



**COUNCILLOR
PHIL DAVIES**

CABINET
6 NOVEMBER 2017

CORPORATE RISK MANAGEMENT
POLICY

Councillor Phil Davies, 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 appends a draft revised version of this document. The Policy was approved by Audit & Risk Management Committee on 25 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.

RECOMMENDATION

That the revised Corporate Risk Management Policy be formally adopted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

- 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 Cabinet is responsible for formally adopting any updated version of the Policy.

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 risk management practice also make it appropriate to update the document.

3.0 BACKGROUND INFORMATION

INTRODUCTION

- 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.

THE PROCESS

- 3.4 Under the governance structure for risk management any update to the Policy is considered by the Strategic Leadership Team (SLT) then by Audit & Risk Management 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.
- 3.5 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. The more modest changes in the structure and governance of the Council since then 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.

3.6 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.

3.7 The revised document was considered by the Corporate Governance Group on 16 August and by SLT on 5 September. It was subsequently approved by Audit & Risk Management Committee on 25 September.

PROPOSED CHANGES

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

GOVERNANCE REVIEW

3.9 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

3.10 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

3.11 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.

3.12 The Policy would be disseminated through visits to individual management teams, through presentations to Wirral Plan Pledge Strategy Groups, publication on the Council Intranet and through completion by managers and staff of the Council's risk management e-Learning courses.

3.13 The Policy will be reviewed in 2018. The review process will draw upon the output from future Internal Audit reports wider developments in good risk management practice and any further changes to the governance and structure of the Council especially those arising from the Governance Review referred to in paragraph 3.9 above.

4.0 FINANCIAL IMPLICATIONS

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

5.0 LEGAL

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: STAFFING, ICT 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 continued embedding 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 and Internal Audit. The Policy has also been considered by the Corporate Governance Group.

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)

Council Meeting	Date
Audit & Risk Management	
Corporate Risk Management Policy	25 September 2017
Corporate Risk Management Policy	26 September 2016
Corporate Risk Management Policy	18 March 2015
Cabinet	
Corporate Risk Management Policy	7 November 2016
Corporate Risk Management Policy	4 June 2015