

# WIRRAL COUNCIL

## AUDIT & RISK MANAGEMENT COMMITTEE

23 JUNE 2014

<b>SUBJECT</b>	<b>CORPORATE RISK REGISTER</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>CHIEF EXECUTIVE</b>
<b>KEY DECISION</b>	<b>NO</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 Under the terms of the Council's Constitution one of the functions of the Audit & Risk Management Committee is to provide independent assurance that the Council's risk management framework is effective.
- 1.2 A key output from the Council's risk management framework is the Corporate Risk Register. To support this Committee's work in considering the effectiveness of the framework a report is now presented on a regular basis detailing the key risks facing the authority and how these are being managed.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Corporate Risk Register summarises those areas of uncertainty which have greatest potential to prevent or frustrate delivery of the Corporate Plan and confirms how the authority is seeking to tackle them. At a strategic level the risks help to inform future priorities and interventions. The actions required to mitigate the risks also influence the content of Directorate Service Plans and the allocation of resources. In that way they are a key component of the corporate planning process and so success in managing these risks is a key factor in overall corporate performance.

#### 2.2 Existing Corporate Risks

- 2.2.1 The Corporate Risk Register presented to this Committee on 18 March contained 37 risks.
- 2.2.2 Directorates have refreshed their service plans for 2014/15. In accordance with the new Risk Management Policy part of this process involved each directorate considering how its activities will contribute to the improved mitigation of the corporate risks. This has enabled more complete and up to date information on controls to be identified.
- 2.2.3 Each risk has also been placed into the one of the updated categories in the Council's recently adopted Corporate Risk Management Policy.
- 2.2.4 The appendix contains a copy of the fully updated Corporate Risk Register.

#### 2.3 Review - Quarter Four 2013/14

- 2.3.1 Governance arrangements for the register require that it be formally reviewed each quarter. The review is undertaken by the Chief Executive Strategy Group (CESG). This task is informed by a report from the Risk & Insurance

Officer which summarises potential new risks for consideration and significant movements in Directorate and Programme risk registers.

2.3.2 The quarter 4 review was undertaken on 6 May. No new risks were added to the register. Information was gathered on existing and further planned controls for the risk added at Q3 “The need to replace much of the Council’s IT hardware and software within a short timescale is constrained by the limited human resources available”. In view of the existing short term interim provision and additional permanent resource recently agreed this risk no longer represents a significant corporate threat and has been removed. It will continue to be monitored within the Transformation & Resources directorate.

## 2.4 Refresh June 2014

2.4.1 On 10 June CESG undertook a review of all existing corporate risks taking account of recent organisational changes, progress in mitigating actions and further mitigation contained in draft directorate plans for 2014/15. As a result the descriptions for a number of risks have been changed to clarify their meaning, the scores for some risks have been amended and some risks have been removed.

2.4.2 Changes to descriptions and scores are in highlighted text within the body of the register.

2.4.3 Key actions from draft directorate plans which it is considered will further mitigate corporate risks are also highlighted in the Principal Controls – Planned column

2.4.3 The following risks were removed:

*“Multiple simultaneous demands on key teams (HR, Legal, Finance etc.) exceed the available capacity.”*

(Covered by risk PE1)

*“A poor perception of the Council could deter others from working with us or cause us to be excluded from opportunities”.*

(Covered by risk GO5)

*“Lack of resilience in key partnerships”*

(Covered by reworded risk PA2)

*“The ambitions and priorities of the Council and its partners are not aligned”.*

(Covered by reworded risk PA2)

*“Effective leadership is not embedded throughout the organisation”.*

(Covered by risk PE3)

*“Low economic growth”*

(Covered by risk GO5)

*“Inability to provide match funding limits prevents us from accessing new (2014) EU funding”*

(Covered by risk GO5)

*“Failure to grasp the opportunities presented by membership of the LCR, relative to Wirral’s size and importance”*

(Covered by risk GO6)

*“Failure to maintain/protect the environment and provide suitable sites for employment and housing deters inward investment”.*

(Covered by risk GO5)

*“Uncertainty over funding post 2016”*

(Covered by risk FI1)

2.4.3 Where a risk has been removed because the threat is considered to be covered within another existing corporate risk the controls for the other risk have been reviewed and updated where appropriate.

2.4.4 When the register was presented on 18 March Members commented that the controls for the corporate safeguarding risk (CU1) did not reflect actions taken to address adult safeguarding. In the review of the register this point has been addressed.

## **2.5 Next Steps**

2.5.1 To support the review for Q1 2014/15 a report will be provided to CESG with an analysis of the risks in Directorate Service plans for 2014/15 highlighting those which have the potential to affect multiple objectives and any individual risks which have been evaluated as very significant by the Directorate concerned.

2.5.2 The report will contain greater explanation as to the evaluation of high scoring directorate and programme risks and will include any specific actions required of CESG to assist with their mitigation.

2.5.3 Future reports to this Committee on the Corporate Risk Register will focus on risks added to or deleted from the register and progress in relation to key mitigating actions.

## **3.0 RELEVANT RISKS**

3.1 The issues contained in the register are considered by Chief Executive Strategy Group to present the most significant risks to achievement of the objectives and priorities contained in the Corporate Plan. As such failure to manage them effectively could have severe implications for delivery of the Plan.

## **4.0 OTHER OPTIONS CONSIDERED**

4.1 These are not applicable in respect of this report.

## **5.0 CONSULTATION**

5.1 No specific consultation has been undertaken with regard to this report.

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

6.1 None.

## **7.0 RESOURCE IMPLICATIONS**

7.1 Whilst there are no direct implications effective management of the corporate risks will help to mitigate negative impacts on the Council's financial IT and human resources.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising directly from this report.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 There are none arising directly from this report.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising directly from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising directly from this report.

## **12.0 RECOMMENDATIONS**

12.1 That Members consider the Corporate Risk Register.

12.2 That further reports on the Corporate Risk Register be brought to future meetings of this Committee.

## **13.0 REASON FOR RECOMMENDATIONS**

13.1 Having an understanding of the Council's principal risks and their controls supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.

13.2 The provision of regular reports to this Committee on the Corporate Risk Register is a requirement of the Council's Corporate Risk Management Policy.

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## **APPENDIX**

Corporate Risk Register

## **SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee	18 March 2014
Audit & Risk Management Committee	10 June 2013
Cabinet	23 May 2013
Cabinet	2 February 2012