>• Annual Governance Statement produced</li> <li>• Corporate Governance Monitoring Group</li> <li>• Code of Corporate Governance adopted</li> <li>• CIPFA/SOLACE 'Delivering Good Governance' Framework</li> <li>• Training programme for Members</li> <li>• Standards and Audit &amp; Risk Management Committees</li> <li>• ICT Security policy and role of FoI officer</li> <li>• Individual strategies reviewed</li> </ul>	<ul style="list-style-type: none"> <li>• Cabinet Committee to be established September 2011</li> <li>• Action plan to be developed from October 2011</li> </ul>
If the Strategic Change Programme does not deliver its expected outcomes it would place pressure on the Budget	<b>Director of Technical Services</b> David Green	<ul style="list-style-type: none"> <li>• Strategic Change Programme Office established under the Lead Chief Officer</li> <li>• Programme management control system implemented</li> <li>• Gateway framework adopted</li> <li>• All SCP projects have a risk register</li> <li>• Reporting of progress is embedded into the Corporate Performance Management Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Embed programme control management system with project managers</li> <li>• Establish effective communication programme</li> <li>• Review risk management arrangements for critical projects</li> <li>• Agree programme risk register</li> </ul>

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
<p>If we do not use the available resources to meet the priorities set out in the Corporate Plan the services we provide might not be appropriate</p>	<p><b>Director of Finance / Deputy Chief Executive</b> Ian Coleman</p>	<ul style="list-style-type: none"> <li>• Medium Term Financial Capital HR and IT strategies linked and reflect priorities in Corporate Plan.</li> <li>• Strong links between service &amp; financial plans.</li> <li>• Investment is based on business cases for projects.</li> <li>• Effective financial management by planning, monitoring and reporting</li> <li>• Programme of financial management training.</li> <li>• Impacts of the economic downturn identified and appropriate responses developed</li> <li>• Budget resolution links directly to corporate priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Review the effectiveness and appropriateness of the strategies</li> </ul>
<p>Insufficient growth in the borough's economy could make it difficult for the Council to deliver its vision of a more prosperous and equal Wirral.</p>	<p><b>Interim Director of Corporate Services</b> Kevin Adderley (will pass to Director of Regeneration, Housing and Planning)</p>	<ul style="list-style-type: none"> <li>• Investment Strategy Board established to lead and direct implementation of Investment Strategy</li> <li>• Wirral Business Forum set up by Invest Wirral</li> <li>• Performance Management arrangements for Corporate Plan</li> <li>• Corporate Investment Group in place</li> </ul>	<ul style="list-style-type: none"> <li>• Support inward and indigenous investment through a programme of support delivered by Invest Wirral Team</li> <li>• Explore opportunities for working internationally, supporting businesses to access opportunities as appropriate</li> <li>• Support for economic regeneration schemes by the Regeneration and Investment Teams to create greater prosperity for Wirral</li> </ul>
<p>If we do not engage sufficiently with the workforce it could lead to de-motivation, a negative culture and a focus on short term rather than long term considerations.</p>	<p><b>Head of HR &amp; Organisational Development</b> Chris Hyams</p>	<ul style="list-style-type: none"> <li>• Staff communications including One Council, One Brief and team Briefing</li> <li>• Chief Executive Roadshows</li> <li>• Key Issue Exchanges</li> </ul>	



Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
<p>If do not have the right people with the right skills in the right posts it will be difficult to deliver the corporate priorities.</p>	<p><b>Head of HR &amp; Organisational Development</b> Chris Hyams</p>	<ul style="list-style-type: none"> <li>• People Strategy implemented</li> <li>• Recruitment processes reviewed and action plan implemented</li> <li>• Partial implementation of Job Evaluation</li> <li>• Working to implement skills audit</li> <li>• Robust capability and disciplinary policies</li> <li>• Priorities in Corporate Plan communicated to staff.</li> <li>• Corporate KIE process</li> <li>• Partnership working to support Apprenticeships initiatives</li> <li>• Chief Executive Roadshows and specialist events</li> <li>• Corporate 'Investors in People' status attained</li> <li>• Corporate leadership development programme</li> </ul>	<ul style="list-style-type: none"> <li>• Develop online application tool linked to national electronic recruitment portals</li> <li>• Continue development and review effectiveness of Skills Audit</li> <li>• Continue development of approach to workforce planning/talent management</li> <li>• Continue Elected Member Development programme and review effectiveness</li> <li>• Continue corporate leadership development programme and review effectiveness</li> <li>• Conclude Local Pay Review</li> </ul>
<p>If we do not learn about changes to the legislative and policy environment it could impede our ability to understand and respond to them.</p>	<p><b>Director of Law, HR &amp; Asset Management</b> Bill Norman</p>	<ul style="list-style-type: none"> <li>• Membership of professional bodies and collective groups eg Directors of Social Services</li> <li>• Membership of organisations which represent the sector eg SIGOMA</li> <li>• Working regionally and with partners</li> </ul>	

