

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

18 MARCH 2015

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

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 these 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 Following the Quarter 2 review undertaken by the Chief Executive Strategy Group (CESG) and which was reported to this Committee on 25 November 2014 the register contained 31 risks.
- 2.2.2 As reported to this committee on 27 January a further risk 'Failure to process applications for Deprivation of Liberty Safeguards (DoLS) assessments within prescribed timescales' was added subsequent to the formal review.

2.3 Review Quarter Three 2014/15

- 2.3.1 At its meeting on 24 February the Strategic Leadership Team received the Quarter 3 Corporate Risk report from the Risk and Insurance Officer. This summarised high level risks within Directorate risk registers with an emphasis on those where officers believe that further mitigation will prove difficult. None of the risks were considered to be of corporate significance.

- 2.3.2 The report also invited the Team to evaluate two risks added to the corporate risk register within quarter 3. The Deprivation of Liberty Safeguards risk referred to in section 2.2.2 was allocated a likelihood of 4 and an impact of 3. It was decided to remove from the register the risk relating to the retirement of the previous Chief Executive given that the new Chief Executive has been appointed.
- 2.3.3 It was proposed that a further matter be added to the register – the risk of Child Sexual Exploitation (CSE). Whilst Safeguarding already features on the register the Team considered that CSE is significant enough to warrant inclusion and monitoring in its own right.
- 2.3.4 The Team also considered the information provided to this committee on 27 January concerning progress with the implementation of additional controls for the corporate risks. It was noted that although a small number of actions were behind schedule none of these was sufficiently critical to warrant amending the score for the risk in question or taking additional action.
- 2.3.5 A copy of the updated Register is appended to this report.

2.4 Governance Commissioning and Improvement Portfolio Holder Briefing

- 2.4.1 As reported to the last meeting of this committee Councillor Ann McLachlan has begun to examine a small number of the most critical corporate risks at each briefing. These examinations are structured around a summary from the Risk & Insurance Officer. Other officers with more detailed knowledge of the risks in question are also present to answer questions on the controls their effectiveness and whether further action could be taken.
- 2.4.2 The January briefing considered ‘Failure to deliver within budgets’ (FI1) ‘Use of untried / untested models’ (GO7) and ‘The scale and pace of change required could exceed our organisational capacity’ (PE1). The February briefing considered ‘Failure to ensure adequate safeguarding arrangements’ (CU1) and ‘Welfare Reforms’ (EC2).

2.5 ICT Disaster Recovery

- 2.5.1 The register contains the risk of a sustained catastrophic failure in the Council’s ICT systems. At the meeting on 27 January Members requested information concerning plans to improve ICT disaster recovery.
- 2.5.2 In response to that request the Chief Information Officer has provided the following.
- 2.5.2a The Council’s IT Services division is undertaking several strands of activity aimed at improving the Council’s resilience to disruption to information technology and communications services (pro-active Business Continuity) and its ability to recover quickly from major disruptive events (reactive Disaster Recovery).

2.5.2b A 'site recovery manager' facility is available to the Council as part of its virtualisation strategy. This facility can host some of the organisation's systems and applications, providing them with greater resilience. However, it will require the Council to identify which are its most vital systems.

2.5.2c A list of critical services was identified by the Strategic Leadership Team in late 2014 and the production of business continuity plans for these services is in progress. Once complete, an exercise will need to be conducted to identify and rank the criticality of the systems and applications which support these services and to determine the maximum tolerable period of disruption for each system. This will inform decisions as to which systems are to be hosted.

2.5.2d In addition IT Services has been evaluating a number of options for separating the Council's data centres. The current options currently being considered are:

- to establish two data centres, both located in buildings owned by the authority.
- to establish a primary data centre in a council owned building and make use of virtual 'cloud' based services to provide the back up.
- to locate one or two data centres in premises operated by public sector partner agencies within the region.
- to locate one or two data centres in commercial co-location facilities within the region.

2.5.2e The objective is to have at least one remote data centre operational by the end of December 2015. Beyond this date, there will be exercises to procure the additional services required, which will depend on the option selected.

2.5.2f Scrutiny of progress in this area is provided by the Portfolio Holder for Governance, Commissioning and Improvement, through her monthly briefings. The Chief Information Officer has also provided reports to Transformation and Resources Policy and Performance Committee.

2.6 Next Steps

2.6.1 The Strategic Leadership Team will conduct the Quarter 4 review of the register. The outcome will be reported to the next meeting of this committee.

2.6.2 The Portfolio Holder for Governance Commissioning and Improvement will consider additional significant corporate risks at her monthly briefings.

2.6.3 Information on additional controls for corporate risks will be updated with relevant projects and activities identified in Directorate plans for 2015/16. The updated risk register will be reported to this committee.

3.0 RELEVANT RISKS

3.1 The issues contained in the register are considered by the Strategic Leadership Team 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 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 None.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 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.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATIONS

13.1 That Members consider the Corporate Risk Register.

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

14.0 REASONS FOR RECOMMENDATIONS

14.1 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.

14.2 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 Quarter Three 2014/15

BACKGROUND PAPERS/REFERENCE MATERIAL

Report to Strategic Leadership Team 12 February 2015
Agenda and minutes from the Corporate Governance Group
Agenda and minutes from the Strategic Leadership Team

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee	27 January 2015
Audit & Risk Management Committee	25 November 2014
Audit & Risk Management Committee	17 September 2014
Audit & Risk Management Committee	23 June 2014