



Audit and Risk Management Committee
Monday, 18 November 2019

REPORT TITLE:	Corporate Risk Management Update
REPORT OF:	Director of Finance and Investment

REPORT SUMMARY

An update on current risk management arrangements and the plans for work to further embed the arrangements for managing risk across the Council, following the appointment of the Risk, Continuity and Compliance Manager on 1st October 2019.

RECOMMENDATION

That the report be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the committee to understand the Authority's most significant risks, the associated mitigating controls and the risk management framework in order to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND INFORMATION

- 3.1 It is just over 12 months since the report to this Committee about the improvements needed to the Council's approach to managing risk. Work has focussed on enhancing arrangements for greater ownership of risk amongst executive and political leaders and greater accountability for the management of risks. This has included creating more capacity to support the risk management process and improved reporting arrangements to ensure that the corporate risk register reflects the most significant risks to delivery of the Council's objectives
- 3.2 As was reported at the ARMC meeting in September the Corporate, Directorate and Programme Management Office risk registers are being regularly updated. In the case of service departments this has followed the linkage of risk management processes to the service planning process for 2019/20. Information on these risk registers is also included in the performance reporting available to directors and managers via the use of the Power BI tool. The Risk Management Support Officers (RMSO) Group has met on a monthly basis and helps to strengthen of the Council's risk management arrangements within directorates.
- 3.3 The revised Corporate Risk Register (CRR) has been reported to the last two committee reports in July and September. The latest version is attached as an appendix to this report.

Current Update

- 3.4 The new Risk, Continuity and Compliance (RC&C) Manager started with the Authority on 1st October 2019. During these initial weeks, time is being spent carrying out an appraisal of the current arrangements for managing risk. This has included attending SLT, Corporate Governance Group and the October meeting of the RMSO Group. In addition, the RC&C Manager is holding individual meetings with Directors and the Risk Management Support Officers. Discussions have focussed on understanding the application and operation of the risk framework across the Council.

- 3.5 One key change recommended has involved the shift from monthly to quarterly update of the Corporate and Directorate Risk Registers. This will allow more time to focus on the content of the risk registers as opposed to merely complying with the process.
- 3.6 Directorates can review their risks more regularly but the reporting of updates to both the CRR and Directorate Risks will be aligned to the ARMC meetings.
- 3.7 Several of the Corporate Risks have seen specific work involving the RC&C Manager:

Corporate Risk 14 Health and Safety - a mechanism for identifying and monitoring the health and safety risks across the Council is in development. A review has been commissioned from Zurich Risk Engineering, with costs to be covered by the existing Risk Management fund held by Zurich Risk Engineering. This includes a comparative gap analysis against relevant legislation alongside a deep dive into key service areas to identify areas of both positive and negative safety compliance and culture.

Corporate Risk 15 Information Management – a risk workshop was held on 30th October to identify the key information risks across the Council which will form the basis of an Information Risk Register monitored and maintained by the Information Governance Board.

Corporate Risk 16 Climate Emergency – work continues on this risk to confirm the focus of the risk to the Council and capture the existing and planned mitigations.

- 3.8 A workshop with the subgroup of this committee was planned for 14th October 2019. Unfortunately, due to unforeseen circumstances, only the Chair was able to attend. A new Corporate Risk around the issues of compliance was suggested and discussions have been taking place with key officers to develop the risk wording - Risk 17. Compliance – *Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health & safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to financial penalty and ultimately loss of life.* This will continue alongside the review of all the Corporate Risks. Future member workshops are also planned.

Further action planned

- 3.9 Work will continue to review the risk management processes, template and streamline reporting with improved links with the management information reporting. This will include an examination of the risk scoring, both the levels and the methods. This will link to work on developing and understanding the Council's risk appetite and tolerance.
- 3.10 A detailed review of the Corporate Risks will be undertaken to ensure they accurately express the concerns of the organisation as well as beginning the alignment of the risks with the new Wirral Council Plan 2025 priorities.
- 3.11 This review will include the development of target scores for each risk which will help to draw out the risk appetite and tolerance of political and executive leaders for each of the revised corporate risks.

3.12 A programme of risk management training will be developed, including member workshops.

4. FINANCIAL IMPLICATIONS

4.1 There are no immediate financial implications arising directly from this report.

5. LEGAL IMPLICATIONS

5.1 There are no immediate legal implications arising directly from this report.

The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven new core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

6. RESOURCE IMPLICATIONS

6.1 There are no immediate resource implications arising directly from this report.

7. RELEVANT RISKS

7.1 Without robust risk management procedures in place there is a danger that the Council will fail to identify, understand and monitor key strategic and operational risks. An ineffective and poorly established risk management framework prevents the optimisation and balanced approach between risk taking and control, leading to ineffective assurance and missed opportunities. The consequence of both is that risks are not considered in decision-making which could have serious financial, reputation and resource implications.

8. ENGAGEMENT/CONSULTATION

8.1 No specific consultation has been undertaken with regards to this report.

9. EQUALITY IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to:

- Have no impact on emissions of CO2

REPORT AUTHOR: Helen Turner
Risk, Continuity and Compliance Manager
telephone: 0151 666 3408
email: helenturner@wirral.gov.uk

APPENDICES

Corporate Risk Register

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee Improvements to the Corporate Risk Management Framework	23 July 2018
Development of the Revised Corporate Risk Register	24 September 2018
Development of the Revised Corporate Risk Register	19 November 2018
Development of the Revised Corporate Risk Register	28 January 2019
Development of the Revised Corporate Risk Register	11 March 2019
Update of the Corporate Risk Register	22 July 2019
Update of the Corporate Risk Register	23 September 2019