



Audit and Risk Management Committee
Monday, 26 September 2016

REPORT TITLE:	CORPORATE RISK MANAGEMENT POLICY
REPORT OF:	Chief Executive

REPORT SUMMARY

This report confirms the process behind the development of a revised Corporate Risk Management Policy. It sets out the factors that have influenced its development, describes the main proposed changes from the current document and confirms a series of actions needed for its implementation. Committee are asked to endorse the Policy and refer it to Cabinet for approval.

RECOMMENDATION/S

1. That the draft Risk Management Policy be approved and referred to Cabinet for formal adoption on behalf of the Council.
2. That regular reports on progress towards implementation of the risk management action plan be brought to this Committee

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The adoption of a revised Risk Management Policy is a key element of the Council's improved approach to managing risk.
- 1.2 In line with the governance arrangements for risk management this committee needs to maintain an oversight of developments in the Council's risk management framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Changes within the Council and in good risk management practice make it appropriate to update the risk management policy.

3.0 BACKGROUND INFORMATION

- 3.1 Like all organisations the Council has to deliver its objectives in the face of a complex and increasingly dynamic environment. The uncertainty created by that environment presents it with both opportunities and threats. So having a robust and effective framework for addressing risk and uncertainty is vital to the authority's success.
- 3.2 A key value for the Council is to be 'risk aware, not risk averse'. This makes the need for an effective approach to handling risk even more important.
- 3.3 The purpose of a risk management policy is to set out an organisation's overall attitude to risk and uncertainty to confirm its commitment to managing risk to provide a high level view of the risk management process itself and to set out corporate requirements around how risk is to be handled. It is a key element of any organisation's overall risk management framework.
- 3.4 Governance arrangements for the policy require it to be refreshed annually.

THE PROCESS

- 3.5 Under the governance structure for risk management any update to the Policy is considered by the Strategic Leadership Team (SLT) then by this Committee, before being put to Cabinet for formal adoption. The Corporate Governance Group also has a specific responsibility for considering improvements to the Council's risk management framework.
- 3.6 Several significant developments with implications for the Council's approach to managing risk have taken place in the past year. Chief amongst these are the adoption of the Wirral Plan, a new Operating Model, a revised Transformation Programme with improved governance arrangements and a move towards integrated reporting. These have been taken into account in the revised Policy document following discussions with the relevant teams.

- 3.7 Participation in the 2015 CIPFA/Alarm risk management benchmarking exercise confirmed further progress in the Council's risk management framework but highlighted areas where improvement was still needed. Other areas for improvement were identified in the annual Internal Audit investigation into the Council's risk management framework. These too have influenced the content of the revised Policy.
- 3.8 The revised document was considered by SLT on 13 September and the attached document incorporates any comments and suggestions from the Team.

PROPOSED CHANGES

- 3.9 All amendments are highlighted in shaded text within the body of the document. The principle changes are:
- Narrative and diagram for the governance of risk management revised (page 6)
 - Narrative concerning application of the policy updated to include development of Alternative Delivery Mechanisms and Pledge Strategies (page 7)
 - Table confirming when formal risk identification should be undertaken updated (page 9)
 - Confirmation that different definitions of impact and likelihood will be used for programmes and projects (page 10)
 - Table confirming responsibilities for risk review updated (pages 13 and 14)
 - Narrative on determining the acceptability of risks updated and new table included (page 15)
 - Graphic showing risk escalation process updated (page 16)
 - Table confirming risk reporting arrangements updated (pages 18 to 21)
 - Table confirming roles and responsibilities updated (pages 22 to 25)
 - Action plan updated (page 29)

ACTION PLAN

- 3.10 To respond effectively to changes within the Council and the Wirral Partnership and to address the areas for improvement highlighted by the benchmarking exercise and the Internal Audit report will require the implementation of a number of actions. These are set out in page 29 of the draft policy.

NEXT STEPS

- 3.11 If endorsed by this Committee the Policy would be submitted to Cabinet for formal adoption on behalf of the Council. It would be signed by both the Leader of the Council and the Chief Executive in order to demonstrate commitment from the top of the organisation.
- 3.12 The Policy would be disseminated through presentations to Pledge Strategy Delivery Groups and to management teams for the Business Support and Delivery Units. It would also be published on the Council Intranet and communicated through the continued roll out of the risk management E-learning courses for managers and employees.
- 3.13 The Policy will be reviewed in 2017. The review process will draw upon any future changes in the governance of the Council and the Wirral Partnership further Internal Audit reports and wider developments in good risk management practice.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from this report.

5.0 LEGAL IMPLICATIONS

- 5.1 Adoption of the Policy will support compliance with Regulation 3 (c) of the Accounts and Audit Regulations 2015.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 Improvements to the Concerto system will require some input from IT services.

7.0 RELEVANT RISKS

- 7.1 Implementation of the policy could be frustrated by the limited capacity within the Risk & Insurance team. This risk will be mitigated in part by the use of Risk Champions and through support from officers in other teams (for example Policy Performance & Scrutiny, Internal Audit and Organisational Development) in the delivery of key components of the policy.
- 7.2 If the management of risk is not considered as a standard part of the planning and delivery of strategies services and programmes it would limit the benefits envisaged in the Policy. Commitment from the Council's political and executive leadership will help to avoid this. Compliance with the policy will be verified through regular audits. In the longer term the cultural change needed would be achieved at least in part through training for officers and Members.
- 7.3 The incorporation of risk management practice into all areas of Council business will inevitably place some additional demand on the capacity of officers and Members. But this impact should be limited by incorporating risk management into existing Council processes wherever possible.

8.0 ENGAGEMENT/CONSULTATION

8.1 There has been consultation with Policy Performance & Scrutiny and Change teams.

9.0 EQUALITY IMPLICATIONS

There are none arising directly from this report.

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APPENDICES

Draft Risk Management Policy 2016

REFERENCE MATERIAL

Not applicable

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	18 March 2015
Corporate Risk Management Policy	28 January 2014
Corporate Risk Management Policy	
Cabinet	
Corporate Risk Management Policy	4 June 2015
Corporate Risk Management Policy	13 March 2014