



Audit and Risk Management Committee
Monday, 12 March 2018

REPORT TITLE:	CORPORATE RISK REGISTER
REPORT OF:	Director of Finance and Investment

REPORT SUMMARY

The Council is improving and modernising its arrangements for corporate governance. The risk management framework is a key element of those arrangements. To support the wider programme and to respond to changes both within the Council and the wider environment I am proposing a number of amendments to the risk management framework. This progress report deals specifically with proposals for a revised approach to the oversight of the Council's corporate risks.

RECOMMENDATION/S

That Members consider the proposals and whether they provide assurance that the arrangements will be sufficient to support the effective governance of the organisation.

That proposals for other improvements to the risk management framework be brought to future meetings of the committee for the consideration of Members.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The organisation's attitude to risk and its arrangements for managing risk are a major component of corporate governance. Those arrangements should provide assurance to those charged with the oversight of governance that the uncertainties faced by the Council in seeking to deliver the Wirral Plan and associated pledges are understood and are being mitigated.
- 1.2 Having an understanding of the arrangements for the identification and oversight of the Council's principal risks supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 None.

3.0 BACKGROUND INFORMATION

- 3.1 To ensure that the Council's risk management framework supports the needs of the organisation now and into the future, improvements are needed to a number of elements of the framework. Proposed improvements will be put to Members in the coming months. This initial report deals specifically with proposals for the corporate risk register.
- 3.2 The Council's corporate risks are those which present the greatest threat to the delivery of its overall objectives. As such the Council's political and executive leadership are responsible for ensuring that the risks are understood and effectively controlled.
- 3.3 The existing Corporate Risk Register was the result of an exercise undertaken with the Strategic Leadership Team (SLT) in 2016 following adoption of the Wirral Plan.
- 3.4 Since the creation of the current register it has been reviewed by SLT each quarter. Those reviews have considered progress in relation to the management of the existing corporate risks and emerging risk areas for possible addition to the register.
- 3.5 The degree of change within the Council, the complexity and speed of change in the wider environment, uncertainties over future funding and the need to ensure the long term sustainability of the organisation mean that the existing arrangements for oversight of our corporate risks require further development.

PROPOSED CHANGES

- 3.6 The proposals are intended to position risk as a driver for the work of the Strategic Leadership Team and through more frequent and robust scrutiny deliver enhanced assurance that they are being effectively controlled.
- 3.7. The corporate risk register would be refreshed within the first quarter of 2018/19. The process would begin with an examination of risks to the delivery of 2018/19 service plans and to the Change Programme in order to identify individual critical risks and those common to multiple areas which collectively could pose a threat of corporate significance. This analysis would be supplemented by consideration of the existing strategic risks and a facilitated discussion aimed at capturing any corporately significant risks which had not been identified in the initial exercise. The result of this would be a revised register focussed on more specific and immediate risks which in turn were more tightly defined.
- 3.8 Recognising that the Council's risk profile can develop quickly given the scale and speed of internal and external change SLT would in future formally review and challenge the management of corporate level risks every month under a specific agenda item. This would be led by the Director of Corporate Resources and Reform. Assurance would be provided and weaknesses in controls identified through consideration of a performance 'dashboard' for existing corporate risks. The Team would also consider risks escalated from individual directorates and programmes for possible addition to the register and ownership by the Team.
- 3.9 Within the agenda item members of the Team would review and challenge the effectiveness of the existing controls for risks. Where it was agreed that additional or alternative action was needed to mitigate a risk to an acceptable level the responsibilities for such actions would be recorded and progress monitored in future monthly meetings. Decisions would also be taken as to whether escalated risks should be added to the register or existing risks de-escalated to directorate or programme risk registers. Those decisions would be recorded and communicated to the officers involved.
- 3.10. To support the escalation process the risk registers for all main functional areas of the Council and all programmes would be reviewed and updated monthly. Compliance would be monitored and failures to comply reported to SLT and to this committee.
- 3.11 In addition to the formal monthly process, risk would be a standing agenda item for each weekly SLT meeting. This would provide the opportunity for consideration of fast-moving newly identified risks and urgent discussion required in relation to existing corporate risks.

ADDITIONAL ACTIONS REQUIRED

- 3.12 To support the implementation of the above arrangements a number of other actions would be taken.

- 3.12.1 There are a number of risks generated by the Council's business as usual activity which have potentially critical impacts. Some of these are represented on the existing corporate risk register. Examples might include a significant failure in health and safety management, the collapse of a critical supplier or a major failure in information security. I am proposing greater formal oversight of critical operational risks. This could be delivered through regular scrutiny by a new Operational Board which is being proposed as part of the wider Governance Review. The Board would escalate to SLT concerns around any weaknesses in the effectiveness of controls.
- 3.12.2 Each main functional area of the Council would be required to identify an individual to act as the areas risk management resource. The role of the officers concerned would be to support management teams to develop refresh and review their risk registers to meet with the Senior Risk and Insurance Officer as a group each month to review and challenge risk registers and to prepare the risk dashboard and notes on risks for escalation to SLT. To support these officers in discharging their responsibilities they would be provided with training in key risk management principles and tools.
- 3.12.3 Alternative models for the format and content of the new corporate risk performance dashboard would be investigated and a preferred option put forward for endorsement by SLT. A standard format for the briefing note to be used to escalate risks to SLT and a set of criteria to help guide decisions on escalated risks would also be developed.
- 3.12.4 SLT would be briefed on the responsibilities of senior executive teams in relation to the effective management of risk and current best practice in this field. This will provide them with sufficient knowledge to challenge each other to ensure that those responsibilities are effectively discharged when the committee holds them to account.
- 3.12.5 Members of this committee would also be briefed on the format and content of the new corporate risk dashboard to ensure that they can effectively discharge their responsibilities for oversight of this component of the risk management framework.

STATUS OF KEY CONTROL ACTIONS FOR CURRENT CORPORATE RISKS

- 3.13 Members may recall that the document appended to my last Corporate Risk Register: Update report was not the status report which had been provided to SLT on 28 November 2017. Whilst the correct document was circulated subsequently a copy is also appended to this report as a matter of record.

4.0 FINANCIAL IMPLICATIONS

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

5.0 LEGAL IMPLICATIONS

- 5.1 There are no direct implications arising from this report

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 The revised arrangements would create additional demands on the capacity of the Senior Risk and Insurance Officer.

7.0 RELEVANT RISKS

7.1 The implementation of revised arrangements could be frustrated by limited capacity of the Senior Risk and Insurance Officer. This should be mitigated to a degree by having a level of risk management resource and knowledge within each main functional area of the Council.

8.0 ENGAGEMENT/CONSULTATION

8.1 The proposals will also be put to the Strategic Leadership Team and the Governance Review - Task and Finish Group.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

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APPENDICES

2017/18 CRR Controls 281117

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	29 th January 2018
Audit & Risk Management Committee	21 st November 2017
Audit & Risk Management Committee	25 th September 2017
Audit & Risk Management Committee	12 th June 2017