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
<p>If we do not ensure that the policies and practices being introduced by the Council reflect a through understanding of the wants and needs of our citizens and businesses the services we provide might not be appropriate</p>	<p><b>Head of Communications and Community Engagement</b> Emma Degg</p>	<ul style="list-style-type: none"> <li>• Needs analyses and evidence bases inc. policy / legislative changes used to inform corporate / business planning</li> <li>• Budget / priority setting process fully engages Elected Members with approval by full Council</li> <li>• Infrastructure for co-ordinating strategic service planning inc. CIG</li> <li>• Understanding needs through community engagement (e.g. Area Forums, Place Survey, Older &amp; Young People's etc..)</li> <li>• Equality considerations are accounted for through equality impact assessments</li> <li>• Single Equality Scheme sets out statutory requirements and duties relating to Wirral's diverse communities</li> <li>• Joint Strategic Needs Assessment (JSNA)</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to improve corporate service planning process</li> <li>• Review proposals for the Comprehensive Engagement Strategy</li> <li>• Drive forward further improvement in understanding and responding to community needs</li> <li>• Implement Customer Access Strategy</li> </ul>
<p>In an era of increasingly scarce resources, if the Council does not collaborate effectively with partners we may not make the best use of the collective resource available to meet citizens' needs.</p>	<p><b>Chief Executive</b> Jim Wilkie</p>	<ul style="list-style-type: none"> <li>• Needs analyses and evidence bases inform the partnership's priority setting and key plans and strategies</li> <li>• Action-led delivery plans for partnership priorities</li> <li>• Strong strategic leadership for the partnership (Executive Board)</li> <li>• Council is the accountable body for Wirral's LSP. Supported by senior management inc. joint posts such as the Joint Director of Public Health</li> <li>• Partnership toolkit and register developed to support governance</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic checks to ensure partnerships comply with Wirral's governance arrangements</li> <li>• Refresh of Partnership Register and governance arrangements</li> <li>• Develop a performance management framework for the Sustainable Community Strategy</li> <li>• Comprehensive review of all economic policy in response to the recession, in line with statutory Local Economic Assessment duty</li> <li>• Ensure that partners share operational intelligence and co-ordinate activities in response to recession</li> </ul>

Draft Risk Description	Lead Officer	Existing Key Controls	Further Control Actions Planned
Business failure from a supplier to the Council, including major private sector suppliers and the voluntary, community and faith sector providers, leading to interruption of service	<b>Chief Executive</b> Jim Wilkie	<ul style="list-style-type: none"> <li>• External suppliers identified and position statement complied as to their arrangements</li> <li>• Procurement Strategy and the agreed procurement process</li> <li>• Contract and performance management arrangements</li> <li>• Linkages to Business Continuity</li> </ul>	<ul style="list-style-type: none"> <li>• See linkages to Business Continuity above</li> </ul>

Impact



Likelihood

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Very High (5)	5 Very low impact but very high likelihood	10 Low impact but very high likelihood	15 Medium impact but very high likelihood	20 High impact and very high likelihood	25 Very high impact and very high likelihood
High (4)	4 Very low impact but high likelihood	8 Low impact but high likelihood	12 Medium impact but high likelihood	16 High impact and high likelihood	20 Very high impact and high likelihood
Medium (3)	3 Very low impact and medium likelihood	6 Low impact and medium likelihood	9 Medium impact and medium likelihood	12 High impact but medium likelihood	15 Very high impact and medium likelihood
Low (2)	2 Very low impact and low likelihood	4 Low impact and low likelihood	6 Medium impact and low likelihood	8 High impact but low likelihood	10 Very high impact but low likelihood
Very Low (1)	1 <b>Very low impact and very low likelihood</b>	2 Low impact and very low likelihood	3 Medium impact and very low likelihood	4 High impact but very low likelihood	5 Very high impact but very low likelihood