



AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 9 March 2021

REPORT TITLE:	CORPORATE RISK MANAGEMENT UPDATE
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report provides an update on the Council's risk management arrangements and areas of risk management focus over the coming year.

This matter affects all Wards within the Borough. It is not a key decision.

RECOMMENDATION/S

Members of the Audit and Risk Management Committee note the report.

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 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 Given the short reporting period between this meeting and the last update to the Committee there is limited change in position to report. Work is progressing in many areas however the third national lockdown and preparations for the relaxing of measures has led to some interruptions and distractions with some developments and activity being delayed.

Member Risk Sub-Group

- 3.2 A session was held on the 9th of February with the Chair and Spokespersons of the Committee. It consisted of a short training and development session on the basics of risk management and the framework used across the Council, followed by a discussion on the list of Corporate Risks and other areas of concern and interest.
- 3.3 Discussions included considering the role of the Committee and the amount of detail available and presented to this and the service committees, particularly in relation to risks at a directorate level.
- 3.4 Future meetings will be arranged around the calendar of committee meetings for 2021/22. Suggested subjects for discussion are the consideration of the risk appetite for the organisation, the balance of high impact/low likelihood risks as well as options for a "deep dive" into specific risks to gain an understanding and assurance of the processes and practices in place.

Corporate and Directorate Plans and Risk Registers

- 3.5 Discussions have been ongoing in February to agree the Council priorities and key activities for the year ahead. This includes at a Directorate Management Team level where directorate priorities and the potential risks associated with their delivery are being captured and considered alongside the list of Corporate Risks.
- 3.6 Discussions include the development of the underpinning performance framework for performance measures and discussions on what, where and how frequently high-level information will be reported.
- 3.7 Consideration is also being given to the reporting lines for escalation of issues and risks. The Organisational Performance Group, chaired by the Director of Neighbourhood Services, will act as a conduit for directorates to share information

and escalate issues/risks as well as areas for collaboration to the Senior Leadership Team. It will also be able to refer items to the Corporate Governance Group for more detailed investigation and challenge.

Update on a Selection of Corporate Risks

- 3.8 A number of the Corporate Risks need to be reconsidered following significant activity over recent months. A list of the Corporate Risks is available within the attached appendix.
- 3.9 *CRR16 Capitalisation Directive* – following the offer of 'exceptional financial support' from the Ministry of Housing, Communities and Local Government (MHCLG) in February this risk will be refocussed to reflect the new position.
- 3.10 *CRR22 Health and Safety (H&S) Management* – despite the impact of COVID-19 work is progressing with key actions laid out in an H&S Improvement Plan 2020-22. The need for H&S risk assessments related to COVID-19 has led to an improved awareness and understanding of H&S issues and responsibilities across the Council. Further work is planned in terms of a revised H&S Policy and Strategy, a learning, development, and awareness programme as well as Service H&S Risk Registers to be maintained and managed at the Assistant Director level.
- 3.11 Work is progressing on Internal Audit reports in relation to several Corporate Risks: *CRR17 Financial Resilience*, *CRR23 Cyber Security* and more generally across several pieces of audit work in relation to *CRR18 Non-compliance with Policies and Procedures*. The output of these pieces of work will provide an assessment of the current position in relation to these risks and inform the key actions to be focussed on in the coming year.
- 3.12 *CRR05 Response to a Crisis/Disruptive Incident (both internal and external)* – throughout the COVID-19 response services have been reminded to ensure that their ability to respond to a disruptive incident is maintained. A classic business continuity incident: the loss of a key site or a major IT failure are always possible even during a pandemic. The move of so many staff to working from home places even greater reliance on our IT capabilities and at a greater risk of disruption in the event of a major IT failure. This links with *CRR23 Cyber Security*.
- 3.13 Three risks will drop down a level to be managed within the relevant Directorate Risk Register: *CRR3 Brexit Implications*, *CRR10 Infection Control in Social Care Settings* and *CRR21 Transition to a new Committee System*.
- 3.14 An updated list of Corporate Risks with scores and planned actions will be presented to the next Committee, as discussed at the Risk Sub-Group.

4.0 FINANCIAL IMPLICATIONS

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

5.0 LEGAL IMPLICATIONS

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

5.2 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).

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

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

7.0 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.

7.2 Risk management arrangements for the Council form part of the key controls for the Corporate Risk *CRR20 – Effective Governance*.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity. No equality issues arising 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 Greenhouse Gases

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APPENDICES

Appendix 1 – Corporate Risk Register Summary

BACKGROUND PAPERS

Risk Management Policy

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
Update of the Corporate Risk Management Arrangements	18th November 2019
Corporate Risk Management Update	27th January 2020
Risk Management Update	10 th March 2020
Corporate Risk Register Update	16 th November 2020
Corporate Risk Management Update	25 th January 2021