



**Audit and Risk Management Committee**  
**Monday, 25 September 2017**

<b>REPORT TITLE:</b>	<b>CORPORATE RISK MANAGEMENT POLICY</b>
<b>REPORT OF:</b>	<b>Chief Executive</b>

**REPORT SUMMARY**

This report confirms the process behind the revision of the Council's Risk Management Policy. It sets out the factors that have influenced its development, describes the main proposed changes from the current document and highlights an initiative that will affect the policy in future. 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 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 The Council has committed itself to an annual refresh of the policy. Changes within the Council and in good risk management practice also make it appropriate to update the document.

### **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 an 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 changes to the Council's risk management framework.
- 3.6 A number of significant changes were made to the Policy document in 2016 reflecting the adoption of the Wirral Plan the new Operating Model and the revised governance arrangements for the Transformation Programme. Changes in the structure and governance of the Council and the Wirral Partnership since then have been modest (although one further structural

change came into effect on 1 September). Those changes which need to be reflected in the Policy have been confirmed through meetings which the Senior Risk and Insurance officer has held with the Intelligence Team, Transformation Office and Internal Audit. These have been incorporated into the revised draft document.

- 3.7 Recommendations from the annual Internal Audit investigation into the Council's risk management framework published in June 2017 have been taken into account in the revised Policy.
- 3.8 The revised document was considered by the Corporate Governance Group on 16 August and by SLT on 5 September. The attached document incorporates their comments and suggestions.

### **PROPOSED CHANGES**

- 3.9 A copy of the revised document is appended to this report. Significant amendments are highlighted in shaded text within the body of the document. However they are also indicated below:
- Updated narrative for the and 'Drivers for Improvement' (page 2)
  - Table of formal risk identification activity updated to refer to 'Lead Commissioner' as opposed to 'Pledge Sponsor' in relation to pledge strategies (page 9)
  - Table of formal risk review activity updated to refer to 'Lead Commissioner' as opposed to 'Pledge Sponsor' in relation to pledge strategies and minimum review frequency changed to 6 months (page 14)
  - Graphic showing risk escalation process amended to clarify risks to be considered by the Strategic Leadership team (page 16)
  - Inclusion of reference to Lead Commissioners for pledge strategies in table of risk reporting arrangements (page 21)
  - Amendment to responsibilities of the Corporate Governance Group (page 23)
  - Action plan updated (page 29)

### **GOVERNANCE REVIEW**

- 3.10 The Director for Corporate Resources & Reform has initiated a review of the Council's corporate governance arrangements. Part of the review will address how consideration of risk informs decision-making and arrangements for reporting risk information. The recommendations which result from that review could have significant implications for the Council's risk management framework which will in turn need to be reflected in the next revision of the Policy.

### **ACTION PLAN**

- 3.11 To respond to internal changes and to address the recommendations 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**

- 3.12 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.
- 3.13 The Policy would be disseminated through presentations to Pledge Strategy Delivery Groups and to management teams. 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.
- 3.14 The Policy will be reviewed in 2018. The review process will take account of the governance review indicated in paragraph 3.10 the next Internal Audit of the risk management framework 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 4(2) of the Accounts and Audit (England) Regulations 2011.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

- 6.1 Improvements to the Concerto system would require input from the Council's Digital team.

## **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 Intelligence, 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.

## 8.0 ENGAGEMENT/CONSULTATION

8.1 There has been consultation with the Intelligence Team the Transformation Office, Internal Audit, the Corporate Governance Group and the Strategic Leadership Team.

## 9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

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## APPENDICES

Risk Management Policy 2017

## REFERENCE MATERIAL

Not applicable

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee	26 September 2016
Corporate Risk Management Policy	18 March 2015
Corporate Risk Management Policy	28 January 2014
Cabinet	
Corporate Risk Management Policy	7 November 2016
Corporate Risk Management Policy	4 June 2015
Corporate Risk Management Policy	13 March 2014