



**COUNCILLOR
ANN MCLACHLAN
CABINET MEMBER FOR
TRANSFORMATION, LEISURE
AND CULTURE**

CABINET
7 November 2016

CORPORATE RISK MANAGEMENT
POLICY

Councillor Ann McLachlan, Cabinet Member – Transformation, Leisure and Culture said:

‘Effective risk management is a key element of good corporate governance. As with other areas of governance the Council’s approach to managing risk has improved greatly in recent years.’

‘But it is important that our approach supports how the Council is seeking to deliver the outcomes in the Wirral Plan and reflects developments in good practice’.

REPORT SUMMARY

This report confirms the process behind the annual update to the Council’s Corporate Risk Management Policy and sets out the factors that have influenced its development in particular the application of risk management to support delivery of Wirral Plan strategies. The Policy was approved by Audit & Risk Management Committee on 26 September. In accordance with Cabinet’s ultimate responsibility for corporate governance Members are invited to consider and formally adopt the Policy on behalf of the Council

This matter affects all Wards within the Borough.

RECOMMENDATION

That the revised Corporate Risk Management Policy be formally adopted.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 The adoption of a refreshed Risk Management Policy is a key element of the Council's improved approach to managing risk

2.0 OTHER OPTIONS CONSIDERED

- 2.1 None. Changes within the Council and in good risk management practice make it appropriate to adopt a revised Risk Management Policy.

3.0 BACKGROUND INFORMATION

INTRODUCTION

- 3.1 The Council, like all organisations, 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 Amongst the Council's key values and behaviours are that it will 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.

THE PROCESS

- 3.4 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 move towards integrated reporting. These have been taken into account in the revised Policy document following discussions with the relevant teams.
- 3.5 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
- 3.6 As required by the governance structure for risk management the revised Policy was considered by the Strategic Leadership Team (SLT) on 13 September and was approved by Audit & Risk Management Committee on 26 September.

PROPOSED CHANGES

- 3.7 All amendments are highlighted in shaded text within the body of the document.

ACTION PLAN

- 3.8 To respond effectively to changes within the Council and the Wirral Partnership and to address the areas for improvement highlighted by the benchmarking exercise in 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

- 3.9 If adopted by Cabinet the Policy 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.
- 3.10 The Policy would be disseminated through roll out the Council's revised approach to business planning, through presentations to Wirral Plan Pledge Strategy Groups, publication on the Council Intranet and through completion by managers and staff of the mandatory risk management e-Learning courses.
- 3.11 The Policy will be reviewed in 2017. The review process will draw upon any further changes to the governance and structure of the Council the output from future 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: STAFFING, ICT AND ASSETS

- 6.1 Improvements to the Concerto system referred to within the action plan on page 29 of the Policy 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 Consultation undertaken in drafting the revised policy is as indicated in paragraphs 3.4 – 3.6

9.0 EQUALITY IMPLICATIONS

9.1 There are no direct equality implications

REPORT AUTHOR: Mike Lane

Manager: Risk and Insurance
telephone: (0151) 666 3413
email: mikelane@wirral.gov.uk

APPENDICES

Corporate Risk Management Policy 2016

REFERENCE MATERIAL

Not applicable

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|----------------------------------|-------------------|
| Audit & Risk Management | 26 September 2016 |
| Corporate Risk Management Policy | 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 |